

LIMITED PARTNERSHIP AGREEMENT  
OF  
BRAZOS-TRACE APARTMENTS, LTD.

State of Rhode Island  
County of Providence

This partnership agreement made this 13th day of June, 1969, among JORDAN B. KIRSHENBAUM and HAROLD R. SMITH.

WITNESSETH:

WHEREAS, the said Jordan B. Kirshenbaum and Harold R. Smith are to acquire certain real estate in the City of Mineral Wells, Palo Pinto County, Texas, being identified as Brazos-Villa Apartments containing 62 (sixty-two) apartment units, and Spanish Trace Apartments containing 73 (seventy-three) apartment units, hereinafter referred to as real property.

WHEREAS, the Parties hereto desire to form a Limited Partnership, for the purpose of acquiring the Real Property, secure financing for the construction and furnishing of said apartments, and to provide ownership to the above Real Property. The Parties hereto do enter into this Limited Partnership Agreement.

IT IS THEREFORE AGREED:

1. FORMATION. The parties hereby form a Limited Partnership, hereinafter called the Partnership, according to the Rhode Island Uniform Partnership Chapter 7-13 of the General Laws of the State of Rhode Island.

2. NAME. The partnership shall be conducted under the firm name of Brazos-Trace Apartments, Ltd.

3. PURPOSE. The purposes of this Limited Partnership, are to acquire title to the land and buildings located in Palo Pinto County, Texas, the above described Real Property.

4. TERM. The term of the partnership shall begin with the date of this agreement and the partnership shall continue for a period of twenty (20) years concurrent with the mortgage financing arrangements to be made and for such additional time thereafter that would be consistent with the mortgage financing or any extensions thereto, unless the partnership may be terminated prior to such date upon the happenings of any of the events hereinafter described.

5. GENERAL PARTNERS AND THEIR CONTRIBUTIONS. The General Partners shall be those two parties to this agreement named below and whose addresses are as follows:

Jordan B. Kirshenbaum, 50 Orchard Drive, Cranston, R.I.  
Harold R. Smith, 71 Amherst Road, Cranston, R. I.

Such General Partners shall contribute their time and managerial abilities to this partnership, and each such General Partner shall expend his best effort to the management of and for the purpose for which this partnership was formed. That for such managerial services and abilities contributed by the said General Partners, they shall receive a fee of five (5%) per cent of the Gross Lease receipts or Gross Rentals of the said apartments as a fee for such managerial services.

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6. CAPITAL CONTRIBUTIONS. The names, addresses, contributions, and percentages of interest of a partnership of the Limited Partners shall be shown on Exhibit "A" attached hereto and made a part hereof, as if originally inserted in this paragraph.

7. ADMISSION OF LIMITED PARTNERS AND THEIR CONTRIBUTIONS.

(a) The General Partners are authorized to admit Additional Limited Partners to the Partnership, who shall contribute, in cash, to the capital thereof sums aggregating \$200,000.00. As additional contributions are made by the Limited Partner, or by Additional Limited Partners, each such Partner's interest shall be increased or decreased in proportion to the cash contribution so made by him with respect to the other Limited Partner's contribution. The persons subscribing their names on counterparts of this Partnership Agreement (duly countersigned by at least one of the General Partners) at the place indicated for the signatures of Additional Limited Partners, and contributing the amounts appearing alongside their respective signatures shall be deemed to be proposed Limited Partners pending the receipt of contributions aggregating the sum of \$200,000.00 and after the receipt of additional contributions in such amount, the Proposed Limited Partners shall be deemed admitted to the Partnership as Additional Limited Partners, and shall become parties to this Partnership Agreement as fully as if their names were originally herein set forth. Upon the admission of such Additional Limited Partners, an Amendment of the Certificate of Limited Partnership of the partnership setting forth such admissions should be filed. In no event shall there be more than 35 general and Limited partners. The cash contribution of the original Limited Partners shall be in the units of \$1,000.00 each.

(b) A General Partner may also be admitted as a Limited Partner pursuant to the above paragraph and such person who is a General Partner and also at the same time a Limited Partner, shall have all the rights and powers and be subject to all of the liabilities of a General Partner; except that, in respect to his contributions, he shall have the rights against the other members which he would have had if he were not also a General Partner, all in accordance with Chapter 7-13-13 of the General Laws of the State of Rhode Island.

(c) If for any reason or cause whatsoever, additional contributions to the partnership by limited partners do not total the full amount of \$200,000.00, then the General Partners shall contribute in the aggregate enough additional cash contributions to make up the difference between contributions made by such Limited Partners and \$200,000.00. Such additional contributions may be made by the General Partners as Limited Partners.

8. RIGHTS, POWERS, AND DUTIES OF GENERAL PARTNERS.

(a) The General Partners shall give their personal services to the Partnership and shall devote thereto such time as they may deem necessary, without compensation. Any of the

Partners, General or Limited, may engage in other business ventures of every nature and description, independently or with others, including but not limited to the real estate business in all its phases, which shall include, without limitation, ownership, operation, management, syndication, and development of real property; and neither the Partnership nor the Partners thereof shall have any rights in and to such independent ventures or the income or profits derived therefrom.

(b) A General Partner shall have all the rights, powers, restrictions and liabilities of partners in a partnership without Limited Partners, as provided in Chapter 7-13-10 of the General Laws of the State of Rhode Island, except as may be otherwise limited or enlarged in this instrument.

(c) The General Partners shall have the power collectively and by unanimous action to sell and convey all or any part of the property owned by the Partnership, real and personal; to execute leases or modify leases of any real estate owned by the Partnership, real and personal, to repay in whole or in part, refinance, recast, increase, modify, or extend any mortgages which may affect any of the property owned by the Partnership, and in connection therewith, to execute for and on behalf of the Partnership any extensions, renewals or modifications of such mortgages on any such property in lieu of the existing mortgages; and to execute any and all other instruments to carry out the intention and purpose hereof; provided, however, that nothing contained herein shall increase the liability of the Limited Partners as herein stipulated; provided however, that the General Partners shall have the right to sell and convey all or any part of the real property owned by the partnership only with the unanimous action of the General Partners and with the consent of at least 50 per cent of the limited partners, in writing, first obtained.

(1) The General Partner shall have the power to create or extinguish easements on the partnership property.

(d) Nothing in subparagraph (c) of this paragraph shall require any grantee to investigate the authority of the General Partners to sell or convey any real property of the partnership or require any grantee to inquire as to whether the approval of the Limited Partners for any such sale or conveyance had first been obtained. Any such conveyance, if executed by the named General Partners, shall be binding upon the Partnership.

(e) No General Partner shall be liable, responsible, or accountable in damages or otherwise to any of the Partners, General or Limited, for any acts performed by him in good faith within the scope of this Partnership Agreement, and the General Partners shall not be personally liable for the return of the capital contributions of Limited Partners.

(f) The other two General Partners must all execute any contract made by the Limited Partnership with a General Partner.

9. ACTIVITIES OF LIMITED PARTNERS. The Limited Partners shall take no part in the conduct or control of the Partnership business and shall have no right or authority to act for or bind the Partnership.

(a) The Limited Partners shall, and do hereby agree to execute all instruments, documents and papers necessary for the carrying on of the business of the partnership, for any sale of the assets, in part or in total, further the Limited Partners do hereby bind their heirs, assigns and administrators to this agreement.

10. ADDITIONAL CONTRIBUTIONS OF LIMITED PARTNERS. There shall be no additional contributions required of any Limited Partner, unless all partners, both limited and general, unanimously consent thereto and agree as to the amount or type of contribution to be made by each limited partner, the time or times at which contributions shall be made, and all other matters necessary to the perfecting of any such contribution. Nothing contained herein, however, shall be construed to create any express or implied agreement or obligation on the part of any party to make any other or further contribution.

11. RETURN OF CONTRIBUTION TO LIMITED PARTNER. The contribution of each Limited Partner shall not be returned until the term of this Limited Partnership expires or is dissolved in accordance with the terms of this instrument or the Rhode Island Uniform Limited Partnership Act, Chapter 7-13-17, subject to any liabilities of the partnership. It is expressly agreed by all members that Limited Partners shall not attempt to obtain any return of contribution under Section 7-13-17 of the General Laws of the State of Rhode Island.

Upon such expiration or termination, irrespective of the nature of the contribution of each Limited Partner, such Limited Partner has only the right to demand and receive cash in return for his contribution in proportion to his ownership in the total partnership assets at the time of dissolution as pro-ratably diminished by any liabilities and losses, if any, but the contribution being so returned may be in the form of any property of the Partnership or an undivided interest therein.

(a) On dissolution of the partnership, whether as a result of a sale of the assets or otherwise, as set out in this agreement, any balance remaining after the payment of debts and liabilities of the partnership, the establishment of any reserve for the contingent liabilities and repayment for loans and advances by partners, shall be distributed first to each Limited Partner in an amount equal to his original contribution to the capital of the partnership; then the balance remaining is to be apportioned 50% among all of the Limited Partners Pro-rata, in proportion to their capital contribution and the remaining 50% shall be proportioned to the General Partners.

(b) In the event the General Partners feel it advantageous to the partnership to transfer the ownership of the partnership to a corporation or a trust, with the written consent of the Limited Partners first had and obtained, the General Partners may require, by giving written notice at least 30 days in advance, that the Limited Partners surrender their interest in the Partnership in exchange for equivalent shares or beneficial interest in a corporation or a trust. Such stock or beneficial interest exchanged for Limited Partners interest shall be non-voting or voted only by the directors of the corporation or the trustees of the trust, as they should determine.

12. DISTRIBUTION OF PROFITS AND LOSSES.

(a) Each Partner, general and limited, shall share in the net profits and losses of the partnership in the ratio which his interest bears to the total interest of all partners, general and limited; provided, however, that the loss of a limited partner shall be limited to the contribution in cash monies made by him.

(b) The General Partners shall distribute monthly in cash, net profits to the limited partners after making necessary or appropriate allowance or reservations for the purposes of debt retirement, improvements of properties and for any other practical business purpose. "Net Profits" as used herein defined to mean net profits as used in the ordinary commercial enterprise in accordance with generally accepted accounting principles except, however, that no provisions need be made for amortization or depreciation.

(1) Distributions of the net profits, as herein defined, to the partners shall commence on or about September 1, 1969.

(c) It is recognized by all partners, both General and Limited, to this agreement that Limited Partners have contributed cash in excess of cash contributed by General Partners. In order that this partnership may be equitable and reflect economic reality, it is agreed that the depreciation deduction allowed to the Partnership for Federal Income Tax Purposes shall be allocated to all partners in two parts as follows:

(1) Such basis in partnership depreciable property as is acquired through the payment for property of money obtained by partnership borrowings shall be allocated to each partner, both General and Limited, in proportion to his ownership in the capital account of the Partnership; plus

(2) Such basis in Partnership depreciable property as is acquired through the payment for property of money obtained from cash contributions of the partners shall be allocated to the partners making such cash contribution.

13. SUBSTITUTED LIMITED PARTNERS.

(a) After the admission of the original Limited Partners and the amendment of the Certificate of Limited Partnership as provided in Paragraph 7 herein, and subject to the provisions and limitations of Chapter 7-13-20 of the General Laws of the State of Rhode Island, each limited partner shall have the right to substitute an assignee as contributor in his place but upon the transferring or substituting partner first offering to sell his interest to the General Partners, or to the designate of the General Partners, before the transferring or substituting partner shall assign or transfer his interest to a substituted Limited Partner, this offer to be accepted or rejected within a period of fifteen (15) days. But only those persons who take such interest of a limited partner by virtue of a testamentary disposition or by intestate succession shall be admitted to all the rights of the admitted partner who was his predecessor, without the consent of all other members of the limited partnership. Any assignee who takes other than by testamentary disposition or intestate succession shall have only the right to receive the share of the profits or the return of the contribution to which his predecessor would otherwise be entitled, provided

that any assignee shall have the right to become a substituted limited Partner with all the rights of his assignor of all the General Partners consent thereto; provided that nothing in this or any other section of this instrument shall prevent any general or limited partner from acquiring all or any part of the interest of any other General or Limited Partner, together with all the rights in such interest transferred, without the consent of the other partners, and the share of profits thereafter to be received by each party to such a transaction shall be increased or decreased in proportion to what portion of the interest which is acquired or sold; and provided further, that in the event a general partner sells his entire interest in said partnership, said partnership shall thereupon be dissolved in the same manner as upon death of a general partner.

(b) Other than as provided in the last above paragraph, no additional limited partners may be admitted without the unanimous consent of all general partners, as to the person or persons who shall be admitted, the amount of contribution each additional member shall make to the partnership, and the share of profits each additional partner shall receive.

14. DISSOLUTION OF LIMITED PARTNERSHIP.

(a) The partnership shall be dissolved at the death, retirement, insanity, or inability to act of any general partner; provided that the remaining general partners shall be given reasonable time, not to exceed nine months from and after such date, in which to bring the operations of the partnership to a condition whereby the dissolution can be carried out in a manner most beneficial to the interest of the remaining general partners and the limited partners.

(b) However, the partnership shall not terminate at the death or insanity of any limited partner, but the executor, administrator or guardian of such limited partner shall have all the rights of a limited partner for the purpose of settling or protecting his estate, Paragraph 13, of this instrument notwithstanding.

(c) In the event the lending agency requires Life Insurance on the life of the General Partners, any such Insurance premiums and charges shall be paid for by the limited Partnership and the limited Partnership shall be the beneficiary.

15. AGENTS. The General Partners may employ, in behalf of the partnership, such persons, firms or corporations as they, in their sole judgment, shall deem advisable for the necessary operation and management of the business of the Partnership, including such management agents, certified public accountants, and laws, on reasonable fee basis in accordance with recognized reasonable fees for services performed; further the General Partners shall have the right as they deem the best for the partnership to net-lease the property held by the said partnership to a management company or any other firm, person or corporation. The fact that a partner, General or Limited, or a member of his family is employed by the Partnership to render

or perform legal, accounting or management services or from which or whom the Partnership may buy merchandise or other property shall not prohibit the General Partners from employing such person, from otherwise dealing with him, and neither the partnership nor any of the Partners thereof, shall have any rights in or to any income or profits derived therefrom.

(a) The books of account of this limited partnership shall be audited annually or at such other times as deemed necessary, by independent Certified Public Accounts, and the resultant report of said independent Certified Public Accounts shall be distributed to each member of this partnership.

16. CAPTIONS. All paragraph titles or captions contained in this agreement are for convenience only and shall not be deemed part of the context of this Partnership Agreement.

17. BENEFIT. This Partnership Agreement shall be binding upon and shall inure to the benefit of the parties, their successors, and assigns.

18. AGREEMENT MAY BE EXECUTED IN COUNTERPARTS. This Partnership Agreement may be executed in Counterparts, all of which taken together shall be deemed one original.

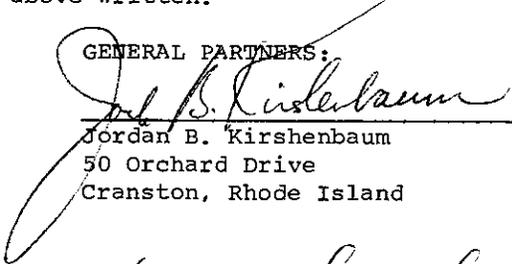
19. PRINCIPAL OFFICE. The principal office of the Partnership shall be maintained at Cranston, Rhode Island, or at such other place or places as the General Partners may from time to time determine on notice to the Limited Partners.

20. SALE OF PARTNERSHIP UNITS. It is agreed and understood by and between the partners hereto that this is a private offering of partnership units to be wholly sold within the State of Rhode Island and to less than 35 persons.

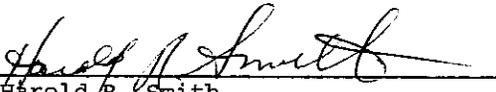
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date first above written.

June 13, 1969

GENERAL PARTNERS:

  
Jordan B. Kirshenbaum  
50 Orchard Drive  
Cranston, Rhode Island

June 13, 1969

  
Harold R. Smith  
71 Amherst Road  
Cranston, Rhode Island

State of Rhode Island  
County of Providence

In Providence, on the 13th day of June, A.D. 1969, before me personally appeared Jordan B. Kirshenbaum and Harold R. Smith, to me known and known by me to be the parties executing the foregoing instrument, and they acknowledged said instrument, by then executed, to be their free act and deed.

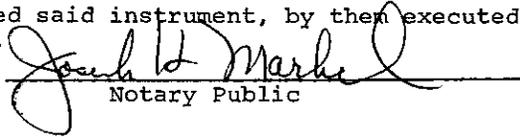
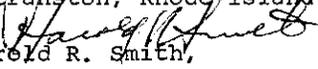
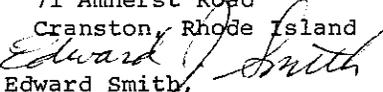
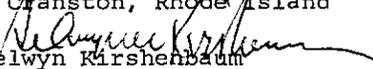
  
Notary Public

EXHIBIT A

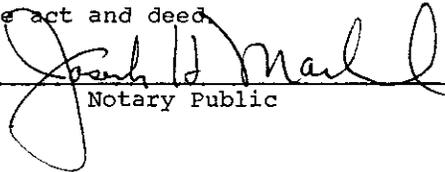
ORIGINAL LIMITED PARTNERS

<u>NAME</u>	<u>ADDRESS</u>	<u>VALUE OF ONE UNIT</u>	<u>NO. OF UNITS</u>	<u>TOTAL AMOUNT CONTRIBUTED</u>
 Jordan B. Kirshenbaum, 50 Orchard Drive Cranston, Rhode Island		\$1,000.00	75	\$75,000.00
 Harold R. Smith, 71 Amherst Road Cranston, Rhode Island		\$1,000.00	50	\$50,000.00
 Edward Smith, 50 Clearview Drive Cranston, Rhode Island		\$1,000.00	25	\$25,000.00
 Selwyn Kirshenbaum 21 Sunset Terrace Cranston, Rhode Island		\$1,000.00	25	\$25,000.00
 Walter Chucnin 33 Pilgrim Drive Cranston, Rhode Island		\$1,000.00	25	\$25,000.00

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence, on the 13th day of June, A. D. 1969, before me personally appeared JORDAN B. KIRSCHENBAUM and HAROLD R. SMITH, to me known and known by me to be the parties executing the foregoing instrument, and they acknowledged said instrument, by them executed, to be their free act and deed.

  
Notary Public

LIMITED PARTNERSHIP AGREEMENT

OF

BRAZOS-TRACE APARTMENTS, INC.

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