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**AMENDMENT TO THE ARTICLES OF INCORPORATION OF
HERITAGE PLACE, INC.**

These Articles of Amendment are adopted by the Board of Directors of
HERITAGE PLACE, INC., an Idaho corporation (the "Corporation") this 24 day of
May, 2004 and amend the Corporation's Articles of Incorporation dated January
13, 1977 (the "Original Articles").

BACKGROUND

The Corporation is seeking to refinance existing debt secured by the assisted
rental housing project known as Heritage Place with a loan from CWCapital LLC in the
amount of \$3,600,000 (the "Loan"). The Loan will be insured by the Secretary of the
Department of Housing and Urban Development (the "Secretary" or "HUD"). As a
condition of providing such insurance, HUD requires that the Corporation include the
provisions contained in these Articles of Amendment in the Corporation's organizational
documents.

To the extent the Original Articles are not in conflict with these Articles of
Amendment, the Original Articles remain in full force and effect.

ARTICLE I - PURPOSE

Article V of the Original Articles, which concerns the purpose of the Corporation, is
amended to add the following provision as paragraph C thereof:

C. Notwithstanding the foregoing, the rental housing project
commonly known as Heritage Place, located at 702 West Walnut Avenue
in Coeur d'Alene, Idaho and the personal property required to maintain
and operate said project shall be the Corporation's only assets.

ARTICLE II -- HUD REQUIRED PROVISIONS

An Article XVI is hereby added to the Original Articles as follows:

ARTICLE XVI

So long as the Secretary of the Department of Housing and Urban
Development ("Secretary") or the Secretary's successors or assigns is
the insurer or holder of a note secured by any mortgage, deed of trust or
security deed on the project named Heritage Place Apartments, project
number 124-11004, in Coeur d'Alene, Idaho (the "Project"):

1. If any of the provisions of organizational documents of the
Company conflict with the terms of the note, mortgage, deed of trust or
security deed, security agreement or HUD Regulatory Agreement

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("HUD Loan Documents") the provisions of the HUD Loan Documents will control.

2. 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.

3. No provision in the organizational documents that result in any of the following will have any force or effect without the prior written consent of HUD:

(a) Any amendment that modifies the term of the Company;

(b) Any amendment that activates the requirement that a HUD previous participation certification be obtained from any additional member;

(c) 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 Company;

(d) Any amendment that would authorize any Member other than the Manager or pre-approved successor Manager to bind the Company for all matters concerning the Project which requires HUD's consent or approval;

(e) A change in the Manager or successor Manager of the Company; or

(f) Any change in a guarantor of any obligation to the Secretary.

4 The Company 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.

5 Any incoming Member of the Company must, as a condition of receiving an interest in the Company, agree to be bound by the note, mortgage, deed of trust or security deed, 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.

6 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.

7 The Members and any assignee of a Member are liable in their individual capacity to HUD for:

(a) Funds or property of the Project coming into a Member's possession, which by the provisions of the Regulatory Agreement, the person or entity is not entitled to retain;

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

(c) 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

(d) As otherwise provided by law.

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

9 The Company has designated Michael Grabenstein as its official representative for all matters concerning the Project that require HUD consent or approval. The signature of this person will bind the Company in all such matters. The Company from time to time may appoint a new representative to perform this function, but within three (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 Company will promptly provide HUD with the name of that person and the nature of that person's management authority.

I certify that on the 24 day of May, 2004, pursuant to Idaho Statutes §30-3-91 and the Corporation's Articles and Bylaws, the foregoing Articles of Amendment were adopted by a vote of the members and the Board of Directors of the Corporation, with 6 out of 7 of the members and Directors voting and 6 out of 6 of the members and Directors approving of the Articles of Amendment.


Title: Administrator