



ARTICLES OF AMENDMENT TO **ARTICLES OF ORGANIZATION** **LIMITED LIABILITY COMPANY**

FILED EFFECTIVE
 2007 JUL 18 PM 4:17

SECRETARY OF STATE
 STATE OF IDAHO

(Instructions on back of application)

1. The name of the limited liability company is:

Grace at Fairview Lakes, LLC

If the LLC has been administratively dissolved and the name is no longer available for use, #3 below must include an amendment of name.

2. The date the articles of organization were filed was: 06/10/2005

COMPLETE ONLY THE APPLICABLE ITEMS

3. The name of the limited liability company is amended to read:

4. The management of the limited liability company shall henceforth be vested in:

☐ Manager(s) ☐ Members

5. The information on the managers/members shall be amended as follows:

Name	Address	Add	Delete	Other
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____

6. Signature of at least one manager, if any, or at least one member.

Signature: David F. Hills Linda Hines
 Typed Name: David F. Hills Linda Hines
 Capacity: Member Member
 Signature: Douglas W. Tamura
 Typed Name: Douglas W. Tamura
 Capacity: Member

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 Revised 08/2004

Secretary of State use only

W40269

IDAHO SECRETARY OF STATE
 07/19/2007 05:00
 CK: 24458 CT: 24978 BH: 1866310
 1 @ 30.00 = 30.00 ORGAN AMEN # 3

AMENDMENT TO ARTICLES OF ORGANIZATION OF

GRACE AT FAIRVIEW LAKES, LLC

Purpose. Notwithstanding any provision hereof to the contrary, the following shall govern: The nature of the business and of the purposes to be conducted and promoted by the Company, is to engage solely in the following activities:

(a) To own that certain parcel of real property, together with all improvements located thereon, in the City of Meridian, State of Idaho, commonly known as Grace At Fairview Lakes, more particularly described in Exhibit A attached hereto, (collectively "The Property").

(b) To own, hold, sell, assign, transfer, operate, lease, mortgage, pledge and otherwise deal with the Property.

(c) To exercise all powers enumerated in the Limited Liability Operating Agreement of Grace At Fairview Lakes, LLC necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

Single Purpose Entity/Separateness.

(a) Notwithstanding anything to the contrary contained herein, for so long as that certain first mortgage loan ("Loan") with Merrill Lynch Mortgage Lending, Inc. (together with its successors and/or assigns "Lender") to Grace At Fairview Lakes, LLC ("Company") remains outstanding, in the event of any conflict between the provisions contained in this Section and the other provisions of this Amendment or the Articles, the provisions of this Section shall control and govern. All capitalized terms within this Section shall have the meaning ascribed to them in that certain Loan Agreement between Company and Lender.

(b) Company has not, and for so long as the Loan shall remain outstanding, Company shall not:

engage in any business or activity other than the ownership, operation and maintenance of the Property, and activities incidental thereto;

acquire or own any assets other than (A) the Property, and (B) such incidental Personal Property as may be necessary for the operation of the Property;

merge into or consolidate with any Person, or dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure;

fail to observe all organizational formalities, or fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the applicable Legal Requirements of the jurisdiction of its organization or formation, or amend, modify, terminate or fail to comply with the provisions of its organizational documents;

own any subsidiary, or make any investment in, any Person;

commingle its assets with the assets of any other Person;

incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (A) the Debt, (B) trade and operational indebtedness incurred in the ordinary course of business with trade creditors, provided such indebtedness is (1) unsecured, (2) not evidenced by a note, (3) on commercially reasonable terms and conditions, and (4) due not more than sixty (60) days past the date incurred and paid on or prior to such date, and/or (C) financing leases and purchase money indebtedness incurred in the ordinary course of business relating to Personal Property on commercially reasonable terms and conditions; provided however, the aggregate amount of the indebtedness described in (B) and (C) shall not exceed at any time two percent (2%) of the outstanding principal amount of the Note;

fail to maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person; except that Company's financial position, assets, liabilities, net worth and operating results may be included in the consolidated financial statements of an Affiliate, provided that such consolidated financial statements contain a footnote indicating that Company is a separate legal entity and that it maintains separate books and records;

enter into any contract or agreement with any general partner, member, shareholder, principal, guarantor of the obligations of Company, or any Affiliate of the foregoing, except upon terms and conditions that are intrinsically fair, commercially reasonable and substantially similar to those that would be available on an arm's-length basis with unaffiliated third parties;

maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

make any loans or advances to any Person;

fail to file its own tax returns or files a consolidated federal income tax return with any Person (unless prohibited or required, as the case may be, by applicable Legal Requirements);

fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or fail to correct any known misunderstanding regarding its separate identity;

fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, provided that there are sufficient funds from the operation of the Property to do so;

without the unanimous written consent of all of its partners, and the written consent of 100% of the partners: (A) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any Creditors Rights Laws, (B) seek or consent to the appointment of a receiver, liquidator or any similar official, (C) take any action that might cause such entity to become insolvent, or (D) make an assignment for the benefit of creditors;

fail to allocate shared expenses (including, without limitation, shared office space and services performed by an employee of an Affiliate) among the Persons sharing such expenses and to use separate stationery, invoices and checks;

fail to remain solvent or pay its own liabilities (including, without limitation, salaries of its own employees) only from its own funds, provided that there are sufficient funds from the operation of the Property to do so;

acquire obligations or securities of its partners, members, shareholders or other affiliates, as applicable; or

fail to maintain a sufficient number of employees in light of its contemplated business operations.

(c) For so long as the Loan shall remain outstanding, Company, shall not allow direct and/or indirect transfers of ownership interests in Company that would violate the provisions of Article 5 and/or Article 6 of the Loan Agreement executed by Company in connection with the Loan.

(d) For so long as the Loan shall remain outstanding, Company's obligation hereunder, if any, to indemnify its directors and officers, partners, members or managers, as applicable, is hereby fully subordinate to the Loan and the loan documents executed in connection therewith (the "Loan Documents") and no indemnity payment from funds of Company (as distinct from funds from other sources, such as insurance) of any indemnity hereunder, if any, shall be payable from amounts allocable to any other person pursuant to the Loan Documents.

(e) For so long as the Loan shall remain outstanding, Company shall not amend, terminate or otherwise alter the provisions of the Section without Lender's prior written consent

Limitation of Amendment. Except as herein specifically provided, all other provisions of the Articles of Organization shall remain in full force and effect.