

SECOND AMENDMENT
TO
CERTIFICATE OF LIMITED PARTNERSHIP
OF
VILLAGE ASSOCIATES

The undersigned, in compliance with the provisions of the Uniform Limited Partnership Act of the State of Rhode Island, Title 7, Chapter 13 of the General Laws of Rhode Island, 1956, as amended, and in order to amend in its entirety the Certificate of Limited Partnership of Village Associates, a Rhode Island limited partnership (the "Partnership") filed in the office of the Secretary of State of Rhode Island on September 29, 1978, as amended by a First Amendment thereto filed in said office on August 24, 1979, and to provide for the admission of Antonio F. Pacheco, Jr. as a General Partner, the withdrawal of said Antonio F. Pacheco, Jr. as a Limited Partner and for the admission of additional Limited Partners, do hereby certify, acknowledge and submit as to the establishment of the Partnership that the:

1. name of the Partnership;
2. character of the business of the Partnership;
3. location of the Partnership's principal place of

business;

4. names and places of residence of the General and Limited Partners;

5. term for which the Partnership is to exist;

6. amount of each Limited Partner's cash contribution;

7. additional contributions agreed to be made by each Limited Partner and times at which or events on the happening of which such contributions shall be made;

8. time when the contribution of each Limited Partner is to be returned;

9. share of the profits or other compensation by way of income which each Limited Partner shall receive by reason of his contribution;

10. right of a Limited Partner to substitute an assignee as a contributor in his place and terms and conditions of the substitution;

11. right of the Partners to admit additional Limited Partners;

12. rights of priority among the Limited Partners;

13. right of the remaining General Partner or Partners to continue the business on the death, retirement, or insanity of a General Partner;

14. the right of the Limited Partners to demand and receive property other than cash in return for their contributions; and other terms and conditions of the Partnership are

all as set forth in the copy of the Second Amendment of Limited Partnership of Village Associates annexed hereto as Exhibit A and made a part hereof.

IN WITNESS WHEREOF, the undersigned have signed and sworn to this Second Amendment to Certificate of Limited Partnership as of the 28th day of September, 1979.

WITHDRAWING LIMITED PARTNER


Antonio F. Pacheco, Jr.

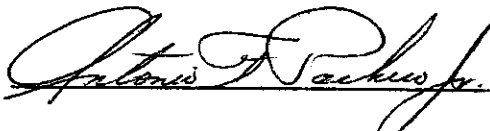
GENERAL PARTNERS

A.F. PACHECO CO., INC.

By 


Antonio F. Pacheco, Jr.

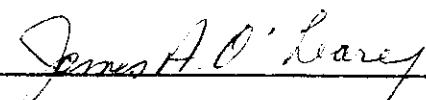
LIMITED PARTNER



STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence on this 28th day of September, 1979, before me personally appeared Antonio F. Pacheco, Jr., the President of A.F. Pacheco Co., Inc., to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed and the free act and deed of A.F. Pacheco Co., Inc.



STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence on this 28th day of September, 1979 personally appeared Antonio F. Pacheco, Jr., to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed.

James A. O'Leary

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence on this 28th day of May, 1979, before me personally appeared Antonio F. Pacheco, Jr., to me known and known by me to be the person executing the foregoing instrument as Attorney-in-Fact for Antonietta B. Sardelli and he acknowledged said instrument by him executed to be his free act and deed and his free act and deed in said capacity.

James A. O'Leary

EXHIBIT A

SECOND AMENDMENT
TO
AGREEMENT OF LIMITED PARTNERSHIP
OF
VILLAGE ASSOCIATES

AGREEMENT dated as of the 28th day of Sept. , 1979 by
and among A. F. Pacheco Co., Inc. and Antonio F. Pacheco, Jr.,
as General Partners, and Antonio F. Pacheco, Jr. as Withdrawing
Limited Partner, and the parties executing this Agreement as
Limited Partners.

W I T N E S S E T H T H A T:

WHEREAS, Village Associates was formed as a limited partnership
under the laws of the State of Rhode Island (the "Partnership")
pursuant to an Agreement of Limited Partnership dated as of
September 1, 1978, by and between A. F. Pacheco Co., Inc. as
General Partner and Antonio F. Pacheco, Jr. as Limited Partner.

WHEREAS, a Certificate of Limited Partnership was filed
with the Secretary of State of Rhode Island on September 29,
1978; and

WHEREAS, an Amendment of the Limited Partnership was made
on May 1, 1979 between A. F. Pacheco Co., Inc. as General Partner
and Antonio F. Pacheco, Jr. as Limited Partner.

WHEREAS, an Amendment was made to the Limited Partnership Certificate and filed with the Secretary of the State of Rhode Island on August 24, 1979.

WHEREAS, the parties hereto wish to:

(i) enable the Partnership to admit certain sophisticated investors as Limited Partners; and

(ii) amend and restate fully the rights, obligations and duties of the General Partners and the Limited Partners;

(iii) admit Antonio F. Pacheco, Jr. as a General Partner; and

(iv) provide for the withdrawal of said Antonio F. Pacheco, Jr. as a Limited Partner.

NOW, THEREFORE, in consideration of the premises and the agreements contained herein and for other valuable consideration, the receipt whereof is hereby acknowledged, the parties hereto hereby restate and amend in its entirety said Agreement of Limited Partnership, and hereby agree as follows:

ARTICLE I

Defined Terms

The defined terms used in this Agreement shall have the meanings specified below:

1.1 "Accountant(s)" means such a national firm as approved by the General Partners.

1.2 "Affiliated Person" means (i) General Partner, (ii) Limited Partner, (iii) member of the Immediate Family of any General Partner or Limited Partner, (iv) legal representative, successor or assignee of any person referred to in the preceding clauses (i) through (iii), (v) trustee for the benefit of any person referred to in the preceding clauses (i) through (iii), (vi) Entity of which a majority of the voting interest is owned by one or more of the persons referred to in the preceding clauses (i) through (v), or (vii) Person who is an officer, director, trustee, employee, stockholder or partner of any Entity or Person referred to in the preceding clauses (i) through (vi).

1.3 "Agreement" means this Agreement of Limited Partnership as it may be further amended from time to time.

1.4 "Building Loan Agreement" means the agreement dated September 18, 1979 between the Partnership and the Lender, providing for a loan to finance construction of the Project, as such agreement may hereafter from time to time be amended.

1.5 "Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior

(Partner on account of the partnership interest of such then Partner.

1.6 "Cash Flow" shall have the meaning provided in Section 10.2(b).

1.7 "Class Contribution" means the aggregate Capital Contributions of all members of a particular class of Partners (e.g. the General Partners or the Limited Partners).

1.8 "Commitments" means the commitment of the Lender to make the Construction and Permanent Mortgage Loan and shall also include the Building Loan Agreement, the Construction Contract, the Note, the Mortgage, the Regulatory Agreement, and any other instrument or agreement delivered to, or required by, the Lender or FmHA, in connection with the Mortgage or in connection with the Project, including any commitment to insure the Mortgage.

1.9 "Completion Date" means the date by which a certificate of occupancy for the Project is issued, the supervising architect of the Lender identified in the Commitments certifies that the construction of the Project is entirely completed and the Permanent Loan has been funded by FmHA.

1.10 "Consent of the Limited Partners" means the written consent or approval of Limited Partners whose Capital Contributions represent 67% of the Limited Partner Class Contribution (excluding any interest held by any General Partner as a Limited Partner).

1.11 "Construction Contract" means the Construction Contract dated September 18, 1979 between the Partnership and Homar, Inc. a Rhode Island corporation, to construct the Project for a maximum upset price of \$1,313,948.

1.12 "Entity" means any general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative or association.

1.13 "FmHA" means the Farmers Home Administration, a division of the United States Department of Agriculture, and shall also mean such Department where the context requires.

1.14 "Final Closing" means the date on which amortization of principal under the Note commences.

1.15 "General Partner" (or "General Partners") means any or all of those Persons designated as General Partners in the Schedule or any Person who becomes a General Partner as provided herein, in such Person's capacity as a General Partner of the Partnership.

1.16 "HUD" means the United States Department of Housing and Urban Development.

1.17 "Immediate Family" means, with respect to any Person, his spouse, parents, brothers, sisters, children, grandchildren, parents-in-law, brothers-in-law, sisters-in-law, children-in-law and grandchildren-in-law.

1.18 "Lender" means Rhode Island Housing and Mortgage Finance Corporation, and such other institution as may become the holder of the Note.

1.19 "Limited Partner" or "Limited Partners" means any or all of those Persons designated as Limited Partners in the Schedule or any Person who becomes a Substitute Limited Partner in such Person's capacity as a Limited Partner of the Partnership.

1.20 "Management Agent" means Century Management, Inc. a Rhode Island corporation, or such other firm as provided herein which acts as the managing and rental agent for the Project.

1.21 "Mortgage" means the construction and permanent mortgage indebtedness in the amount of \$1,500,000 of the Partnership evidenced by the note issued to the Lender dated September 18, 1979 (the "Note"), and secured by a mortgage on the real property, located on School Street, North Smithfield, Rhode Island, from the Partnership to the Lender as such indebtedness may be increased or decreased on or before the Completion Date. If the Mortgage is replaced by any subsequent mortgage or mortgages, such term shall refer to any such subsequent mortgage or mortgages, and the term "Note" shall refer to the note secured thereby.

1.22 "Partner" means any General Partner or Limited Partner.

1.23 "Partnership" means the limited partnership continued in accordance with this Agreement by the parties hereto, as said limited partnership may from time to time be constituted.

1.24 "Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such persons where the context so admits.

1.25 "Project" means the 50 unit apartment complex to be constructed pursuant to plans and specifications approved by the Lender and FmHA, on real property owned by the Partnership and located on School Street, North Smithfield, Rhode Island.

1.26 "Project Expenses" means all of the costs and expenses of any type incurred incident to the ownership and operation of the Project, including, without limitation, taxes, capital improvements, payments of principal (if amortization of the Mortgage has commenced) and interest on the Mortgage (without forbearance), the cost of operations, maintenance, and repairs and the funding of any reserves required to be maintained by FmHA. For the purposes of Section 6.10, Project Expenses shall be determined on an accrual basis of accounting regardless of the basis upon which the books of the Partnership are kept for other purposes.

1.27 "Project Expense Loan" means a loan not secured by any liens or other charges upon the property of the Partnership made by the General Partners to the Partnership pursuant to Section 6.10, repayable only with the approval of the Lender and/or FmHA and only as provided in Article X.

1.28 "Regulatory Agreement", if any required, means the Regulatory Agreement dated September 18, 1979 between the Partnership and FmHA.

1.29 "Residual Receipts Notes" means promissory notes of the Partnership not secured by any liens or other charges upon the property of the Partnership, which notes shall not bear interest and shall be payable with the approval of the Lender and/or FmHA at any time prior to the making of the permanent Mortgage Loan in the discretion of the General Partners and thereafter only as provided in Section 6.9 and Article X of this Agreement. The General Partners have advanced \$62,368 as Residual Receipts Notes which will be repaid only as provided in Section 6.9 and Article X of this Agreement.

1.30 "Retirement" means as to a General Partner, the occurrence of death, adjudication of insanity or incompetence, Bankruptcy, dissolution or liquidation, voluntary or involuntary withdrawal for any reason or such other event as may result in the dissolution of the Partnership under the Uniform Act. Involuntary Retirement shall be deemed to have occurred whenever a General Partner may no longer continue as a General Partner

by reason of death, adjudication of insanity or incompetence or Bankruptcy. Bankruptcy shall be deemed to have occurred whenever a General Partner shall admit in writing his inability to pay his debts as they become due, or shall be adjudicated a bankrupt or shall execute an assignment for the benefit of creditors, or shall become subject to the direction or control of a receiver for all or a substantial part of his property which receivership proceedings are not dismissed within 60 days of such receiver's appointment, or shall consent to the appointment of a receiver for all or a substantial part of his property, or shall file a petition in bankruptcy or for reorganization or for an arrangement.

1.31 "Schedule" means Schedule A annexed hereto as amended from time to time and as so amended at the time of reference thereto.

1.32 "State" means the State of Rhode Island.

1.33 "Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 8.3 hereof.

1.34 "Uniform Act" means the Uniform Limited Partnership Act as embodied in Title 7, Chapter 13 of the General Laws of Rhode Island, 1956, as amended.

1.35 "Unit" means a portion of the Limited Partner Class Contribution representing a commitment for a capital contribution payable as provided in Section 5.1 in the amount of \$31,500 subject to reduction as provided in Section 5.3.

ARTICLE II

Formation; Name; and Purpose

2.1 Formation

The parties hereto hereby agree to continue the Limited Partnership known as Village Associates formed pursuant to the provisions of the Uniform Act.

2.2 Name and Office

The Partnership shall continue to be conducted under the name and style of Village Associates. The principal office of the Partnership shall be Pacheco Drive, North Smithfield, Rhode Island. The General Partners or any of them may at any time change the location of such principal office within the State by giving due notice of any such change to the Limited Partners.

2.3 Purpose

The purposes of the Partnership are to acquire certain real property located on School Street, North Smithfield, Rhode Island, to construct the Project thereon and to maintain, manage, and operate the Project. The Partnership and the General Partners shall use its and their best efforts to operate the Project

in accordance with the Commitments and all applicable governmental regulations. The Partnership shall not engage in any other business or activity.

2.4 Authorized Acts

In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized to:

(i) acquire by purchase any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Partnership;

(ii) construct, renovate, rehabilitate, operate, maintain, finance and improve, and to own, sell, convey, assign, mortgage or lease any real estate and any personal property necessary, convenient or incidental to the accomplishment of the purposes of the Partnership;

(iii) borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and to secure the same by any Mortgage on the Project or any other assets of the Partnership;

(iv) prepay in whole or in part, refinance, recast, increase, modify or extend any Mortgage affecting the Project;

(v) employ a management company, including an Affiliated Person, to manage the Project, and to pay reasonable compensation for such services; provided, however, that such compensation shall not be greater than that usually paid to third parties for similar services;

(vi) enter into, perform and carry out contracts of any kind, including contracts with Affiliated Persons, necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Partnership, specifically including, but not limited to, the execution and delivery of the Commitments, and all other agreements, certificates, instruments or documents required by

the Lender or FmHA, in connection with the Commitments and the acquisition of the property and construction, rehabilitation, development, improvement, maintenance and operation of the Project or otherwise required by such agencies in connection with the Project;

(vii) execute leases of some or all of the apartments and facilities of the Project to a public housing authority and/or to a nonprofit corporation, cooperative or other nonprofit Entity; and

(viii) enter into such other kind of activity and to perform and carry out such other contracts in connection with the foregoing as may be lawfully carried on or performed by a partnership under the laws of the State.

2.5 Term and Dissolution

(a) The Partnership shall continue in force and effect until December 30, 2030 except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

(i) the sale or other disposition of all or substantially all of the assets of the Partnership;

(ii) the Retirement of a General Partner if no General Partner remains and the Partnership is not reconstituted with a successor General Partner; or

(iii) the election to dissolve the Partnership made in writing by the General Partners with the Consent of the Limited Partners.

(b) Upon dissolution of the Partnership, the General Partners (or their trustees, receivers, successors, or legal representatives), in accordance with the Uniform Act, shall cause the cancellation of the Partnership's Certificate of Limited Partnership, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.2(e).

Notwithstanding the foregoing, in the event the General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, either defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (except Project Expense Loans and Residual Receipts Notes) or distribute the assets to the Partners in kind.

(c) As long as the Farmer's Home Administration is mortgagee, no voluntary dissolution, admission, deletion, substitution of Limited Partners or Amendment of the Limited Partnership Agreement is permitted without the consent of the Farmer's Home Administration.

ARTICLE III

Commitments and Financing

3.1 Authority

The Partnership shall borrow from the Lender or the General Partners, as provided herein, whatever amounts that may be required for the construction and development of the Project and to meet the expenses of operating the Project until the Completion Date and shall, to the extent necessary or desirable, secure any such borrowing from the Lender with mortgages including the Mortgage. . Each General Partner is specifically authorized to

(execute the Commitments and such other documents as he or it deems necessary in connection with the acquisition, construction, development, rehabilitation, renovation, and financing of the Project, including, without limitation (but subject to the other terms of this Agreement), notes, mortgages, conditional assignments, security agreements, and leases.

3.2 Obligations under Commitments

Each General Partner shall be bound by the terms of the Commitments and any other documents required in connection therewith, but in no event shall the Partnership or any Partner be personally liable under the Mortgage or for any indebtedness secured thereby or any other evidence of indebtedness for money borrowed by the Partnership. Any incoming General Partner shall, as a condition of receiving any interest in the Partnership, agree to be bound by the Commitments to the same extent and on the same terms as the other General Partners. Upon any dissolution of the Partnership or any transfer of the Project while the Mortgage is still outstanding, no title or right to the possession and control of the Project and no right to collect rents therefrom shall pass to any Person or Entity who is not, or does not become, bound by the Commitments in a manner satisfactory to the Lender and/or FmHA.

3.3 Modification of Mortgage Indebtedness

The Partnership may decrease, increase, or refinance the Mortgage at or before the Completion Date; provided, however, that in the event of an increase in the principal amount of the Mortgage an increase in rents is instituted and if required the FmHA shall have approved an increase in the maximum allowable rents for the apartments in the Project. After the Completion Date, the Partnership may not refinance the Mortgage or transfer or convey any assets of the Partnership for security or mortgage purposes, or sell, lease, exchange, or otherwise transfer or convey all or substantially all of the assets of the Partnership without the prior Consent of the Limited Partners.

ARTICLE IV

Partners; Capital

4.1 General Partners

The General Partners of the Partnership shall be A. F. Pacheco Co., Inc., a Rhode Island Corporation and Antonio F. Pacheco, Jr. of North Smithfield, Rhode Island, and the amount contributed to the capital of the Partnership by each is set forth on the Schedule.

4.2 Limited Partners

The Limited Partners shall be the persons set forth in the Schedule. The amount contributed to the capital of the Partnership by each is set forth in the schedule.

4.3 Partnership Capital

The capital of the Partnership shall be the aggregate amount of the Capital Contributions of the Partners as set forth in the Schedule. The original capital account of each Partner shall be the amount of his Capital Contribution. No interest shall be paid on any Capital Contribution. The General Partners hereby assign to the Partnership all their right, title and interest in and to the Commitments and any property of the Partnership and expressly agree that their Capital Contributions shall be only the cash amount set forth in the Schedule.

4.4 Withdrawal of Capital

No Partner shall have the right to withdraw all or any part of his Capital Contribution except as otherwise provided in this Agreement. No Partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as otherwise provided in this Agreement.

4.5 Liability of Limited Partners

No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership. A Limited Partner shall only be liable to make payment of his Capital Contribution as and when due hereunder. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further capital contributions or to loan any funds to the Partnership.

4.6 Limited Partners

(a) The General Partners shall not admit other Limited Partners except with the written consent of each of the Limited Partners who shall agree to make capital contributions to the Partnership in the aggregate amount of \$315,000 as contemplated by Article V hereof.

(b) Each person becoming a Limited Partner shall, by reason thereof, be deemed to have agreed, and hereby does agree, to acquire his interest as Limited Partner subject to (i) the Commitments, (ii) any other documents required in connection with the Commitments and (iii) the provisions of this Agreement. Each Limited Partner shall accept such other terms and conditions set forth in writing to them at the time of admission as the General Partners may determine and shall execute and deliver such documents and instruments as the General Partners may reasonably request in order to confirm or carry out the provisions of this Agreement.

(c) The Schedule shall be amended to reflect the name, address and Capital Contribution of each Limited Partner, and an amendment to the Certificate of Limited Partnership, reflecting such admission, shall be filed with the Secretary of State of the State. Each Limited Partner shall become a party hereto by signing either a conformed counterpart of this Agreement or such other agreement appropriate for the purpose,

(in such manner as the General Partners shall determine, and by so signing such Limited Partner shall be deemed to have adopted and to have agreed to be subject to all the provisions of the Commitments and this Agreement; provided, however, that no such counterpart or agreement shall be binding until it has been signed by one of the General Partners.

ARTICLE V

Capital Contributions of Limited Partners

5.1 Payments

(a) Subject to the provisions of this Section 5.1 and Section 5.3 hereof, Limited Partners shall make their Capital Contributions in 10 Units of \$31,500 each or in multiples or fractions thereof. Each such Unit shall be paid in six installments as follows:

(i) \$1,000.00 per Unit (the "First Installment") shall be payable at the time of admission of the Limited Partners pursuant to this Agreement;

(ii) \$6,500.00 per Unit (the "Second Installment") shall be payable four months after initial closing of the mortgage;

(iii) \$7,000.00 per Unit (the "Third Installment") shall be payable on the later of (A) Final Closing, (B) the last day of a calendar quarter ending on or after December 31, 1980 during which the Project shall have achieved 95% occupancy, or (C) one year after the date specified for payment of the Second Installment; 95% occupancy of the Project shall be deemed to be achieved if during the calendar quarter the Partnership shall have received at least 95% of the FmHA approved rental income for such period as last determined by FmHA at 100% occupancy from (A) bona fide tenants who have executed FmHA approved leases and who have occupied dwelling units under such leases, and (B) payments by FmHA made pursuant to the FmHA Contract.

(iv) \$7,000.00 per Unit (the "Fourth Installment") shall be payable on the later of (A) July 1, 1982 provided that the rental income for the Project for the fiscal year ending December 31, 1981 has been at least equal to the aggregate of the Project Expenses and management fees (in the maximum amount permitted) incurred during such year; (B) 35 days after the end of a period of twelve consecutive months ending on March 31, June 30, September 30, or December 31 thereafter provided that the conditions specified in clause (A) are satisfied for such period; or (C) one year after the date specified for payment of the Fourth Installment, whichever is later; and

(v) \$5,250.00 per Unit (the "Fifth Installment") shall be payable on the later of (A) 35 days after the end of a period of twelve consecutive months which commences after the last day of the applicable period referred to in clause (A) or (B) of paragraph (iv) above and which ends on December 31, March 31, June 30, or September 30, during which the rental income for the Project has been at least equal to the aggregate of the Project Expenses and management fees (in the maximum amount permitted) incurred during such period, or (B) one year after the date specified for payment of the Fourth Installment, whichever is later.

(vi) \$4,750.00 per Unit (the "Final Installment") shall be payable on the later of (A) 35 days after the end of a period of twelve consecutive months which commences after the last day of the applicable period referred to in clause (A) or (B) of paragraph (v) above and which ends on December 31, March 31, June 30, or September 30, during which the rental income for the Project has been at least equal to the aggregate of the Project Expenses and management fees (in the maximum amount permitted) incurred during such period, or (B) one year after the date specified for payment of the Fifth Installment, whichever is later.

(b) The obligation of the Limited Partners to make each of the Installments of their Capital Contributions hereunder is subject to the condition that the General Partners shall have delivered to the Limited Partners a written certificate (the "Certificate") (i) listing all preconditions, representations and warranties applicable to such Installment provided in this

Section 5.1 and in Section 6.6 hereof and (ii) stating that all such preconditions, representations, warranties and agreements have been satisfied. The Certificate shall be delivered on the admission date to the Partnership of the Limited Partners as a precondition to payment by the Limited Partners of the First Installment. As to each of the Second, Third, Fourth, Fifth and Final Installments, the General Partners shall give the Limited Partners not less than 21 days' advance written notice of the due date therefor and shall deliver the Certificate to them not less than 10 days prior to the due date set forth in said notice. The obligations of the Limited Partners to make the Fourth, Fifth and Final Installments shall be subject to receipt from the General Partners of a certificate that as of the due date the Partnership has no outstanding obligations to pay operating expenses of the Project other than normal trade obligations. The determination upon which such a certificate is rendered shall be based on the accrual basis of accounting. In the event that the General Partners cannot furnish said certificate but have made provisions satisfactory to the Limited Partners to pay any operating expenses then outstanding from the proceeds of the Fourth Installment, Fifth Installment or the Final Installment, then the certificate required herein shall be deemed to have been delivered by the General Partners.

(c) If, as of the date when any Installment would otherwise be due hereunder, any representation or warranty contained in Section 6.6 hereof shall not be true and correct or the General Partners or any Affiliated Person shall be in default under any agreement contained herein, under any of the Commitments or under any other agreement relating to the Project, the Limited Partners shall not be required to make such Installment; provided, however, that, if within three months from such date the General Partners shall have cured such misrepresentation or default in such manner that none of the Commitments shall have been adversely affected or terminated and the Limited Partners shall not have lost any material part of the projected economic and tax benefits relating to the Project, and neither the General Partners nor any Affiliated Person shall otherwise be in default hereunder, then the Limited Partners shall pay the amount of such Installment to the Partnership 30 days after notice from the General Partners specifying that such misrepresentation or default has been cured and the manner in which the same was cured.

(d) The obligation of the Limited Partners to pay the First Installment is subject, in addition to the conditions specified above, to the issuance of (a) an opinion of counsel for the General Partners and the Partnership substantially to the effect set forth in items (i), (ii), (vi), (vii) and (viii) of Section 6.6(a) hereof and (b) a favorable opinion by special

counsel to the Limited Partners with respect to the taxation of the Partnership as a Partnership for Federal income tax purposes.

5.2 Default by Limited Partners

(a) In the event any Limited Partner fails to pay any Installment of his Capital Contribution on or prior to the time therefor set forth in Section 5.1, he shall be deemed to be in default hereunder (the "Defaulting Limited Partner"). If such default is not cured by the Defaulting Limited Partner within thirty (30) days of notice thereof from the General Partners, the General Partners shall promptly give notice of such default to all Limited Partners ("Default Notice") specifying the nature of the default and the aggregate amount of the Capital Contribution theretofore paid in by the Defaulting Limited Partner. The nondefaulting Limited Partners shall have the option to acquire, in the manner hereinafter specified, the Defaulting Limited Partner's entire interest as a Limited Partner including all profits, losses and distributions attributable to such interest accruing or payable from and after the date of such default. Such option may be exercised by a Limited Partner (the "Purchasing Limited Partner") by mailing to the Partnership (within 15 days of the mailing by the General Partners of the Default Notice) written notice of his desire to acquire all or part of the Defaulting Limited Partner's interest as a Limited Partner (the "Purchase Notice") specifying the percentage which the Purchasing Limited Partner desires to acquire. Whether or not this option

is exercised, the Defaulting Limited Partner shall have no right to receive such profits, losses, and distributions, but any successor to his interest shall, to the extent allowable for Federal income tax purposes, receive the benefits of the same.

(b) In the event one or more Purchasing Limited Partners desire to acquire all or part of the Defaulting Limited Partner's interest as a Limited Partner and the total of the percentages they desire to acquire (the "Total Percentage") is equal to or less than 100% of such interest of the Defaulting Limited Partner, each Purchasing Limited Partner shall acquire the percentage specified in the Purchase Notice on the terms listed below. If any part of such interest is not so acquired by Purchasing Limited Partners, then the General Partners shall have the option to acquire on the same terms and conditions such remaining part of such interest of the Defaulting Limited Partner.

(c) In the event two or more Purchasing Limited Partners desire to acquire a Total Percentage greater than 100% of such interest of the Defaulting Limited Partner, and they are unable to agree as to the apportionment thereof, they shall be entitled to acquire portions of such interest based on the ratio which the Capital Contribution of such Limited Partner bears to the total Capital Contributions of all the Purchasing Limited Partners. Any Purchasing Limited Partner and/or any purchasing General Partner shall become a Substitute Limited Partner to the extent

of any portion of any interest as a Limited Partner which they, or any of them, may acquire hereunder. The interest of any Limited Partner acquired by a General Partner shall be deemed an interest as a Limited Partner.

(d) In order to acquire the interest of a Defaulting Limited Partner pursuant to this Section 5.2, each Purchasing Limited Partner or General Partner shall (i) pay to the Defaulting Limited Partner his pro rata share of an amount equal to ten percent (10%) of the Capital Contribution, if any, previously paid in by the Defaulting Limited Partner, (ii) agree to pay to the Partnership his pro rata share of the Installment as to which the default occurred and (iii) agree to assume all other obligations of the Defaulting Limited Partner, if any, to the Partnership. Upon such payment, agreement and assumption, all rights of a Defaulting Limited Partner with respect to his interest so acquired shall terminate without further act. Each Partner agrees to execute and deliver such documents as may be necessary to carry out the provisions of this Section 5.2.

(e) Notwithstanding the foregoing, the obligations of the Defaulting Limited Partner to the Partnership hereunder shall not be extinguished by the existence of any such option, or by its exercise but only by, and to the extent, of the Capital Contributions made in his place by the purchaser of his interest hereunder. If or to the extent such option shall not be exercised within the foregoing periods, unless and until such default

shall be cured, all distributions pursuant to Article X hereof in respect of the interest of the Defaulting Limited Partner shall be applied first to interest on the defaulted amount at the maximum legal rate and then to the defaulted amount, and the profits and losses in respect thereof shall be allocated to the General Partners. After such distributions equal the defaulted amount, together with such interest, the Limited Partner interest of the Defaulting Limited Partner shall be deemed to have been acquired by the General Partners in the ratios set forth in Section 10.1(c). Exercise of the options provided by this Section 5.2 shall be suspended during any period in which exercise thereof would cause a termination of the Partnership referred to in Section 13.1.

5.3 Adjustment to Amount of Contribution

(a) If at the Completion Date the amount of the Mortgage is less than \$1,500,000, the amount of the Capital Contribution of each Limited Partners shall be reduced by the same percentage as the percentage by which the face amount of the Mortgage at the Completion Date is less than \$1,500,000, and the amount of the Final Installment will be reduced by the amount of such reduction; provided, however, that if the amount of any reduction shall exceed the amount of the Final Installment, then the Partnership shall return an amount equal to such excess to the Limited Partners.

(b) Notice of any adjustment pursuant to this Section 5.3 shall be included in the notices to be delivered by the General Partners pursuant to the provisions of Section 5.1 hereof.

ARTICLE VI

Rights, Powers and Duties of the General Partners

6.1 Restrictions on Authority

(a) The General Partners shall have no authority to perform any act in violation of any of the Commitments, any applicable law or regulation or any other agreement between the Partnership and the Lender, or FmHA. The General Partners shall not have any authority to do any of the following acts without the Consent of the Limited Partners except as authorized herein:

(i) to borrow on the general credit of the Partnership, except as specifically permitted hereunder as to Project Expense Loans and Residual Receipts Notes;

(ii) following completion of the Project, to construct other capital improvements, or to replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(iii) to acquire any real property in addition to that used for the Project;

(iv) to become personally liable on, or in respect of, or to guarantee, the Mortgage;

(v) to do any act required to be approved or ratified by the Limited Partners under the Uniform Act; or

(vi) to refinance, sell or convey the Project.

(b) Notwithstanding the foregoing, subject to Section 3.3, General Partners shall be authorized to increase the amount of the Mortgage at or prior to the Completion Date without the Consent of the Limited Partners.

6.2 Personal Services

The General Partners shall receive no compensation for services rendered to the Partnership except as otherwise provided in Section 6.13 or Article XI hereof. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the ownership, operation, management, and development of real estate and/or apartment complexes, and neither the Partnership nor any Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

6.3 Business Management and Control

The General Partners shall have the exclusive right to manage the business of the Partnership and, except as hereinafter provided, shall have equal rights with respect thereto as provided by the Uniform Act, and shall act by unanimous vote or assent. No Limited Partner (except one who may also be a General Partner,

and then only in his capacity as General Partner) shall participate in or have any control over the Partnership business, except as required by law. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred on them by this Partnership Agreement. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as a General Partner) shall have any authority or right to act for or bind the Partnership.

6.4 Delegation of General Partner Authority

(a) If there shall be more than one General Partner serving hereunder, each General Partner may, from time to time, by an instrument in writing delegate all or any of his powers or duties hereunder to another General Partner or Partners. Such writing shall fully authorize such other General Partner to act alone, without requirement of any other act or signature of the General Partner, to take any action of any type and to do anything and everything which the General Partners may be authorized to take or do hereunder; provided, however, that any such delegation shall not relieve the General Partner making such delegation of his obligations under this Agreement.

(b) Every contract, deed, mortgage, lease and other instrument executed by any General Partner so authorized shall be conclusive evidence in favor of every Person or Entity relying thereon or claiming thereunder that at the

time of the delivery thereof (i) this Partnership was in existence, (ii) this Agreement had not been terminated or cancelled or amended in any manner so as to restrict such authority (except as shown in certificates or other instruments duly filed in the office of the Secretary of State of the State), and (iii) the execution and delivery of such instrument was duly authorized by the General Partners. Any Person or Entity dealing with the Partnership or a General Partner may rely on a certificate signed by any General Partner hereunder, except with respect to matters set forth in the certificates or other instruments duly filed in the office of the Secretary of State of the State:

(A) as to who are the General or Limited Partners hereunder;

(B) as to the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the General Partners or in any other manner germane to the affairs of this Partnership;

(C) as to who is authorized to execute and deliver any instrument or document of the Partnership;

(D) as to the authenticity of any copy of the Agreement and amendments thereto; or

(E) as to any act or failure to act by the Partnership or as to any other matter whatsoever involving the Partnership or any Partner.

6.5 Duties and Obligations

(a) The General Partners shall promptly take all actions which may be necessary or appropriate for the development and completion of the Project and the proper maintenance and operation of the Project in accordance with the provisions of this Agreement, and the Commitments and applicable laws and regulations. The General Partners shall devote to the Partnership such time as may be necessary or appropriate for the proper performance of their duties.

(b) The General Partners shall obtain and keep in force during the term of the Partnership fire and extended coverage, workmen's compensation and public liability insurance in favor of the Partnership with such companies and in such amounts as may be required by the Commitments or, in the absence of such requirements, in amounts which are commercially reasonable in the circumstances.

6.6 Representations and Warranties

(a) The General Partners hereby jointly and severally represent and warrant to each Limited Partner that the following are true as of the date hereof and will be true on the due date for any Installment of the Capital Contributions of the Limited Partners and at all times thereafter (except as otherwise provided):

(i) the Partnership is a duly organized limited partnership validly existing under the laws of the State and has complied with all filing requirements necessary for the protection of the Limited Partners;

(ii) The Partnership is the sole owner in fee simple of the real property on which the Project is or will be constructed, free and clear of all liens, claims and encumbrances, except the lien of the Mortgage, the lien of current taxes not yet due and payable and such other matters as do not and will not materially interfere with the use and enjoyment of said real property for its intended purpose; and said real property is properly zoned for its intended purposes;

(iii) construction of the Project will be completed (and after the Completion Date, will have been completed) in substantial conformity with the Commitments and the Construction Contract;

(iv) all payments and expenses required to be made or incurred in order to complete construction of the Project in conformity with the Commitments and in order to satisfy all requirements under the Commitments and/or which form the basis for determining the principal sum of the Mortgage, including, without limitation, interest during construction and any escrow payment, will be paid or provided for by, or for the account of, the Partnership utilizing only (A) the funds available from the Mortgage, (B) the Capital Contributions of the Limited Partners, (C) the net proceeds, if any, from rental income earned by the Project prior to the Completion Date, and (D) loans of the General Partners made pursuant to Section 6.9;

(v) no event, occurrence or proceeding is pending or threatened which would (A) materially adversely affect the Partnership or its properties, (B) materially adversely affect the ability of the General Partners or any Affiliated Person to perform their respective obligations hereunder or under any other agreement with respect to the Project or (C) prevent the completion of construction of the Project in conformity with the Commitments, other than legal proceedings which have been bonded against in such manner as to stay the proceedings and which do not and will not materially adversely affect the Project or the Commitments. This subparagraph shall be deemed to include the following: (X) legal actions or proceedings before any court, commission, administrative body or other governmental authority having jurisdiction over the

zoning applicable to the Project, (Y) labor disputes and (Z) acts of any governmental authority;

(vi) no material default (or event which, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under this Agreement, any of the Commitments or any other agreement affecting the Project, and the same are in full force and effect;

(vii) neither the Partnership nor any of its Partners will have any personal liability on the Note or the Mortgage and the General Partners shall not permit any Person to become personally liable for the payment of any part of the Mortgage;

(viii) there is no material violation by the Partnership or the General Partners of any environmental or similar regulation applicable to the Project; all necessary building and other applicable permits have been obtained to permit the construction and completion of the Project; and the Partnership has complied with all applicable municipal and other laws, ordinances and regulations relating to such construction and completion, and use of the Project and the acquisition of the land upon which it is being constructed;

(ix) no event has occurred which would entitle a Limited Partner to require the General Partners to purchase his Limited Partner interest under Section 6.11; and

(x) each of the General Partners of the Partnership has sufficient net worth such that the Partnership satisfies the net worth prerequisites for obtaining an advance ruling from the Internal Revenue Service that the Partnership will be treated as a partnership and not as an association taxable as a corporation.

(b) The General Partners agree that they will not at any time become personally liable for the payment of any part of the Mortgage, and will not permit any other Partner to become personally liable for the payment of any part of the Mortgage.

6.7 Indemnification

Each General Partner shall be entitled to indemnity from the Partnership for any act performed by him within the scope of the authority conferred on him by the Agreement, except for acts of wilful misconduct or gross negligence or, for damages arising from any misrepresentation or breach of covenant or warranty; provided, however, that any indemnity under this Section shall be provided out of and to the extent of Partnership assets only, and no Limited Partner shall have any personal liability on account thereof.

6.8 Liability of General Partners to Limited Partners

No General Partner shall be liable, responsible or accountable for damages or otherwise to any Limited Partner for any act performed within the scope of the authority conferred by this Agreement, except for acts of wilful misconduct or gross negligence or for damages arising from any misrepresentation or breach of covenant or warranty.

6.9 Obligation to Complete Construction

The General Partners shall cause the Project to be constructed and completed in the manner set forth in the Building Loan Agreement. In the event the proceeds of the Mortgage, the paid-in Capital Contributions of the Limited Partners and available net rental income of the Project prior to the Completion Date are insufficient to complete construction of the Project in

accordance with the Commitments, and to meet all development and other fees and expenses, including escrow payments, required to (i) successfully complete the Project and (ii) pay all Project Expenses until the Completion Date, the General Partners shall advance to the Partnership all such amounts as may be necessary therefor, and such advances shall be evidenced by Residual Receipts Notes and shall be repayable only as provided in Article X.

6.10 Obligation to Provide for Project Expenses

In the event that at any time after the Completion Date and prior to December 31 of the year in which the Final Installment of Limited Partners' Capital Contributions is made the Partnership requires any funds for Project Expenses, the General Partners shall loan funds to the Partnership in an amount of up to \$25,000 outstanding at any one time. The General Partners may, but shall not be obligated, to advance funds in excess of the foregoing amount or beyond the foregoing time period. Such loans, whether obligatory or voluntary, shall be Project Expense Loans. Voluntary Project Expense Loans shall bear interest at a rate equal to the prime commercial rate charged from time to time by the Industrial National Bank of Rhode Island.

6.11 Repurchase Obligation of the General Partners.

If (i) the Completion Date shall not have occurred on or before June 30, 1981, (ii) or Final Closing shall not have occurred prior to June 30, 1981, or (iii) after the date specified for payment of the Second Installment and prior to the Completion

Date, any of the Commitments shall have been terminated or withdrawn and shall not have been reinstated within 60 days of such termination or withdrawal, or (iv) at any time prior to the payment of the Final Installment, the Lender shall have commenced proceedings to foreclose the Mortgage or shall have irrevocably refused to make further advances under the Mortgage, or (v) prior to the payment of the Final Installment, there shall prove or become untrue any representation or warranty set forth in Section 6.6 or a default by the General Partners under any agreement made by them herein, which, if curable, shall not have been cured within three (3) months of such breach, then, within 15 days after the occurrence of each such event, the General Partners shall send written notice of such event to each Limited Partner and offer to purchase the entire interest as a Limited Partner of each such Limited Partner. Any Limited Partner desiring to sell his interest to the General Partners shall send written notice thereof to the Partnership at any time within 60 days after the receipt of such notice. The purchase shall be made by the General Partners within 30 days after receipt of such Limited Partner's notice. The purchase price shall be an amount in cash, without interest, equal to the paid-in Capital Contribution of each Limited Partner desiring to sell his interest. Upon receipt of such payment, the interest as a Limited Partner of each such Limited Partner shall terminate, and such Limited Partner shall have no further obligation to pay any subsequent Installments of his Capital Contribution. For all purposes

(including the sharing of profits, losses and distributions, the interest of any Limited Partner acquired by the General Partners under this Section 6.11 shall be deemed to belong to the General Partners as Limited Partners.

6.12 Joint and Several Obligations

Each obligation of the General Partners shall be the joint and several obligation of each General Partner. The obligations set forth in Section 6.9, 6.10 and 6.11 shall survive any Retirement of a General Partner from the Partnership other than a voluntary Retirement to which all of the Limited Partners have consented.

6.13 Certain Payments to General Partners

(a) For their services in (i) supervising to completion the construction of the Project, (ii) providing for the full development of the Project, (iii) administering the affairs of the Partnership and the Project until the Project is substantially completed (which is anticipated to occur on or prior to June 30, 1980), the Partnership shall be required to pay to the General Partners a fee equal to \$124,464.22 less the aggregate of such amounts, in excess of the proceeds of the Mortgage and available net rental income of the Project prior to the Completion Date, as are used, in accordance with Section 6.9, to complete construction of the Project and to meet all development and other fees and expenses (except fees

paid under this Section 6.13). Such fee shall accrue as of June 30, 1980, shall be payable in installments in accordance with the schedule set forth below and shall bear interest on the unpaid balance at the rate of 12% per annum:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>
1981	\$25,058.80	\$14,941.20
1982	28,065.86	11,934.14
1983	28,933.76	8,566.24
1984	42,405.80	5,094.20

In no event, however, shall the aggregate of such fee and interest exceed \$165,000, and in the event it otherwise would, such fee and interest shall be reduced proportionately.

(b) The Partnership shall be required to pay to the General Partners a fee of \$60,000 for their services subsequent to the completion of construction of the Project in connection with the initial management of the operations of the Project (which services shall include supervising the initial renting of the Project) and in consideration of the agreement set forth in Section 6.10 hereof. Said fee shall be payable in four installments of \$10,000 in 1980, \$20,000 in 1981, \$20,000 in 1982 and \$10,000 in 1983 for services rendered from the period July 1, 1980 through December 31, 1983 and shall constitute a "Guaranteed Payment" under Section 707(c) of the Internal Revenue Code of 1954, as amended (the "Code").

(c) In addition to the foregoing, the General Partners shall be entitled to an additional fee not exceeding \$30,000 for supervising construction which shall be equal to (i) the amount by which any operating reserve fund required by the Lender for the Project is funded by (ii) the sum of (A) Cash Flow from the Project prior to the Final Closing and (B) interest savings or savings with respect to construction.

ARTICLE VII

Retirement of a General Partner; New General Partners

7.1 Retirement of a General Partner

No General Partner shall have the right to voluntarily retire from the Partnership or to sell, assign, transfer or encumber his interest as a General Partner without the Consent of the Limited Partners. Notwithstanding the above, in the event of an act of Retirement as to a General Partner, such General Partner shall automatically be deemed to have Retired as a General Partner of the Partnership. In the event of the Retirement of a General Partner in violation of the foregoing provisions of this Section 7.1 or an involuntary Retirement due to Bankruptcy, dissolution or liquidation, or pursuant to the provisions of Section 7.5 hereof, the Retiring General Partner shall transfer his interest in the Partnership as provided in Section 7.3 (b) and, without otherwise limiting the rights of

(the Partnership and the Limited Partners, shall forfeit to the Partnership his right to be repaid for any sums advanced to the Partnership under Sections 6.9 and 6.10 hereof. Notwithstanding any such forfeiture, such Retiring General Partner shall remain liable for the performance of all his obligations under this Agreement. The remaining General Partner or Partners, if any, or the Retiring General Partner (or the legal representative or the successors thereof) if no General Partner remains, shall immediately send written notice of any Retirement made without consent of the Limited Partners to all Limited Partners.

7.2 Retirement of a Sole General Partner

If, following the Retirement of a General Partner, there is no remaining General Partner of the Partnership, then Limited Partners representing one hundred percent (100%) in interest of the Limited Partner Class Contribution (excluding the interests of Limited Partners who may also be General Partners) may elect within thirty (30) days of such Retirement and receipt of notice thereof to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Section 2.5 by selecting a successor General Partner or Partners. Gaudreau & Co., Inc. as a Limited Partner shall become a General Partner in the event of retirement of the remaining General Partner. If the Limited Partners elect to reconstitute the Partnership pursuant to this Section 7.2, the provisions of Section 7.3 shall be applicable to such Retiring General Partner

or Partners, and the relationship among the then Partners shall be governed by this Agreement. Each Limited Partner (excluding Limited Partners who may also be General Partners) who does not desire to participate in such reconstituted Partnership with such General Partner or Partners shall be paid with a non-recourse note of the reconstituted partnership, bearing interest at 6% per annum, with a term of ten (10) years, in principal amount equal to the fair market value of his interest in the Partnership, as determined by the Partners, or in case of failure to agree, as determined by a committee of three qualified appraisers, one selected by the remaining Partners, one selected by the selling Limited Partner or Partners, and a third appraiser selected by the other two. Such principal amount and interest shall be payable in equal quarter annual installments.

7.3 Transfer of Interest of Retiring General Partner.

(a) Each General Partner shall transfer, at the time of his Retirement, to the remaining General Partner or Partners or to a successor General Partner or Partners selected in accordance with Section 7.2, as the case may be, all or such portion of his general partnership interest as is hereinafter provided in this Section 7.3.

(b) In the event of the Retirement of a General Partner in violation of the provisions of Section 7.1 or an involuntary Retirement due to Bankruptcy, dissolution or liquidation, or pursuant to the provisions of Section 7.5, the transfer by the Retiring General Partner of his entire general partnership interest shall be made in consideration of the payment, by the remaining General Partner or Partners or the successor General Partner or Partners to the Retiring General Partner, of an amount in cash equal to the amount, if any, credited to his capital account as of the last day of the calendar quarter prior to such Retirement.

(c) In the event of the Retirement of a General Partner by reason of the General Partner's death or adjudication of insanity or incompetence, or any other reason not described in Section 7.3(b) hereof, the transfer by the Retiring General Partner shall be of (i) his entire interest in the profits, losses and distributions of the Partnership of a nature other than those referred to in the following clause (ii), and (ii) a percentage of his interest in distributions (and the profits and losses associated therewith) of a nature referred to in Sections 10.2(c) and 10.2(e) as follows: initially 80%, declining 2% on June 30 of each of the years 1980 through 2004, both inclusive, to a minimum of 30%, all such transfers to be made in consideration of the payment, by the remaining General Partner or Partners, if any, or the successor General Partner or Partners, to the Retiring General Partner, of an amount equal to that

(percentage of the amount, if any, credited to his capital account as of the last day of the calender quarter prior to such Retirement. Any General Partner interest not required to be so conveyed in accordance with this Section 7.3(c) shall become a Limited Partner interest but shall, for all purposes of this Agreement, be deemed to be an interest held by General Partner as a Limited Partner.

(d) In the event of the Retirement of a General Partner with the Consent of the Limited Partners, the transfer by the Retiring General Partner of his general partnership interest in the Partnership shall be made for such consideration as may be agreed upon by the Retiring General Partner and the remaining General Partner or Partners or successor General Partner or Partners, as the case may be.

(e) A general partnership interest transferred in accordance with the provisions of this Section 7.3 shall be transferred in a manner sufficient to ensure the continued treatment of the Partnership as a partnership under the then applicable provisions of the Code and any regulation or ruling thereunder.

(f) For the purposes of Article X hereof, the effective date of the transfer pursuant to the provisions of this Section 7.3 of all or any portion of the general partnership interest of a Retiring General Partner shall be deemed to be the date of Retirement, but the Partnership shall not make any distributions

to the designated transferee until the transfer has been made.

7.4 Designation of New General Partner

Subject to the provisions of Section 13.1 hereof, the General Partners may, with the consent of all of the Limited Partners, at any time designate additional General Partners each with such interest as a General Partner in the Partnership as the General Partners may agree. Any incoming General Partner shall, as a condition of receiving any interest in the Partnership, agree to be bound by the Commitments and any other documents required in connection therewith and by the provisions of this Agreement and shall provide such financial statements, guarantees or other assurances as required by counsel to the Partnership or the Accountants.

7.5 Partnership Tax Status

Notwithstanding any provisions in this Agreement to the contrary, any General Partner which is a corporation shall immediately cease to be a General Partner (and be deemed to have automatically withdrawn) if, in the reasonable opinion of legal counsel to the Partnership or the Accountants, (i) Its continuance as a General Partner might adversely affect the status of the Partnership under the then applicable provisions of the Code or any regulation or ruling thereunder, or (ii) Such General Partner is not in compliance with the requirements of Section 13.9 hereof, such withdrawal to be effective upon

receipt of such opinion.

7.6 Amendment of Certificate

Upon the Retirement or admission of an additional General Partner, the Schedule shall be amended to reflect such Retirement or admission and an amendment to the Certificate of Limited Partnership reflecting such Retirement or admission shall be filed in accordance with the Uniform Act. Each General Partner, including the President or any Vice President acting from time to time of any corporate General Partner, is hereby constituted and empowered to act alone as the attorney-in-fact of all the other General Partners and all Limited Partners with authority to execute, acknowledge, swear to, and deliver such instruments as may be necessary or appropriate to carry out the foregoing provisions of this Article VII, including amendments to the Schedule, amendments to the Certificate of Limited Partnership required by the Uniform Act, business certificates and the like.

ARTICLE VIII

Transferability of Limited Partner Interests

8.1 Right to Assign

(a) Subject to the provisions of this Article VIII and Section 13.1, a Limited Partner shall have the right to assign or transfer all or any part of his interest in the Partnership.

(b) Subject to the provisions of this Article VIII and Section 13.1, a Limited Partner may, by written instrument, designate one or more members of his Immediate Family to become the assignee or assignees of all of his interest as a Limited Partner immediately upon his death. Such assignee or assignees shall be entitled to the same rights as would any other assignee of such Limited Partner, and such assignee or assignees, if they shall then be living, shall become such immediately upon the assignor's death, without requirement of any action on the part of the legal representatives of the assignor Limited Partner; and such legal representatives and the estate of such deceased Limited Partner shall have no interest whatsoever in the Partnership. Any such designation must be filed with the General Partners during such Limited Partner's lifetime. Such designation may be revoked from time to time and a new such designation made and so filed with the General Partners. The Partnership need not recognize such designated assignee or assignees until (i) duly notified in writing of the death of the assignor Limited Partner and (ii) furnished with an opinion of counsel acceptable to the General Partners to the effect that such designation is valid under the applicable laws of descent and distribution.

8.2 Restrictions