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FIRST AMENDMENT
TO
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP
OF
L. W. ASSOCIATES - EAGLE III L. P.

This first amendment to the Agreement and Certificate of Limited Partnership is made as of this 20th day of December, 1989, by and between PROPERTY ADVISORY GROUP, INC., a Rhode Island corporation, with an office at 95 Sockanosset Crossroad, Suite 307, Cranston, Rhode Island 02920, as General Partner, and Robert R. Gaudreau, with an office at 63 Sockanosset Crossroad, Suite 2C, Cranston, Rhode Island 02920, as Limited Partner.

The undersigned, desiring to amend the Agreement and Certificate of Limited Partnership dated October 19, 1989 and filed with the Secretary of State of Rhode Island on November 2, 1989 (the "Partnership Agreement") of L. W. Associates - Eagle III L. P., a Rhode Island limited partnership (the "Partnership") hereby agree, in accordance with the provisions of Chapter 13 of Title 7 of the General Laws of Rhode Island, (the "Act"), that the partnership agreement is amended as follows:

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In 5.5 the language "prepay in whole or in part, refinance, recast, increase, modify or extend any mortgage affecting the Project, provided, the Mortgagee, HUD and/or RIHMFC delivers written approval;" shall be changed to read "prepay in whole or in part, refinance, recast, increase, modify or extend any mortgage affecting the Project, provided, U. S. Housing and Urban Development, herein after referred to as HUD, and Rhode Island Housing and Mortgage Finance Corporation, herein after referred to as RIHMFC, deliver prior written approval;

In 5.6 the language "enter into, perform and carry out contracts of any kind in connection with, or incident to the accomplishment of the purposes of the Partnership, specifically including, but not limited to, the execution and delivery of a Regulatory Agreement, if applicable, Mortgage Note, Mortgage Deed, Housing Assistance Payment Contract and all other agreements, certificates, instruments or documents required in connection with the purchase, maintenance and operation of the Project or otherwise required by such agencies in connection with the Project;" shall be changed to read "enter into, perform and carry out contracts of any kind in connection with, or incident to the accomplishment of the purposes of the Partnership, specifically including, but not limited to, the execution and delivery of a Regulatory Agreement, if applicable, Mortgage Note, Mortgage Deed, Housing Assistance Payment Contract and all other agreements, certificates, instruments or documents required in connection with the purchase, maintenance and operation of the Project;"

In 5. (b) the language "Approvals for Authorized Acts. All actions within the purposes of the Partnership shall be approved in the following manner, and all documents and/or agreements in furtherance thereof shall be executed by any General Partner acting along." shall be changed to read "All actions taken that are within the purposes of the Partnership shall be approved in writing by the General Partner, and all documents and/or agreements in furtherance thereof shall be executed by the General Partner (hereby empowered to do so) on behalf of the Partnership."

In 14.5 the language "Except as otherwise expressly provided in this Agreement, no partner shall have the right to demand the return of his, her or its contribution to the capital of the Partnership or any part thereof, until the Partnership has been dissolved and terminated and no partner other than cash in return for his, her or its contribution. Each partner expressly waives the right (if any) to bring an action in any court for partition of any real property owned by the Partnership." shall be changed to read "Except as otherwise expressly provided in this Agreement, no partner shall have the right to demand the return of his, her or its contribution to the capital of the Partnership or any part thereof, until the Partnership has been dissolved and terminated. Each partner expressly waives the right (if any) to bring an action in any court for partition of any real property owned by the Partnership."

In 15.1 the language "The Partner shall be bound by the terms of any HUD regulations regarding a Regulatory Agreement, Mortgage Note, Mortgage Deed, Housing Assistance Payments Contract and any other agreement, instruments or documents of the Partnership, but shall not be personally liable for the payment of all or any part of the indebtedness secured by any such Mortgage Note. Any incoming partner shall, as a condition of receiving any interest in the Partnership, agree to be so bound by the terms of any HUD regulations as stated above and required in connection with any loan to the same extent and on the same terms as the other partners. Upon any dissolution of the Partnership, or any transfer of the property, no title or right to the possession and control of the property and no right to collect the rents therefrom shall pass to any person or entity who is not, or does not become, bound by any outstanding and applicable HUD regulations regarding the Project in a manner satisfactory to the then Secretary of HUD and any agreements entered into pursuant to such regulations shall be binding upon and shall govern the rights and obligations of the partners, and their respective successors and assigns so long as a HUD held and/or insured Note is outstanding and unpaid, and/or for the duration of any Housing Assistance Contracts, including any extension thereof." shall be changed to read "The Partner shall be bound by

the terms of any HUD regulations regarding a Regulatory Agreement, Mortgage Note, Mortgage Deed, Housing Assistance Payments Contract and any other agreement, instruments or documents of the Partnership, but shall not be personally liable for the payment of all or any part of the indebtedness secured by any such Mortgage Note. Any incoming partner shall, as a condition of receiving any interest in the Partnership, agree to be so bound by the terms of any HUD regulations as stated above or required in connection with any loan and to the same extent and on the same terms as the other partners. Upon any dissolution of the Partnership, or any transfer of the property, no title or right to the possession and control of the property and no right to collect the rents therefrom shall pass to any person or entity who is not, or does not become, bound by any outstanding and applicable HUD regulations regarding the Project in a manner satisfactory to the then Secretary of HUD and any agreements entered into pursuant to such regulations shall be binding upon and shall govern the rights and obligations of the partners, and their respective successors and assigns so long as a HUD held and/or insured Note is outstanding and unpaid, and/or for the duration of any Housing Assistance Contracts, including any extension thereof."

The following is added to the Agreement: "15.2 As long as the Secretary of the U. S. Housing and Urban Development ("HUD"), or his successors or assigns, is the insurer or holder of any mortgage on Eagle Apartments, Phase III, FHA No. 016-44039, no amendment to this L. W. Associates - Eagle III L. P. Certificate and Agreement which results in any of the following shall be of force or effect without the prior written consent of HUD: (1) any amendment which modifies the duration of the partnership agreement; (2) any amendment which results in the requirement that a HUD prior participation certification be obtained for any additional party; and (3) any amendment which in any way impacts or affects the HUD mortgage or Regulatory Agreement."

In 17.2 the language "A Limited Partner shall not have the right to substitute an assignee or transferee as a Limited Partner in its place. The General Partners shall, however, have the right to permit such assignee or transferee to become a Substitute Limited Partner in compliance with HUD rules and regulations. Any such approved assignee or transferee shall, as a condition of becoming a Substitute Limited Partner, agree to be bound by the provisions of this Agreement, and shall also agree to accept such other terms and conditions as the General Partners in their sole discretion may require. Each Substitute Limited Partner shall execute instruments as shall be required by the General Partner to signify its agreement to be bound by all

provisions of this Agreement as last amended. Provided, however, nothing herein contained shall prevent the Limited Partner from assigning, transferring or bequeathing his interest as a Limited Partner to a member of his immediate family who is not a minor nor legally incompetent." shall be changed to read "A Limited Partner shall not have the right to substitute an assignee or transferee as a Limited Partner in its place. The General Partners shall, however, have the right to permit such assignee or transferee to become a Substitute Limited Partner in compliance with HUD and RIHMFC rules and regulations. Any such approved assignee or transferee shall, as a condition of becoming a Substitute Limited Partner, agree to be bound by the provisions of this Agreement, and shall also agree to accept such other terms and conditions as the General Partners in their sole discretion may require. Each Substitute Limited Partner shall execute instruments as shall be required by the General Partner to signify its agreement to be bound by all provisions of this Agreement as last amended. Provided, however, nothing herein contained shall prevent the Limited Partner from assigning, transferring or bequeathing his interest as a Limited Partner to a member of his immediate family who is not a minor nor legally incompetent."

In 27. the language "Amendments. This Agreement and Certificate of Limited Partnership may be amended at any time (upon prior approval of HUD) by the unanimous consent of all partners (Limited and General)." shall be changed to read "Amendments. This Agreement and Certificate of Limited Partnership may be amended at any time (upon prior approval of HUD and RIHMFC) in accordance with the provisions hereof."

IN WITNESS WHEREOF, the parties hereto have set their duly authorized signatures as of the day and year first above written.

Witness:

Donna L. Lewis

General Partner:

PROPERTY ADVISORY GROUP, INC.

By: John B. Bentz
John B. Bentz, President

Limited Partners:

By: Robert R. Gaudreau
Robert R. Gaudreau

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Cranston on the 30th day of December, 1989, before me personally appeared John B. Bentz, individually and in his capacity as President of Property Advisory Group, Inc., to me known and known by me to be the person executing the foregoing Agreement and Certificate and he acknowledged his execution as his free act and deed and the free act and deed of Property Advisory Group, Inc.

Gretchen M. Hudson
Notary Public

My Commission Expires June 30, 1991

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Cranston on the 20th day of December, 1989, before me personally appeared Robert R. Gaudreau, individually to me known and known by me to be the person executing the foregoing Agreement and Certificate and he acknowledged his execution as his free act and deed.

Gretchen M. Hudson
Notary Public

My Commission Expires June 30, 1991

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Rec'd & Filed DEC 9 1989