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ID Number: 143298



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

LIMITED LIABILITY COMPANY

**ARTICLES OF AMENDMENT TO
ARTICLES OF ORGANIZATION**

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV
2011 AUG 10 AM 9:32

Pursuant to the provisions of Section 7-16-12 of the General Laws of Rhode Island, 1956, as amended, the undersigned limited liability company hereby amends its Articles of Organization as follows:

1. The name of the limited liability company is:

Merchants Village Associates II, LLC

2. The Articles of Organization of the limited liability company as amended or restated to date are amended as follows:

[Insert Amendment(s)]

(If additional space is required, please list on separate attachment)

See attached.

3. The effective date of this amendment, if later than the date of the filing of these Articles of Amendment, is:

(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

Under penalty of perjury, I declare and affirm that I have examined these Articles of Amendment, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: August 9, 2011

Merchants Village Associates II, LLC

Print Name of Limited Liability Company

FILED

By

[Signature]
Signature of Authorized Person

143298 2011

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BY 149987 9:32

1. The Articles of Organization are amended as follows:

“Note, Mortgage Security Agreement, Regulatory Agreement and HUD loan documents” shall refer to all documents executed in connection with a refinance of a multifamily housing project owned by the LLC and located at 25 Clark Street, Westerly, RI pursuant to a HUD commitment dated June 10, 2011 as amended.

- a. If any of the provisions of the organizational documents conflict with the terms of the note; mortgage, deed of trust or security deed; security agreement or HUD Regulatory Agreement ("HUD Loan Documents"), the provisions of the HUD Loan Documents will control.
- b. No provision required by HUD to be inserted into the organizational documents may be amended without prior HUD approval, so long as HUD is the insurer or holder of the note.
- c. No provision in the organizational documents that results in any of the following will have any force or effect without the prior written consent of HUD:
 - (1) Any amendment that modifies the term of the LLC;
 - (2) Any amendment that activates the requirement that a HUD previous participation certification be obtained from any additional member;
 - (3) Any amendment that in any way affects the note, mortgage, deed of trust or security deed, and security agreement on the Project or the Regulatory Agreement between HUD and the LLC;
 - (4) Any amendment that would authorize any member other than the Manager or pre-approved Successor Manager to bind the LLC for all matters concerning the project which require HUD's consent or approval;
 - (5) A change in the Manager or pre-approved Successor Manager of the LLC; or
 - (6) Any change in a guarantor of any obligation to the Secretary.
- d. The LLC is authorized to execute a note, mortgage, deed of trust or security deed and security agreement in order to secure a loan to be insured by the Secretary and to execute the Regulatory Agreement and other documents required by the Secretary in connection with the HUD-insured loan.
- e. Any incoming member must as a condition of receiving an interest in the LLC agree to be bound by the note, mortgage, security agreement, the Regulatory Agreement and any other documents required in connection with the HUD-insured loan to the same extent and on the same terms as the other members.
- f. Notwithstanding any other provisions, upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person who is not bound by the Regulatory Agreement in a manner satisfactory to the Secretary.
- g. The members, and any assignee of a member are liable in their individual capacity to HUD for:
 - (1) Funds or property of the Project coming into its possession, which by the

provisions of the Regulatory Agreement, the person or entity is not entitled to retain;

(2) Its own acts and deeds, or acts and deeds of others which it has authorized, in violation of the provisions of the Regulatory Agreement;

(3) The acts and deeds of affiliates, as defined in the regulatory Agreement, which the person or entity has authorized in violation of the provisions of the Regulatory Agreement; and

(4) As otherwise provided by law.

h. The LLC shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of HUD.

i. The LLC has designated ROBERT E. LIGUORI as its official representative for all matters concerning the project which require HUD consent or approval. The signature of this person will bind the LLC in all such matters. The LLC may from time to time appoint a new representative to perform this function, but within 3 business days of doing so, will provide HUD with written notification of the name, address, and telephone number of its new representative. When a person other than the person identified above has full or partial authority of management of the project, the LLC will promptly provide HUD with the name of the that person and the nature of the that person's management authority.