

00 E 4

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

Date Received <b>DEC 19 2017</b>	<p align="right"><b>(FOR BUREAU USE ONLY)</b></p> <p align="center"><b>ADJUSTED PURSUANT TO AGREEMENT TO AGREE TO BUREAU RECORDS</b></p> <p align="center"><b>TELEPHONE AUTHORIZATION</b></p> <p><i>[Signature]</i></p> <p>This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.</p>
-------------------------------------	---

**FILED**

**DEC 26 2017**

ADMINISTRATOR  
CORPORATIONS DIVISION

EFFECTIVE DATE:

Name Michael H. Rhodes, Esq.		
Address 124 West Allegan Street, Suite 700		
City Lansing	State Michigan	ZIP Code 48933

Document will be returned to the name and address you enter above. If left blank, document will be returned to the registered office.

**RESTATED CERTIFICATE OF LIMITED PARTNERSHIP**  
For use by Domestic Limited Partnerships  
(Please read information and instructions on the last page)

*Pursuant to the provisions of Act 213, Public Acts of 1982, the undersigned execute the following Certificate.*

A. The present name of the limited partnership is:	<u>SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP</u>
B. The limited partnership number assigned by the Bureau is:	<u>801920992</u>
C. The former name(s) of the limited partnership are:	
D. The date the original Certificate of Limited Partnership was filed is:	<u>June 9, 1995</u>
E. The name and address of the office or agency with which the original Certificate of Limited Partnership was filed is:	

*The following Restated Certificate of Limited Partnership supersedes the original Certificate of Limited Partnership as amended, and shall be the Certificate of Limited Partnership for the Limited Partnership:*

**Section 1**

The name of the limited partnership is: Sand Creek Apartments Limited Dividend Housing Association Limited Partnership.

**Section 2**

The general character of its business is:  
See attached Supplement.

*h* \$110.00 cclndk 1811489

**Section 3**

a. The address of the office at which the limited partnership records are kept is:

1100 E Main, Niles MI 49120

b. The name of the agent for service of process is:

CSC-Lawyers Incorporating Service

c. The address of the agent for service of process is:

601 Abbot Road, East Lansing, MI 48823

**Section 4**

The power of a limited partner to grant the right to become a limited partner to an assignee of any part of the partnership interest, and the terms and conditions of the power, are as follows:

See attached Supplement.

**Section 5**

a. Describe the times or events when a **general partner** may terminate membership in the limited partnership, and the terms and conditions of the termination.

See attached Supplement.

b. Describe the times or events when a **limited partner** may terminate membership in the limited partnership. Include the amount or method of determining any distribution the limited partner is entitled to receive upon termination of their membership.

See attached Supplement.

**Section 6**

The right of the limited partner to receive distributions of property, including cash, from the limited partnership, other than the indicated in 5(b), is:

See attached Supplement.

**Section 7**

The right of the limited partner to receive, or a general partner to make to a limited partner, distributions of property, which include a return of all or any part of the limited partner's contribution, other than indicated in 5(b), is:

See attached Supplement.

**Section 8**

The times or events at which the limited partnership is to be dissolved and its affairs wound up are:

See attached Supplement.

**Section 9**

The right of the remaining general partner(s) to continue the business upon the event of withdrawal of a general partner is:

See attached Supplement.

**Section 10**

Enter any other matters the partners may desire to include. If additional space is required attach a supplement. Attached are \_\_\_\_\_ page(s):

See attached Supplement.

**Section 11**

Complete one section for each partner (general and limited). General partners must be listed first followed by limited partners.

Item 1 - The type of partner must be either general or limited.

Item 2 - Partner names of individuals must appear in the last name, first name, middle initial sequences. Partner names of trusts should be the trust name excluding the name of the trustee or trustees.

Item 3 - Indicate the business or residence address of the partner. The address should include the street number and name, city, state, and ZIP Code.


**ITEMS 4 & 5 - LIMITED PARTNERS ONLY - ONE OR BOTH MUST BE COMPLETED**


Item 4 - If applicable, indicate the amount of cash previously contributed. If contributions have been made in the form of property or service, indicate the agreed dollar value of the contribution in the "other \$ \_\_\_\_" space and complete item 6.

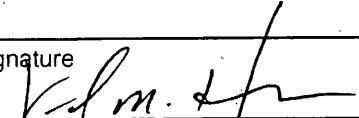
Item 5 - If applicable, indicate the amount of cash to be contributed in the future and complete Item 7. If there are future contributions in the form of property or services, indicate the agreed dollar value of the contribution in the "other \$ \_\_\_\_" space and complete Items 6 and 7.

Item 8 - This certificate must be signed and dated by all partners (general and limited) named in the Certificate. A partner may sign by attorney in fact.

**Section 11**

1. Type of Partner <input checked="" type="checkbox"/> General <input type="checkbox"/> Limited	2. Partner Name (see instructions for Section 11, Item 2) Pedcor General, L.P.
3. Address (No., Street, City, State, ZIP Code) One Pedcor Square, 770 3rd Avenue, S.W., Carmel, IN 46032	
4. Contributions Previously Made (Limited Partners Only) Cash \$ <u>n/a</u> Other \$ <u>n/a</u>	5. Future Contributions to be Made (Limited Partners Only) Cash \$ <u>n/a</u> Other \$ <u>n/a</u>
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed) n/a	
7. Times or Events Requiring Future Contributions: (Cash, Property or Services) n/a	
8. Signature 	9. Date 12/20/17 Phillip J. Stoffregen, the EVP of Pedcor General Corporation, the General Partner of Pedcor General, L.P.

1. Type of Partner <input type="checkbox"/> General <input checked="" type="checkbox"/> Limited	2. Partner Name (see instructions for Section 11, Item 2) Pedcor Investments, a Limited Liability Company
3. Address (No., Street, City, State, ZIP Code) One Pedcor Square, 770 3rd Avenue S.W., Carmel, IN 46032	
4. Contributions Previously Made (Limited Partners Only) Cash \$ <u>40,000</u> Other \$ <u>n/a</u>	5. Future Contributions to be Made (Limited Partners Only) Cash \$ <u>0</u> Other \$ <u>n/a</u>
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed) n/a	
7. Times or Events Requiring Future Contributions: (Cash, Property or Services) See attached Supplement	
8. Signature 	9. Date 12/20/17 Phillip J. Stoffregen, Executive Vice President

1. Type of Partner <input type="checkbox"/> General <input checked="" type="checkbox"/> Limited	2. Partner Name (see instructions for Section 11, Item 2) Employee Investment Group, LLC
3. Address (No., Street, City, State, ZIP Code) One Pedcor Square, 770 3rd Avenue, S.W., Carmel, IN 46032	
4. Contributions Previously Made (Limited Partners Only) Cash \$ <u>266,228</u> Other \$ <u>n/a</u>	5. Future Contributions to be Made (Limited Partners Only) Cash \$ <u>0</u> Other \$ <u>n/a</u>
6. Description of Contributions Other than Cash: (Include all property or services contributed or to be contributed) n/a	
7. Times or Events Requiring Future Contributions: (Cash, Property or Services) See attached supplement	
8. Signature 	9. Date 12/20/17 Jared M. House, Manager

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 1 of 16

**SECTION 2:**

**I. Character and Purpose of Business**

[Article II, Partnership Agreement]

The purpose of the Partnership's business is to exclusively provide housing facilities for persons whose income does not exceed the limits established in the Housing Act, or Section 42 of the Code, and for social, recreational, commercial and communal facilities as may be necessary to serve and improve a residential area in which Authority aided or federally aided housing is located or is planned to be located, thereby enhancing the viability of such housing. Specifically, the purpose of the Partnership is to own and manage a 96-unit apartment community in Adrian, Lenawee County, Michigan (the "Project"), to lease the units, to own certain real and personal property in connection therewith, and to do all things reasonably incident thereto, including borrowing money for Partnership purposes, and securing such borrowing by mortgages, pledge or other liens; and to transact all lawful business for which partnerships may be organized under the Act.

**SECTION 4:**

**I. Names and Addresses of Limited Partners**

[§4.1, Partnership Agreement]

The General Partner and Limited Partners (collectively referred to as "Partners" and individually referred to as "Partner"), their respective addresses, their capital contributions to the Partnership and their respective ownership interests in the Partnership ("Percentage Interests") are set forth on Schedule 4.1 attached to the Partnership Agreement and made a part hereof.

**II. Voluntary Transfers**

[§9.2, Partnership Agreement]

(a) The Limited Partners may not assign, convey, sell, encumber or in any way alienate all or any part of its respective interests in the Partnership without the written consent of the General Partner, and, so long as the Bonds are outstanding, the Housing Authority. No Limited Partner shall have the right to substitute an assignee as Limited Partner in its place. A transferee shall have the right to become a substitute Limited Partner if the General Partner consents to such substitution, which consent may be given or withheld in the General Partner's sole discretion, and such person executes an instrument satisfactory to the General Partner accepting and adopting the terms and provisions of this Agreement and pays any reasonable expenses in connection with its admission as a Limited Partner.

(b) Subject to compliance with the requirements of Section 9.3 of the Partnership Agreement, a Limited Partner, without consent of the General Partner, may assign to any other party all or any portion of the economic benefits of ownership of its respective Partnership interests; provided, however, that such assignment shall not be binding on the Partnership until there shall have been filed with the Partnership by registered mail certified copies of an executed and acknowledged assignment and the written acceptance by the assignee of all the terms and provisions of the Partnership Agreement; if such assignment and acceptance are not so filed, the Partnership need not recognize such assignment for any purpose. An assignee of a Limited Partner who does not become a substituted Limited Partner shall

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 2 of 16

have, and shall only have, the right to receive the share of profits, losses, tax credits, and distributions of the Partnership to which the assigning Limited Partner would have been entitled with respect to the Partnership interest (or portion thereof) so assigned if no such assignment had been made by such Limited Partner. Any assigning Limited Partner whose permitted assignee becomes a substituted Limited Partner (if the General Partner consents thereto as contemplated in Section 9.2(a) of the Partnership Agreement) shall thereupon cease to be a Limited Partner and shall no longer have any of the rights or privileges of a Limited Partner with respect to the Partnership interest so assigned. Where the assignee does not become a substituted Limited Partner, the Partnership shall recognize such assignment effective as of the date of receipt of notice of assignment and all documentation required in connection therewith.

(c) Every assignee of a Limited Partner's interest in the Partnership (or any portion thereof) who desires to make a further assignment of such interests shall be subject to all of the provisions of Article IX of the partnership Agreement.

**III. General Partner's Consent to Substitution as an Investor Limited Partner**  
[§9.2, Partnership Agreement]

(a) The Limited Partners may not assign, convey, sell, encumber or in any way alienate all or any part of its respective interests in the Partnership without the written consent of the General Partner and, so long as the Bonds are outstanding, the Housing Authority. No Limited Partner shall have the right to substitute an assignee as Limited Partner in its place. A transferee shall have the right to become a substitute Limited Partner if the General Partner consents to such substitution, which consent may be given or withheld in the General Partner's sole discretion, and such person executes an instrument satisfactory to the General Partner accepting and adopting the terms and provisions of this Agreement and pays any reasonable expenses in connection with its admission as a Limited Partner.

(b) Subject to compliance with the requirements of Section 9.3 of the Partnership Agreement, a Limited Partner, without consent of the General Partner, may assign to any other party all or any portion of the economic benefits of ownership of its respective Partnership interests; provided, however, that such assignment shall not be binding on the Partnership until there shall have been filed with the Partnership by registered mail certified copies of an executed and acknowledged assignment and the written acceptance by the assignee of all the terms and provisions of the Partnership Agreement; if such assignment and acceptance are not so filed, the Partnership need not recognize such assignment for any purpose. An assignee of a Limited Partner who does not become a substituted Limited Partner shall have, and shall only have, the right to receive the share of profits, losses, tax credits, and distributions of the Partnership to which the assigning Limited Partner would have been entitled with respect to the Partnership interest (or portion thereof) so assigned if no such assignment had been made by such Limited Partner. Any assigning Limited Partner whose permitted assignee becomes a substituted Limited Partner (if the General Partner consents thereto as contemplated in Section 9.2(a) of the Partnership Agreement) shall thereupon cease to be a Limited Partner and shall no longer have any of the rights or privileges of a Limited Partner with respect to the Partnership interest so assigned. Where the assignee does not

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 3 of 16

become a substituted Limited Partner, the Partnership shall recognize such assignment effective as of the date of receipt of notice of assignment and all documentation required in connection therewith.

(c) Every assignee of a Limited Partner's interest in the Partnership (or any portion thereof) who desires to make a further assignment of such interests shall be subject to all of the provisions of Article IX of the partnership Agreement.

**SECTION 5.a.**

**I. Voluntary Transfer**

[§8.1, Partnership Agreement]

A General Partner may not withdraw from the Partnership or sell, assign or encumber its interest in the Partnership, in whole or in part, without the prior written consent of the Limited Partners and, so long as the Bonds are outstanding, the Housing Authority. Notwithstanding the foregoing, the consent of the Limited Partners shall not be required for (i) any pledge of the right to receive distributions of Cash Flow and Capital Proceeds to an Affiliate of the General Partner, (ii) assignment of the interest of the General Partner to any entity owned or controlled by Gerald K. Pedigo, Bruce A. Cordingley, and/or Phillip J. Stoffregen.

**II. Involuntary Transfers**

[§8.2, Partnership Agreement]

(a) The Limited Partners shall have the right to remove a General Partner of the Partnership for any of the following reasons (an "***Event of Default***"):

(i) The General Partner has committed an act or acts of gross negligence, willful misconduct, substantial mismanagement of the Project or Partnership, malfeasance, fraud, or an act or acts outside the scope of its authority, has breached any representation, warranty, agreement or covenant contained in the Partnership Agreement which breach has or is likely to have a material adverse effect on the Partnership or the Limited Partners, or has breached its fiduciary duties as the General Partner (including, without limitation, using Partnership reserves other than as permitted under the Partnership Agreement);

(ii) Except in connection with the sale or refinancing of the Partnership's assets, the General Partner or the Partnership has taken any action or failed to take any action that would (A) cause the termination of the Partnership for federal income tax purposes, (B) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (C) violate any federal or state securities laws, (D) cause the Partnership to fail to qualify as a limited partnership under the Act, (E) cause a material reduction in the tax benefits or a material increase in the tax liability of the Limited Partners for which the Limited Partners are not fully compensated (as reasonably determined by the Limited Partners), or (F) cause the Limited Partners to have liability in excess of its Capital Contributions.

(b) Prior to undertaking any such removal of a General Partner, the Limited Partners shall provide written notice to the General Partner of any such default constituting cause for removal and shall

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 4 of 16

allow the General Partner a period of thirty (30) days after such notice to cure the default prior to effecting any removal of the General Partner; provided, however that if the nature of such default is such that it cannot reasonably be cured within such initial thirty (30) day period, the Limited Partners may not remove the General Partner if the General Partner commences curative actions within such thirty (30) day period and diligently pursues the same to completion.

(c) In the event any such default is not cured within the applicable cure period, the Limited Partners may remove the General Partner and elect a new General Partner and may continue the business of the Partnership with such substitute General Partner.

(d) Upon any removal of a General Partner, the Partnership must promptly pay to the removed General Partner all amounts then accrued and owing to the removed General Partner, less any amounts suffered as damages by the Partnership as a result of the actions or omissions of the General Partner which gave rise to such removal.

(e) A General Partner so removed will not be liable for any obligations of the Partnership after the effective date of its removal.

(f) If, after any such removal, there shall be no General Partner having a sufficient interest in the Partnership to cause the Partnership to continue to be treated as a partnership under the Code and as a limited partnership under the Act (as determined by independent legal counsel for the Partnership), all Partnership Interests shall be reduced proportionately in accordance with the then existing percentages for allocation of profits and losses so that the successor General Partner will have the requisite interest in the Partnership pursuant to the Code and the Act.

**III. Voluntary Withdrawal**  
**[§8.6, Partnership Agreement]**

In the event of Withdrawal of General Partner not in violation of Section 8.1 of the Partnership Agreement, the Withdrawing General Partner hereby covenants and agrees to transfer to the remaining General Partner(s) or to a successor General Partner selected in accordance with Section 8.5 of the Partnership Agreement, as the case may be, such portion of the Withdrawing General Partner(s) interest in the Partnership as such remaining or successor General Partner(s) may designate, such transfer to made in consideration of the payment by the transferee of either the agreed value of the same or, if such value is not agreed to, the fair market value of such Withdrawing General Partner's interest in the Partnership as determined by a committee of three qualified real estate appraisers, one selected by the Withdrawing General Partner, one selected by the transferee and a third selected by the other two. The portion of the Withdrawing General Partner's Partnership interest designated to be transferred in accordance with the provisions of Section 8.6 of the Partnership Agreement shall be sufficient to ensure the continued treatment of Partnership as a partnership under the Code and as a ship under the Act, and, for the purpose of Article VI of the Partnership Agreement, shall be deemed to be effective as of the date of Withdrawal, but the Partnership shall not make any distributions to the designated transferee until the transfer has



**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 5 of 16

been made. Any holder of any portion of the interest of a Withdrawing General Partner which is not designated to be transferred to the remaining or successor General Partner(s) pursuant to the provisions of Section 8.6 of the Partnership Agreement shall become a special limited partner but with the same share of the profits, losses, tax credits, Cash Flow and other distributions to which the holder of such Partnership interest was entitled when held as a General Partner interest. The admission of any successor or additional General Partner shall be subject to the consent of each lender (if required) to the Partnership and the consent of the Limited Partners.

**IV. Removal of General Partner**

[§8.2, Partnership Agreement]

(a) The Limited Partners shall have the right to remove a General Partner of the Partnership for any of the following reasons (an "***Event of Default***"):

(i) The General Partner has committed an act or acts of gross negligence, willful misconduct, substantial mismanagement of the Project or Partnership, malfeasance, fraud, or an act or acts outside the scope of its authority, has breached any representation, warranty, agreement or covenant contained in the Partnership Agreement which breach has or is likely to have a material adverse effect on the Partnership or the Limited Partners, or has breached its fiduciary duties as the General Partner (including, without limitation, using Partnership reserves other than as permitted under the Partnership Agreement);

(ii) Except in connection with the sale or refinancing of the Partnership's assets, the General Partner or the Partnership has taken any action or failed to take any action that would (A) cause the termination of the Partnership for federal income tax purposes, (B) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (C) violate any federal or state securities laws, (D) cause the Partnership to fail to qualify as a limited partnership under the Act, (E) cause a material reduction in the tax benefits or a material increase in the tax liability of the Limited Partners for which the Limited Partners are not fully compensated (as reasonably determined by the Limited Partners), or (F) cause the Limited Partners to have liability in excess of its Capital Contributions.

(b) Prior to undertaking any such removal of a General Partner, the Limited Partners shall provide written notice to the General Partner of any such default constituting cause for removal and shall allow the General Partner a period of thirty (30) days after such notice to cure the default prior to effecting any removal of the General Partner; provided, however that if the nature of such default is such that it cannot reasonably be cured within such initial thirty (30) day period, the Limited Partners may not remove the General Partner if the General Partner commences curative actions within such thirty (30) day period and diligently pursues the same to completion.

(c) In the event any such default is not cured within the applicable cure period, the Limited Partners may remove the General Partner and elect a new General Partner and may continue the business of the Partnership with such substitute General Partner.

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 6 of 16

(d) Upon any removal of a General Partner, the Partnership must promptly pay to the removed General Partner all amounts then accrued and owing to the removed General Partner, less any amounts suffered as damages by the Partnership as a result of the actions or omissions of the General Partner which gave rise to such removal.

(e) A General Partner so removed will not be liable for any obligations of the Partnership after the effective date of its removal.

(f) If, after any such removal, there shall be no General Partner having a sufficient interest in the Partnership to cause the Partnership to continue to be treated as a partnership under the Code and as a limited partnership under the Act (as determined by independent legal counsel for the Partnership), all Partnership Interests shall be reduced proportionately in accordance with the then existing percentages for allocation of profits and losses so that the successor General Partner will have the requisite interest in the Partnership pursuant to the Code and the Act.

**SECTION 5.b.**

**I. Voluntary Transfers**

[§9.2, Partnership Agreement]

(a) The Limited Partners may not assign, convey, sell, encumber or in any way alienate all or any part of its respective interests in the Partnership without the written consent of the General Partner and, so long as the Bonds are outstanding, the Housing Authority. No Limited Partner shall have the right to substitute an assignee as Limited Partner in its place. A transferee shall have the right to become a substitute Limited Partner if the General Partner consents to such substitution, which consent may be given or withheld in the General Partner's sole discretion, and such person executes an instrument satisfactory to the General Partner accepting and adopting the terms and provisions of the Partnership Agreement and pays any reasonable expenses in connection with its admission as a Limited Partner.

(b) Subject to compliance with the requirements of Section 9.3 of the Partnership Agreement, a Limited Partner, without consent of the General Partner, may assign to any other party all or any portion of the economic benefits of ownership of its respective Partnership interests; provided, however, that such assignment shall not be binding on the Partnership until there shall have been filed with the Partnership by registered mail certified copies of an executed and acknowledged assignment and the written acceptance by the assignee of all the terms and provisions of the Partnership Agreement; if such assignment and acceptance are not so filed, the Partnership need not recognize such assignment for any purpose. An assignee of a Limited Partner who does not become a substituted Limited Partner shall have, and shall only have, the right to receive the share of profits, losses, tax credits, and distributions of the Partnership to which the assigning Limited Partner would have been entitled with respect to the Partnership interest (or portion thereof) so assigned if no such assignment had been made by such Limited Partner. Any assigning Limited Partner whose permitted assignee becomes a substituted Limited Partner (if the General Partner consents thereto as contemplated in Section 9.2(a) of the Partnership Agreement)

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 7 of 16

shall thereupon cease to be a Limited Partner and shall no longer have any of the rights or privileges of a Limited Partner with respect to the Partnership interest so assigned. Where the assignee does not become a substituted Limited Partner, the Partnership shall recognize such assignment effective as of the date of receipt of notice of assignment and all documentation required in connection therewith.

(c) Every assignee of a Limited Partner's interest in the Partnership (or any portion thereof) who desires to make a further assignment of such interests shall be subject to all of the provisions of Article IX of the Partnership Agreement.

**II. Involuntary Transfers**

**[§9.1, Partnership Agreement]**

The death, dissolution, or liquidation or adjudication of a Limited Partner as bankrupt or incompetent (each, an "Option Event") shall not dissolve the Partnership. In the event of the death, dissolution, or liquidation of a Limited Partner or the adjudication of a Limited Partner as bankrupt or incompetent, the Partnership shall have an option to purchase, and if such option is exercised by the General Partner within 60 days after the General Partner receives notice of the occurrence of such Option Event, the Limited Partner or its representatives shall sell if such option is exercised by the General Partner within 60 days after the General Partner receives notice of the occurrence of such Option Event, all of such Limited Partner's interest in the Partnership for an amount equal to the fair market value of such Limited Partner's interest in the Partnership. Such fair market value shall be determined by agreement of the Limited Partner (or its representatives) and the General Partner within 30 days after the option is exercised by the General Partner, and failing such agreement the fair market value shall be determined by a panel of three (3) independent M.A.I. real estate appraisers, one selected by the General Partner, one selected by the Limited Partner and the third selected by the two thus chosen. In the event such panel of appraisers is unable to collectively agree upon such fair market value, the Purchase Price shall be the average of the two appraisals which are closest in amount (in absolute value terms). The purchase price for such Limited Partner's interest shall be paid, in cash, within 90 days after the fair market value thereof has been so determined.

**III. Effect of Transfer**

**[§9.4, Partnership Agreement]**

Any permitted transfer of all or any portion of a Limited Partner's interest in the Partnership will take effect on the date of receipt by the General Partner of written notice of transfer. Any transferee of an interest in the Partnership shall take subject to the restrictions on transfer imposed by Article XI of the Partnership Agreement.

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 8 of 16

**SECTION 6**

**I. Distribution of Cash Flow**

[§6.2, Partnership Agreement]

(a) Cash Flow shall be distributed as follows:

First, to the payment of any LP loans;

Second to the payment of any GP loans;

Third, to the Partners in proportion to their respective Percentage Interests.

(b) Definitions. For all purposes of the Partnership Agreement:

(i) "Capital Account" means, with respect to any Partner, the capital account maintained with respect to such Partner consisting of (1) the amount of cash such Partner has contributed to the Partnership, plus (2) the fair market value of any property such Partner has contributed to the Partnership net of liabilities assumed by the Partnership or to which such property is subject, plus (3) the amount of Profits or income (including tax-exempt income) allocated to such Partner, less (4) the amount of Losses and deductions allocated to such Partner, less (5) the amount of all cash distributed to such Partner, less (6) the fair market value of any property distributed to such Partner net of liabilities assumed by such Partner or to which such property is subject, less (7) such Partner's share of any other expenditures which are not deductible by the Partnership for federal income tax purposes or which are not allowable as additions to the basis of Partnership property, and (8) shall otherwise be subject to such other adjustments as may be required under the Code.

(ii) "Cash Flow" means the net operating profits or losses of the Partnership including as expenses the Property Management Fee and all operating expenses of the Partnership, but subject to the following adjustments:

(1) Cost recovery deductions of any buildings, improvements and personal property and amortization of any financing fees shall not be deducted;

(2) Amortization of principal on debts, other than debts to Partners, shall be deducted;

(3) Interest on debts, other than interest on loans to Partners, which is included in determining profits and losses but which is not currently payable in cash shall be deducted when actually paid;

(4) Any amounts paid for capital expenditures shall be deducted, unless paid from any replacement reserve or funded through insurance;

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 9 of 16

(5) The proceeds of any mortgage refinancing, any sale, exchange, eminent domain taking, damage or destruction (whether insured or uninsured), or other disposition of all or any part of the Project (other than the proceeds of any business or rental interruption insurance) shall not be included; and

(6) Any rent or interest subsidy payment shall be included. Cash Flow shall be determined separately for each fiscal year of the Partnership. In no event will the Cash Flow distributed exceed the amount permitted by the Housing Authority Regulatory Agreement.

(iii) "Code" means the Internal Revenue Code of 1986, as amended, as it may be further amended from time to time.

(iv) "Partner Non-Recourse Debt" means any Partnership liability (1) that is considered non-recourse under Treasury Regulation Section 1.1001-2 or for which the creditor's right to repayment is limited to one or more assets of the Partnership and (2) for which any Partner or Related Person bears the economic risk of loss.

(v) "Partner Non-Recourse Debt Minimum Gain" means, with respect to any Partner, the sum of (a) the deductions attributable to Partner Non-Recourse Debt that have been allocated to such Partner and (b) the aggregate amount of distributions made to such Partner of proceeds of such debt that are allocable to an increase in minimum gain attributable to such debt (but only if such Partner or a Related Person bears the economic risk of loss for such debt) in excess of the sum of (c) such Partner's aggregate share of the net decreases in minimum gain attributable to such debt and (d) such Partner's share of the decreases in the minimum gain attributable to such debt resulting from reevaluations of Partnership property subject to such debt. The net increase (or decrease) in the minimum gain that is attributable to Partner Non-Recourse Debt equals the sum of (i) any increase (or decrease) in the net increase in Partnership Minimum Gain during a year that would result if such Partner Non-Recourse Debt were treated as a Partnership Non-Recourse Liability and (ii) any decrease (or increase) in the net decrease in Partnership Minimum Gain during a year that would result if such Partner Non-Recourse Debt were treated as a Partnership Non-Recourse Liability.

(vi) "Partnership Minimum Gain" means the amount determined by computing, with respect to each Partnership Non-Recourse Liability, the amount of gain, if any, that would be realized by the Partnership if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction of such liability, and by then aggregating the amounts so computed. Such computations shall be made in a manner consistent with Treasury Regulation Section 1.704-2(d).

(vii) "Partnership Non-Recourse Liability" means any Partnership liability (or portion thereof) for which no Partner or Related Person bears the economic risk of loss as defined in Treasury Regulation Section 1.704-2(b)(3).

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 10 of 16

(viii) "Qualified Income Offset Item" means (1) an allocation of loss or deduction that, as of the end of each year, reasonably is expected to be made (a) pursuant to Section 704(e)(2) of the Code to a donee of an interest in the Partnership, (b) pursuant to Section 706(d) of the Code as the result of a change in any Partner's interest in the Partnership, or (c) pursuant to Treasury Regulation Section 1.751-1(b)(2)(ii) as the result of a distribution by the Partnership of unrealized receivables or inventory items, and (2) a distribution that, as of the end of such year, reasonably is expected to be made to a Partner to the extent it exceeds offsetting increases to such Partner's Capital Account which reasonably are expected to occur during or prior to the Partnership taxable year in which such distribution reasonably is expected to occur.

(ix) "Related Person" means a person related to a Partner within the meaning of Treasury Regulation Section 1.752-4(b).

(x) "Capital Transaction" means any refinancing of Partnership debt or the sale, exchange, condemnation, destruction (including insurance proceeds in excess of amounts required to be applied to restore the insured property) or other disposition of all or any substantial part of the Partnership's property, other than minor sales of assets obsolete in the ordinary course of the Partnership's business.

(xi) "Profits" and "losses" used in the Partnership Agreement shall mean income and losses, and each item of income, gain, loss, deduction or credit entering into the computation thereof, as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). Subject to Section 6.4(a) of the Partnership Agreement, profits and losses for federal income tax purposes shall be allocated in the same manner as profits and losses in Section 6.1 of the Partnership Agreement.

(c) Distributions of Proceeds from a Capital Transaction (Except a Refinancing).

Prior to dissolution, if there are proceeds available for distribution from a Capital Transaction (other than a debt refinancing), such proceeds shall be applied and distributed as follows:

First, to the payment of all matured debts and liabilities of the Partnership which are secured by the Partnership's real property, excluding debts and liabilities of the Partnership to Partners or their affiliates;

Second, to the payment of all sales related or other similar expenses associated with the event giving rise to the Capital Transaction, excluding debts and liabilities of the Partnership to Partners or their affiliates;

Third, to the payment of all other matured debts and liabilities of the Partnership in the order of priority as provided by law (other than those to Partners);

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 11 of 16

Fourth, to the establishment of any reasonable and prudent reserves which the General Partner shall determine to be necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

Fifth, to the payment of all principal and accrued interest on loans by the Partners to the Partnership, proportionately on the basis of the aggregate amount of such loans outstanding to each such Partner (including both principal and accrued interest), with such payments being applied first in reduction of accrued interest, and then toward principal;

Sixth, to each Partner in an amount equal to the positive balance, if any, in such Partner's Capital Account as of the date of the Capital Transaction which gives rise to the distribution, adjusted for operations and distributions to that date, after the allocation of any profits realized from the Capital Transaction which shall have given rise to the distribution, but after taking into account in such capital account balances the distributions made in Clauses First through and including Fifth above; and

Seventh, the balance shall be distributed to the Partners in proportion to their Percentage Interests.

(d) Distribution of Proceeds from a Refinancing. Prior to dissolution and after the date hereof, if the General Partners shall determine that there are any proceeds available from a refinancing of debt secured by the Partnership's real property, such proceeds shall be applied and distributed as follows:

First, to the repayment of the debt being refinanced;

Second, to the payment of all refinancing costs to third parties which are not Related Persons to the General Partner;

Third, to the distribution and payment to the persons and in the order of priority set forth in Clauses Third through Fifth, inclusive, Section 6.2(c) of the Partnership Agreement; and

Fourth, the balance of any refinancing shall be distributed to the Partners in proportion to their Percentage Interests.

**II. Winding Up and Termination**

[§10.2, Partnership Agreement]

The proceeds from the liquidation of the Partnership assets shall be distributed in the manner provided in Section 6.3 of the Partnership Agreement.

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 12 of 16

**SECTION 7:**

**I. Interest on Capital Contributions**

[§4.3, Partnership Agreement]

Loans by any Partner to the Partnership shall not be considered Capital Contributions to the Partnership. No Partner shall be entitled to withdraw any part of its Capital Contribution or to receive any distribution from the Partnership, except as provided herein; nor shall any Partner be required to make any Capital Contributions to the Partnership other than the Capital Contributions required to be made by such Partner under Article IV of the Partnership Agreement. No interest shall be paid on any Capital Contribution to the Partnership. Loans by any Partner to the Partnership shall bear interest at the Prime Rate, unless the General Partner shall have agreed to a different interest rate.

**SECTION 8:**

**I. Term of Partnership**

[Article III, Partnership Agreement]

The Partnership commenced on June 1, 1995 and shall continue until December 31, 2062, unless dissolved sooner by law or as provided hereafter.

**II. Obligation to Continue**

[§8.4, Partnership Agreement]

Upon the Withdrawal of a General Partner, the remaining General Partner(s), if any, shall have the right and obligation to continue the business of the Partnership employing its assets and name, all as contemplated by the Act. Immediately and as soon as possible after they obtain knowledge of the Withdrawal of General Partner, the remaining General Partner(s) if any, shall notify the Limited Partners of such Withdrawal. In addition, any Withdrawing General Partner shall immediately notify the Limited Partners of any such Withdrawal.

**III. Terminating Events**

[§10.1, Partnership Agreement]

The Partnership shall be dissolved, its assets shall be disposed of and its affairs wound up on the first to occur of the following:

- (a) A determination by the General Partner that the Partnership should be dissolved;
- (b) A General Partner shall withdraw and the remaining Partners shall fail to exercise the rights provided in Section 8.5 of the Partnership Agreement to continue the business of the Partnership and reconstitute the Partnership as a successor limited partnership;
- (c) Sale of all or substantially all of the assets of the Partnership; or
- (d) The expiration of the Partnership term.



**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 13 of 16

**SECTION 9:**

**I. Obligation to Continue**

**[§8.4, Partnership Agreement]**

Upon the Withdrawal of a General Partner, the remaining General Partner(s), if any, shall have the right and obligation to continue the business of the Partnership employing its assets and name, all as contemplated by the Act. Immediately and as soon as possible after they obtain knowledge of the Withdrawal of General Partner, the remaining General Partner(s) if any, shall notify the Limited Partners of such Withdrawal. In addition, any Withdrawing General Partner shall immediately notify the Limited Partners of any such Withdrawal.

**SECTION 10:**

**I. Restrictions on General Partner's Authority**

**[Section 7.3, Partnership Agreement]**

Notwithstanding any other provision of the Partnership Agreement, the General Partner shall have no authority to perform any act in violation of any applicable law or regulations, the Loan Documents; to do any act required to be approved, consented to, voted on, or ratified by the Limited Partner under the Act or under the Partnership Agreement unless such approval, vote, consent, or ratification has been obtained; to cause the Partnership to engage in any business other than as set forth in Section 1.6 of the Partnership Agreement; or do any act that would make it impossible to carry out the business of the Partnership as contemplated herein. The General Partner shall have no authority to engage in the following activities without the Consent of the Limited Partners, which consent shall not be unreasonably withheld, conditioned or denied, and, if required, the consent of the Lenders and the Housing Authority:

- (i) Acquire any real property in addition to the Project (other than easements or similar rights necessary or convenient for the operation of the Project);
- (ii) During the Compliance Period, lease or otherwise operate any of the Credit Units in such a manner that such Credit Unit would fail to be treated as a "low-income unit" under Section 42(i)(3) of the Code, or lease or operate the Project in such a manner that the Project would fail to be treated as a qualified low-income housing project under Section 42(g)(1)(B) of the Code;
- (iii) Change the nature of the Partnership's business;
- (iv) Do any act which would make it impossible to carry on the ordinary business of the Partnership;
- (v) Assign rights in assets of the Partnership for other than a Partnership purpose;

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

- (vi) Modify or amend the Partnership Agreement or any of the Project Documents;
- (vii) Borrow from the Partnership or commingle Partnership funds with the funds of any Person, or loan any money on behalf of the Partnership or guarantee on behalf of the Partnership the indebtedness of any other Person;
- (viii) Permit the Partnership to pay directly or indirectly to the General Partner (or any Affiliate thereof) a commission or fee in connection with the reinvestment or distribution of Capital Proceeds or liquidating distributions belonging to the Partnership, except as provided for herein, provided, however, reimbursement for reasonable in-house counsel or paralegal expenses incurred by the General Partner or its Affiliates on behalf of the Partnership shall be permitted;
- (ix) Receive any rebates or give-ups or participate in any reciprocal business relationships in circumvention of the Partnership Agreement; or
- (x) Take any action for which the Consent of the Limited Partner is required under any other provision of the Partnership Agreement.

\*\*\*\*\*

**II. TERMS.**

The following terms in this Second Restated Certificate of Limited Partnership are defined as follows:

“Housing Authority” means the Michigan State Housing Development Authority.

“HUD” means the Secretary of Housing and Urban Development.

“General Partners” means Pedcor General, L.P.

“Investor Limited Partners” means Employee Investment Group, LLC, an Indiana limited liability company Pedcor Investments, A Limited Liability Company, a Wyoming limited liability company

“Partnership” means Sand Creek Apartments Limited Dividend Housing Association Limited Partnership.

“Partnership Agreement” or “Agreement” means the Partnership’s Second Amended and Restated Limited Partnership Agreement of Sand Creek Apartments Limited Dividend Housing Association Limited Partnership, as it may be amended from time to time.

**SUPPLEMENT TO  
SECOND RESTATED CERTIFICATE OF LIMITED PARTNERSHIP  
SAND CREEK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED  
PARTNERSHIP**

Page 15 of 16

“Partnership Certificate” means this Restated Certificate of Limited Partnership, as it may be amended from time to time.

The responses to Sections 4 through 9 above are all subject to the specific terms of the Partnership Agreement which is on file in the office of the Partnership.