

CHARLESGATE EAST PARTNERSHIP

Second Amendment to Certificate of Limited Partnership

We, the undersigned, hereby sign under oath and file this Second Amendment to Certificate of Limited Partnership under Chapter 13 of Title 7 of the General Laws of the State of Rhode Island, incorporating the provisions and definitions of the attached Second Amendment to Agreement of Limited Partnership (the "Agreement") in their entirety including, without limitation, the following.

I. The name of the Partnership is Charlesgate East Partnership.

II. The character of the business of the Partnership is described in Section 1.3 of the Agreement.

III. The location of the principal place of business is 15 Westminster Street, Providence, Rhode Island 02903.

IV. The name and place of residence of each General Partner and the name and place of residence of each Investor Limited Partner and of the Special Corporate Limited Partner is set out in Schedule A of the Agreement.

V. The term for which the Partnership is to exist is as described in Section 1.4 of the Agreement.

VI. The amount of cash contributed by each limited partner is set forth in Schedule A of the Agreement subject to the terms and conditions of Section 2.2 of the Agreement. No Limited Partner has agreed to contribute property other than cash to the Partnership.

VII. The limited partners have not agreed to make any additional contributions to the partnership, other than those indicated in Schedule A and Section 2.2 of the Agreement.

VIII. The agreed time when the contributions of the Limited Partners are to be returned is on the termination of the Partnership, except to the extent sooner returned as the result of distributions of cash or property made pursuant to Section 4.3 of the Agreement.

IX. The share of the profits, or the other compensation by way of income, which each Limited Partner shall receive by reason of his contribution is as described in Article IV of the Agreement.

X. The right of a Limited Partner to substitute an assignee as contributor in his place, and the terms and conditions of the substitution are as described in Article VI of the Agreement.

XI. The General Partners have the right to admit additional Limited Partners pursuant to Section 2.1(e) of the Agreement upon their contribution to the capital of the Partnership the amount indicated on Schedule A to the Agreement, and upon their agreement to be bound by the terms of the Agreement.

XII. No right is given to any Investor Limited Partner to priority over the other Investor Limited Partners as to contributions or as to compensation by way of income. Priority as to contributions and Additional Distributions is given over the Special Corporate Limited Partner as described in Article IV of the Agreement.

XIII. The right of the remaining General Partner or Partners to continue the business on the death, retirement, insanity or in the case of a corporation, the dissolution of a General Partner is as described in Sections 5.3 and 7.2.

XIV. No Limited Partner has the right to demand and receive property other than cash in return for this distribution.


IN WITNESS WHEREOF, we have affixed our signatures as of this 30<sup>th</sup> day of March, 1978.

GENERAL PARTNERS

MANAGING GENERAL PARTNER

DAVENPORT ASSOCIATES, INC.  
General Partner

By   
President

  
Paul S. Davenport  
General Partner

-----  
THE BOSTON COMPANY REAL ESTATE  
COUNSEL, INC. \_\_\_\_\_

The Special Corporate Limited Partner

By   
Vice President

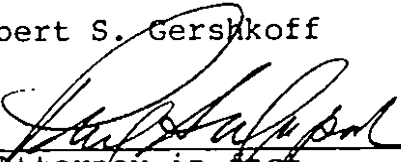
LIMITED PARTNERS  
Named in Schedule A

By   
Attorney in Fact

WITHDRAWING LIMITED PARTNERS

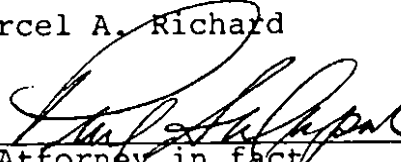
Robert S. Gershkoff

By

  
Attorney in fact

Marcel A. Richard

By

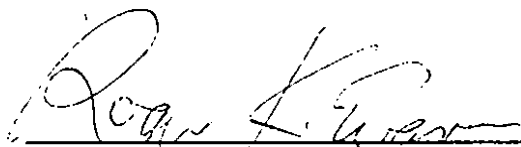
  
Attorney in fact

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

Boston, Massachusetts

In said county, this 30<sup>th</sup> day of March, 1978, then personally appeared before me, Paul S. Davenport individually and as President of Davenport Associates, Inc., who, being duly sworn, acknowledged that the execution of the foregoing instrument was their free act and deed.


  
\_\_\_\_\_  
Notary Public  
My Commission Expires: May 14, 1982

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

Boston, Massachusetts

In said county, this 30<sup>th</sup> day of March, 1978, then personally appeared before me, Robert A. Radloff individually and as Vice-President of the Boston Company Real Estate Counsel, Inc., who, being duly sworn, acknowledged that the execution of the foregoing instrument was their free act and deed.

  
\_\_\_\_\_  
Notary Public

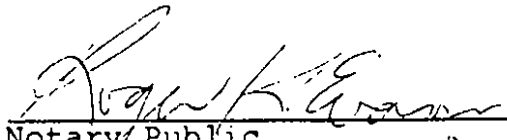
My Commission Expires: May 14, 1982

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

Boston, Massachusetts

In said county, this 30th day of March, 1978, then personally appeared before me Paul S. Davenport as Attorney-in-fact for David Auerbach, Austin Dwyer, John H. Quinn, William M. Spencer III, Henri Landwirth, Edgar Jadwin, Ellis E. Jensen, Louis B. Levovsky, B. Allen Rowland, William R. Sapers, Sanford Udis, Norman M. Wallack and Elizabeth M. Webster who, being duly sworn, known to me and known by me to be the party executing the foregoing instrument, acknowledged that the execution of the foregoing instrument was his free act and deed individually and in said capacity, and that the statements therein are true.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: May 14, 1982

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

Boston, Massachusetts

In said county, this 30th day of March, then personally appeared before me Paul S. Davenport, as Attorney-in-fact of Robert S. Gershkoff and Marcel A. Richard, who being sworn, known to me 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 individually and in said capacities, and that the statements therein are true.



Notary Public

My Commission Expires: May 14, 1982



SECOND AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP

CHARLESGATE EAST PARTNERSHIP

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CHARLESGATE EAST PARTNERSHIP

SECOND AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP

AGREEMENT OF AMENDMENT, dated this 30<sup>th</sup> day of March, 1978, by and among DAVENPORT ASSOCIATES, INC., a Rhode Island corporation with its principal place of business at 15 Westminster Street, Providence, Rhode Island, and PAUL S. DAVENPORT, 31 Trowbridge Drive, North Kingston, Rhode Island as General Partners, and those persons signing this agreement as Limited Partners and as Withdrawing Limited Partners, and THE BOSTON COMPANY REAL ESTATE COUNSEL, INC. a Massachusetts corporation with its principal place of business at One Boston Place, Boston, Massachusetts, as Special Corporate Limited Partner.

PRELIMINARY STATEMENT

WHEREAS, DAVENPORT ASSOCIATES, INC. and PAUL S. DAVENPORT, General Partners, and Marcel A. Richard and Robert S. Gershkoff, the Withdrawing Limited Partners, entered into a Limited Partnership Agreement, dated June 30, 1976 and filed a Certificate of Limited Partnership with the Secretary of State of Rhode Island on June 30, 1976, under the name Charlesgate Square South (A) Partnership (the "Partnership"); and

WHEREAS, said parties entered into a First Amendment To Agreement of Limited Partnership on October 31, 1977 changing the name of the Partnership to Charlesgate East Partnership and filed with the Secretary of State of Rhode Island a First Amendment to Certificate of Limited Partnership verifying the change on November 1, 1977; and

WHEREAS, the Partnership was formed to acquire a certain parcel of real property within the City of Providence, Rhode Island, and to own, construct, maintain and operate thereon approximately 100 units of housing and other improvements (the "Project"); and

WHEREAS, the parties hereto now desire to amend certain of the terms and provisions of the Limited Partnership Agreement in order to admit The Boston Company Real Estate Counsel, Inc. as a Special Corporate Limited Partner, to permit the Withdrawing Limited Partners to withdraw as Limited Partners, and to admit the persons designated as Investor Limited Partners on Schedule "A" hereto to the Partnership as Investor Limited Partners,

NOW, THEREFORE, in consideration of the promises and the agreements herein contained and intending to be legally bound hereby the General Partners and the Limited Partners (all Partners herein collectively being called the "Partners"), agree as follows:

A. The Partners shall upon the delivery thereof, sign, swear to and file with the Secretary of State of Rhode Island, an amended Certificate of Limited Partnership in accordance with the provisions of the Rhode Island Uniform Limited Partnership Act;

B. The defined terms used in this Agreement shall have the meanings designated in Article X;

C. The original Agreement of Limited Partnership, is hereby amended and restated in whole to read as follows:

## ARTICLE I

### NAME, PURPOSE, POWERS AND TERMS

Section 1.1. Formation. The parties hereto hereby reconstitute and continue a limited partnership formed pursuant to the provisions of the Rhode Island Uniform Limited Partnership Act.

Section 1.2. Name and Office. The Partnership is and shall be conducted under the name of Charlesgate East Partnership. The principal office and place of business of the Partnership is located at 15 Westminster Street, Providence, Rhode Island 02903, or such other place in the City of Providence as the General Partners may from time to time determine and shall specify by prior notice to the Limited Partners.

### Section 1.3. Purposes and Powers.

(a) The purpose of the Partnership is to own, develop and dispose of or otherwise deal with certain property in Providence, Rhode Island, more fully described herein (the "Property") and to there construct, maintain and operate a housing project with 100 dwelling units.

(b) In furtherance of the above purpose, the Partnership shall have the power:

(i) To finance the construction and operation of the Project with the assistance of mortgage funds provided by the Rhode Island Housing and Mortgage Finance Corporation ("RIHMF");

(ii) To 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 Note and Mortgage, the Regulatory Agreement, the Subsidy Agreements, the Building Loan Agreement and the Construction Contract;

(iii) To acquire the Property and any additional property, real or personal, in fee or under lease, or any rights therein or appurtenant thereto, necessary or convenient for the construction and operation of the Project;

(iv) To construct, 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;

(v) To borrow money and to issue evidences of indebtedness and to secure the same by mortgage, pledge or other lien on the Property, or any other assets of the Partnership, in furtherance of any and all of the purposes of the Partnership except as limited by Section 2.3;

(vi) To prepay in whole or in part, refinance, recast, increase, modify or extend the Mortgage or any other mortgages affecting the Property, and in connection therewith to execute any extensions, renewals, or modifications of the Mortgage or any such other mortgages on the Property;

(vii) To employ a management company to manage the Property (including a company which may be owned by Affiliated Persons), and to pay a reasonable compensation for such services, but not more than the maximum amount, if any, permitted by the Regulations;

(viii) To carry on any other activities necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as such activities may be lawfully carried on or performed by a partnership under the laws of Rhode Island, including without limitation making all appropriate applications to and agreements with the RIHMFC and HUD for the purpose of obtaining approvals for the carrying out of the Project.

(c) The Partnership shall not engage in any business not included within Section 1.3(a) and Section 1.3(b) herein without the prior consent of all of the Partners.

Section 1.4. Term. The term of the Partnership commenced on June 30, 1976, and shall continue in full effect for fifty (50) years from said date, unless sooner dissolved or terminated as set forth in Article VII herein or in the Rhode Island Uniform Limited Partnership Act.

## ARTICLE II

### CAPITAL

#### Section 2.1. Capital of the Partnership.

(a) General. The capital of the Partnership shall be the aggregate amount of cash and the agreed value of property contributed by the Partners. The names of the persons contributing such cash and property are set forth in Schedule "A" hereto, which is incorporated herein by this reference. Schedule "A" shall be amended from time to time to reflect the withdrawal or admission of Partners, any changes in the Partnership Interest held by any Partner arising from the transfer of any part of a Partnership Interest to or by such Partner and any changes in the amounts contributed or agreed to be contributed by any Partner.

(b) Capital Account. An individual Capital Account shall be established and maintained for each Partner, including any additional or Substitute Partner, who shall have received or shall hereafter receive an Interest in the Partnership. For the purposes of this Section 2.1, a Substitute Partner shall be deemed to have made the Capital Contributions to the Partnership made by the Partner whom such Substitute Partner succeeds. The Capital Account of each Partner shall be (i) credited with the amounts of his installments of Capital Contributions made to the Partnership and allocations of Profits of the Partnership to such Partner and (ii) charged with the allocations of Losses of the Partnership to such Partner and cash distributions of the Partnership to such Partner and shall otherwise appropriately reflect transactions of the Partnership and the Partners. A Partner shall not be entitled (i) to withdraw any part of his Capital Contributions, to receive interest on his Capital Contributions, or to receive any distribution from the Partnership, except as provided in Sections 4.2 and 4.3, or (ii) to make any additional Capital Contributions to the Partnership, except as provided in Section 2.2. The loans required or permitted to be made to the Partnership by the General Partners pursuant to this Agreement, when made, shall not constitute Capital Contributions to the Partnership for any purpose.

(c) Interest. No interest shall be paid on any Capital Contribution.

(d) Withdrawal of Capital No Limited Partner shall have the right to withdraw his Capital Contribution or have any right to receive any funds or property of the Partnership except as specifically provided in this Agreement.

(1) The General Partners may, however, make partial returns of Capital Contributions to the Limited Partners provided that:

(i) all liabilities of the Partnership to persons other than Partners have been paid or, in the good faith determination of the General Partners, there remains property of the Partnership sufficient to pay them;

(ii) the consent expressed or implied, of all Partners is obtained; and

(iii) the General Partners cause this Certificate of Limited Partnership to be amended to reflect a reduction in the Limited Partners' Capital Contributions if, as and when required by subparagraph (2) below.

For purposes of the foregoing provision, the condition of subpart (ii) shall have been satisfied if such distribution is made in the percentages reflecting the Partnership Interests in Schedule A. Each Limited Partner, by becoming a Limited Partner, consents to any such distribution theretofore or thereafter made in accordance with such provisions. Each General Partner, by becoming a General Partner, consents to any such distribution theretofore or thereafter made in accordance with such provisions. In the event subparts (i) and (ii) of the foregoing provisions are satisfied, the General Partners will promptly cause an appropriate amendment to this the Certificate of Limited Partnership to be filed as required by subparagraph (2) below.

(2) In any year that cash distribtuion to the Limited Partners exceed Partnership Profits credited to their respective Capital Accounts, the General Partners shall, within one hundred twenty (120) days after the end of the fiscal year in which such distributions are made, file as required under the law of Rhode Island and elsewhere as the General Partners deem appropriate an amendment to the Certificate of Limited Partnership reducing by the amount of such excess the amount of Capital Contribution of each Limited as stated in the most recent amendment to the Certificate of Limited Partnership.

(e) Additional Investor Limited Partners. The General Partners are authorized at any time and from time to time, without requirement of any approval by the Limited Partners, to admit to the Partnership additional Investor Limited Partners, who shall become Investor Limited Partners, upon each such Investor Limited Partner's making, or agreeing to make, such cash contribution to the capital of the Partnership as shall be determined by the General Partners, provided, however, that the total amount of such cash contributions made or agreed to be made, or agreed to be made by all Investor Limited Partners shall not exceed \$670,000, subject to increase or decrease as provided in Section 2.2(c) if the amount of the Mortgage Loan at Final Closing is not equal to \$3,255,000, but the total amount of all such cash contributions may be less than such amount if the General Partners shall so determine.



## Section 2.2. Capital Contributions.

(a) Contributions of General Partners. The General Partners have made the contributions to the capital of the Partnership as indicated in Schedule "A". The Partnership Interests in the Partnership are allocated among the General Partners as indicated in Schedule "A".

If, upon termination and dissolution of the Partnership, the General Partners have a deficit balance in their respective Capital Accounts, they shall contribute an amount equal to the lesser of one percent (1%) of the original aggregate Capital Contributions of the Partners to the Partnership or the aggregate net positive balance, if any, in the Capital Accounts of the Limited Partners at the time of termination and dissolution after application of the assets of the Partnership to reduce such Capital Accounts pursuant to Section 4.3.

(b) Contributions of Special Corporate Limited Partner. The Boston Company Real Estate Counsel, Inc., the Special Corporate Limited Partner, has contributed to the Partnership, solely in cash, the amount set forth opposite its name in Schedule "A" attached hereto. The Partnership Interest allocated to The Boston Company Real Estate Counsel, Inc. is indicated in Schedule "A".

(c) Contributions of Investor Limited Partners. The Investor Limited Partners shall be the individuals listed in Schedule "A" and the amount of cash contributed or agreed to be contributed to the capital of the Partnership by the Investor Limited Partners is set forth in Schedule "A".

The Investor Limited Partnership Interests in the Partnership shall consist of ten (10) Investor Limited Partnership Units. The Investor Limited Partnership Interests in the Partnership shall be allocated among the Investor Limited Partners as indicated in Schedule "A". The Investor Limited Partner or Partners acquiring each Investor Limited Partnership Unit hereby agrees to contribute up to \$67,000, subject to increase up to \$70,350, as provided below, to the capital of the Partnership in the manner and subject to the conditions described below. The Capital Contributions agreed to be made by the Investor Limited Partner or Partners representing one (1) Investor Limited Partnership Unit shall be payable in seven (7) installments, each to be deposited with the Rhode Island Hospital Trust National Bank as Escrow Agent pursuant to the Escrow Agreement as follows:

(1) An initial installment (the "Initial Installment") of \$10,000 shall be payable to the Escrow Agent at the time of execution of this Agreement to be released to the Partnership upon admission of the Investor Limited Partner to the Partnership;

(2) A second installment (the "Second Installment") of \$7,500 shall be paid to the Escrow Agent on February 1, 1979 for release to the Partnership upon certification by the Project Architect that the Project is fifty percent (50%) complete;

(3) A third installment (the "Third Installment") of \$8,500 shall be payable to the Escrow Agent on October 1, 1979 for release to the Partnership upon Final Closing;

(4) A fourth installment (the "Fourth Installment") of \$10,500 shall be payable to the Escrow Agent on February 1, 1980 to be released to the Partnership upon the later of (i) Final Closing or (ii) certification by the General Partners that the Project has achieved ninety percent (90%) Occupancy for three (3) consecutive-months preceding such release date;

(5) A fifth installment (the "Fifth Installment") of \$10,500 shall be paid to the Escrow Agent on February 1, 1981 for release to the Partnership upon the later of (i) Final Closing, or (ii) certification by the General Partners that the Project has achieved ninety percent (90%) Occupancy for three (3) consecutive-months preceding such release date but after the release of the Fourth Installment;

(6) A sixth installment (the "Sixth Installment") of \$10,500 shall be paid to the Escrow Agent on February 1, 1982 to be released to the Partnership upon the later of (i) Final Closing or (ii) certification by the General Partners that the Project has achieved ninety percent (90%) Occupancy for three (3) consecutive-months preceding such release date but after the release of the Fifth Installment;

(7) A seventh installment (the "Seventh Installment") of \$9,500 shall be paid to the Escrow Agent on February 1, 1983, \$5,000 of which shall be released to the Partnership upon certification by the General Partners that the Project has achieved Cash Flow during a preceding twelve-month period of \$15,100, and the balance of \$4,500 shall be released to the Partnership upon certification by the General Partners that the Partnership has distributed such amount to the Partners. However, if by May 15, 1986 the Project has failed to achieve such Cash Flow of \$15,100 then the funds constituting the Seventh Installment shall be returned by the Escrow Agent to the Investor Limited Partners and the obligation by the Investor's Limited Partners to pay such installment shall thereupon terminate; or if by May 15, 1986 the Project has achieved such Cash Flow of \$15,100 but such Cash Flow has not been distributed to the Partners, then

(unless the General Partners shall have distributed or paid or caused to be paid prior thereto an amount equal to \$25,000 to the Partners, whether from income of the Partnership or otherwise in which event such \$4,500 shall be released to the Partnership) such balance of the funds constituting the Seventh Installment shall be returned by the Escrow Agent to the Investor Limited Partners and the obligation of the Investor Limited Partners to pay such balance of the installment shall thereupon terminate.

If the maximum amount of the Mortgage Loan at Final Closing is greater than \$3,255,000, then the Fourth, Fifth, Sixth, and Seventh Installments shall be increased equally in a total amount of seventeen percent (17%) of the excess of the Mortgage Loan above \$3,255,000. If the maximum amount of the Mortgage Loan at Final Closing is less than \$3,255,000 then the Fourth, Fifth, Sixth, and Seventh Installments shall be decreased in a total amount of seventeen percent (17%) of the difference. The total adjustments because of the above shall not exceed \$33,500 (\$3,350 per Unit).

The General Partners shall give each Investor Limited Partner written notice at least fifteen (15) days but not more than sixty (60) days prior to the due date for each installment except the Initial Installment, in which notice the General Partners shall certify that, in their best judgment, all conditions necessary to the release of such installment by the Escrow Agent to the Partnership will occur within ninety (90) days after the date such notice is given. The failure of the General Partners to give said written notice within the time period provided herein shall not relieve a Limited Partner from the obligation to pay an installment, but shall extend the due date for said installment for all purposes under this Agreement to the fifteenth (15th) day following the giving of such notice.

(d) Conditions.

(1) The obligation of the Investor Limited Partners to make (or the obligation of the Escrow Agent to release, as the case may be) installments of Capital Contributions is subject to the following conditions:

- (i) that each of the conditions set forth in Section 2.2(c) and each of the representations, warranties and agreements set forth in Section 3.1(e) shall be true and correct or complied with as of the date when the installment of Capital Contributions is due, unless such representation, warranty, condition or agreement applies only to an earlier date and was complied with as of such date or the

breach of such representation, warranty, condition or agreement has been cured as hereinafter provided for;

- (ii) on the date such Capital Contribution is due, the Partnership shall own the Property and the Project thereon in fee simple, subject to no liens, charges or encumbrances (except the Mortgage and those liens, charges or encumbrances set forth in the Title Policy) which have a material adverse effect on the continued use of the Property by the Partnership; and
- (iii) no material default by the Partnership, or event which with the passage of time or the giving of notice, or both, would constitute a material default by the Partnership, has occurred and is continuing under the Regulatory Agreement, Building Loan Agreement, Note and Mortgage, or by the General Partners under Section 3.1(e) hereof;

except that if the General Partners shall, after the date such installment is due (or subject to release by the Escrow Agent, as the case may be) cause such conditions to be satisfied or cure a breach of such representations, warranties and agreements, the Limited Partners (or the Escrow Agent, as the case may be) shall pay the amount of such Capital Contribution to the Partnership within fifteen (15) days after receiving notice from the General Partners specifying that such conditions have been satisfied or such breach of such representations, warranties, or agreements has been cured and the manner in which the conditions have been satisfied or the breach cured.

(2) Notwithstanding anything stated in paragraph (1) above, the obligation of the Investor Limited Partners to make (or the obligation of the Escrow Agent to release, as the case may be) installments of Capital Contributions is subject to the following additional conditions for which there will be no opportunity after the due date of the Capital Contribution (or the scheduled date of the release of the Capital Contribution by the Escrow Agent, as the case may be) to cure the breach of the condition:

- (i) prior to the date of Final Closing, no event shall have occurred which either terminates the status of the Partnership for tax purposes or the Partnership's ownership of the Project for tax purposes; and

- (ii) the Partnership has been duly organized under the Rhode Island Uniform Limited Partnership Act and has not been dissolved or terminated.

(e) Defaults by Investor Limited Partners. If any Investor Limited Partner (a "Defaulting Limited Partner") fails to make an installment of his Capital Contribution on, or prior to, the due date therefor, as set forth in Section 2.2(c) herein, he shall be deemed to be in default of his obligation hereunder as of such date. The General Partners shall immediately send written notice of such default to the Defaulting Limited Partner. If the Defaulting Limited Partner has not cured his default within fifteen (15) days of receiving notice thereof, the General Partners shall send notice of such default to all Investor Limited Partners. Any or all of the Investor Limited Partners may elect, within the next succeeding fifteen (15) day period and by notifying the General Partners in writing of such election, to purchase such Investor Limited Partnership Interest. If more than one Investor Limited Partner elects to purchase such Investor Limited Partnership Interest, such Investor Limited Partnership Interest and the purchase price thereof, shall be allocated among them in such proportions as they may determine. If two or more of the remaining Investor Limited Partners desire to purchase such interest and are unable to agree as to the apportionment thereof, such interest shall be allocated among them in proportion to their respective Investor Limited Partnership Interests as indicated in Schedule "A", as last amended. The Partnership shall promptly notify each such Investor Limited Partner of the part of such Investor Limited Partnership Interest to be purchased by him and the purchase price thereof. If any Investor Limited Partnership Interest or part thereof remains unpurchased, Davenport Associates, Inc. may elect to purchase such Investor Limited Partnership Interest in accordance with the provisions hereof.

The purchase price to be paid to a Defaulting Limited Partner for any Partnership Interest subject to purchase pursuant to this Section 2.2(e) shall be an amount equal to ten percent (10%) of the sum of the amount previously contributed by such Defaulting Limited Partner to the capital of the Partnership minus any cash distributions previously made to such Defaulting Limited Partner. The purchase price to be paid such Defaulting Limited Partner shall be reduced by the aggregate amount of any reasonable expenses incurred by the Acquiring Partner or Partners in connection with the assignment of such Interest to such Acquiring Partner or Partners. The purchase price for any Partnership Interest subject to purchase pursuant to this Section 2.2(e) shall be payable to the Defaulting Limited Partner within thirty (30) days from the date such Interest becomes subject to purchase.

(f) Conditions to Right to Purchase. Any Partner, as a condition to his right to purchase a Defaulting Limited Partner's

Partnership Interest pursuant to Section 2.2(e), shall agree in writing and as a condition to receiving such Partnership Interest to pay to the Partnership any unpaid Capital Contributions required to be made by such Defaulting Limited Partner.

Any Partner purchasing any Partnership Interest or part thereof pursuant to Section 2.2(e) shall become the owner thereof effective as of the date of default by the Defaulting Limited Partner holding such Interest. Such Acquiring Partner shall pay to the Partnership, within fifteen (15) days from the date he shall have paid the purchase price for such Interest all unpaid Capital Contributions theretofore required to be made with respect to such Partnership Interest or part thereof so purchased. All subsequent Capital Contributions with respect to such Partnership Interest or part thereof so purchased shall be made by such Acquiring Partner in accordance with Section 2.2(c). Default in payment of any amount to be paid to the Partnership under this paragraph (f) shall constitute a default under paragraph (e) above and the provisions of Section 2.2(e) shall apply.

(g) Continuing Obligation of Defaulting Limited Partner. Notwithstanding the provisions of Section 2.2(e), the obligation of the Defaulting Limited Partner to make Capital Contributions to the Partnership hereunder shall not be extinguished by the existence of any rights or obligations of other Partners pursuant to Section 2.2(e) or (f) nor by the exercise or performance thereof by any Acquiring Partner. Such obligation of a Defaulting Limited Partner shall be extinguished only by, and only to the extent of, the actual amount of the Capital Contributions contributed by the Defaulting Limited Partner prior to default plus the actual amount of the installments of Capital Contributions received by the Partnership from the Acquiring Partner or Partners who have purchased the Interest of a Defaulting Limited Partner hereunder.

(h) Rights of Acquiring Partner. A Partnership Interest purchased pursuant to Section 2.2(e) shall include the right to the Cash Flow of the Partnership, any Additional Distributions from the Partnership pursuant to Section 4.3 and the Profits and Losses attributable to such Interest which have not been distributed (or previously allocated in a tax return filed by the Partnership) to the Defaulting Limited Partner. From the time of default, as defined in Section 2.2(e), the Defaulting Limited Partner shall have no right to receive any Cash Flow, net cash proceeds or Profits and Losses which at the time of the default have not been distributed (or previously allocated in a tax return filed by the Partnership) to such Defaulting Limited Partner and the rights thereto shall be allocated to the Acquiring Partner from such date of default as defined in Section 2.2(e) insofar as such allocation is permitted by the Code, the Regulations and applicable law, so long as the Acquiring Limited Partner has acquired the

Interests of the Defaulting Limited Partners and has satisfied the conditions of Section 2.2(f) to be admitted to the Partnership with respect to such Interests prior to the close of the fiscal year of the Partnership. If such Acquiring Limited Partner has not acquired the Interests of the Defaulting Limited Partner or has not satisfied the conditions of Section 2.2(f) prior to the close of the fiscal year of the Partnership, the rights attributable to the Interest of the Defaulting Limited Partner shall be allocated to the remaining Investor Limited Partners not in default in proportion to their respective Partnership Interests as indicated in Schedule "A", as last amended. The transfer of any Limited Partnership Interest or part thereof pursuant to Sections 2.2(e) and (f) shall be automatically effective as of the date of payment of the purchase price thereof, without the necessity of any action on the part of the Defaulting Limited Partner. Each Investor Limited Partner hereby irrevocably constitutes and appoints each of the General Partners and each officer of any corporate General Partner, acting singly or jointly, his true and lawful attorney, in his name and stead, to make, execute, acknowledge or swear to and file, in the event he becomes a Defaulting Limited Partner and his Partnership Interest is purchased pursuant to Section 2.2(e), all instruments requested by the Partnership or the Acquiring Partner for the purpose of confirming or evidencing the transfer of such Partnership Interest.

(i) Status of Transferred Partnership Interest. Any Partner who shall acquire any Partnership Interest by means of the transfer to him of all or any part of the Partnership Interest of any other Partner shall, with respect to such Interest so transferred to him, be deemed to be a Partner of the same class as his transferor, provided that, for the purpose of determining whether Partners of such class or Investor Limited Partners having the requisite percentage of Partnership Interests, have given, made or concurred in any notice, consent, waiver, direction, request, vote or other instrument or communication under or pursuant to this Agreement, any Investor Limited Partnership Interests acquired pursuant to Section 2.2(e) by any General Partner shall be disregarded.

### Section 2.3. Partnership Borrowings.

(a) General. The Partnership may, subject to the Regulations, borrow whatever amounts may be required for the acquisition and construction of the Property and to repay Operating Expense Loans.

(b) Construction Completion Loans. If after the admission of Limited Partners, the Partnership shall require funds in addition to the proceeds of the Mortgage Loan and the Capital Contributions of the Limited Partners available at the time to complete construction of the Project in conformity with the

Mortgage, the Building Loan Agreement, and the Construction Contract, the Partnership may issue noninterest-bearing Residual Receipts Notes to the General Partners to evidence Construction Completion Loans pursuant to Section 3.1(e)(4) herein and such Notes shall be payable only in accordance with the terms and conditions of Sections 4.3 and 7.3 herein.

(c) Operating Expense Loans. If after the Completion of the Project the Partnership shall require funds for any Operating Expense of the Partnership, the Partnership may issue noninterest-bearing Notes to the General Partners to evidence Operating Expense Loans pursuant to Section 3.1(e)(6) herein and such Notes shall be payable only from Cash Flow and proceeds from the sale, other disposition or refinancing of the Project in accordance with the terms and conditions of Sections 4.2, 4.3 or 7.3 hereof, as the case may be.

(d) Other. In addition to the Mortgage Loan, Construction Completion Loans, and Operating Expense Loans, the Partnership may borrow sums for Partnership purposes from any source (including without limitation any General Partner), provided that the proceeds of such borrowings shall not be used directly or indirectly to pay Construction Completion Loans. No Partner shall have any personal liability with respect to the Mortgage Loan, and each instrument evidencing indebtedness in connection with the Mortgage Loan shall contain a provision to such effect.

Notwithstanding the foregoing, the Partnership is specifically authorized, subject to RIHMFC approval, if required at the time, to pledge the rights of the Partnership to receive installments of the Capital Contributions agreed to be made by the Investor Limited Partners pursuant to Section 2.2(c) herein as security for any borrowing for Partnership purposes approved by RIHMFC, if such approval is required, provided that any such pledge or assignment shall be limited to the Partnership's rights to receive such installments if, as, and when they become due and payable in accordance with this Agreement.

(e) Rights of Creditors Making Non-Recourse Loans. No creditor who makes a non-recourse loan to the Partnership may have or acquire, at any time as a result of making the loans, any direct or indirect interest in the profits, capital or property of the Partnership other than as a secured creditor.

### ARTICLE III

#### RIGHTS, POWERS AND DUTIES OF PARTNERS

##### Section 3.1. General Partners.

(a) General. The General Partners shall have the sole right to manage the business of the Partnership. The General



Partners shall use their best efforts to carry out the purposes, business and objectives of the Partnership referred to in Section 1.3 and shall diligently and faithfully devote to Partnership business such time and effort as may be necessary to conduct it generally in the best interests of the Partnership, including such of their time as may be necessary (a) to supervise the activities of the Management Agent, (b) to make inspections of the Project to determine if the Project is being properly maintained and that necessary reports are being made thereof, (c) to prepare or cause to be prepared all reports of operations which are to be furnished to the Partners or which are required by RIHMFC and all taxing bodies or other governmental agencies, and (d) to do all other things which may be necessary to supervise the affairs and business of the Partnership.

(b) Powers of General Partners. Subject to any applicable Regulations and the terms and provisions of this Agreement, the General Partners shall have all powers necessary, convenient or appropriate to carry out the purposes, powers and business of the Partnership referred to in Section 1.3, and subject only to limitations specifically set forth in this Agreement, shall possess and enjoy all the rights and powers of a partnership without limited partners to the extent permitted by Rhode Island law.

(c) Selling, Mortgaging, Refinancing or Leasing Partnership Property. Notwithstanding anything stated in paragraph (b) above, the General Partners shall not, without the Consent of the Limited Partners (and so long as Davenport Associates, Inc., shall be a General Partner without the consent of Davenport Associates, Inc.), sell, mortgage, refinance, or lease (other than for tenant occupancy or tenant services) all or a substantial part of the Partnership's real estate or other property, provided, however, that to the extent permitted by RIHMFC, they may, prior to two (2) years after Completion of the Project, adjust the principal amount of the obligations secured by the Mortgage without obtaining the Consent of the Limited Partners, so long as such adjustment does not result in an increase in the liability of the Partners beyond the liability expressly set forth in this Agreement. The General Partners shall give the Limited Partners at least twenty (20) days prior written notice of any proposed sale, mortgage, refinancing or lease which requires their Consent.

The General Partners acknowledge that they shall be obliged to consider and act as fiduciaries in respect of the refinancing of the Project from time to time in the best interest of all the Partners, particularly in regard to the planning for and accomplishing of refinancings under circumstances where the taxable income of the Partnership exceeds two (2) times the distributable Cash Flow.

Without limiting the generality of the foregoing, the General Partners are, and each is, specifically authorized to execute such documents as they deem necessary in connection with the acquisition, development and financing of the Property, including without limitation the Note, Mortgage, Regulatory Agreement, Building Loan Agreement, the Subsidy Agreements and other documents required by HUD or RIHMFC in connection with the Mortgage Loan.

(d) Exercise of Rights and Powers by General Partners.

(1) Managing General Partner. The General Partners acting unanimously, and with the Consent of the Limited Partners, may designate one or more of the General Partners as Managing General Partner or Partners. The Managing General Partners so designated shall, to the extent permitted by law, the Regulations and RIHMFC, have sole management control over the business and affairs of the Partnership, and shall be entitled to exercise all powers with respect to the business and affairs of the Partnership as shall otherwise be exercisable by all of the General Partners. By the execution of this Agreement, the Partners designate Davenport Associates, Inc. as Managing General Partner and the Special Corporate Limited Partner as the Authorized Managing General Partner with the right to replace the Incumbent Managing General Partner as the Managing General Partner upon the occurrence of any one or more of the events specified in subparagraph (2) below.

A Managing General Partner may be removed as Managing General Partner only by the General Partners acting unanimously or by one or more of the General Partners acting pursuant to the provisions of subparagraph (2) below.

(2) Shift of Control of Partnership Management. In the event of the occurrence of any one or more of the following events, the Special Corporate Limited Partner shall, with its consent and any necessary consent of any governmental agency and upon its delivery to the Partnership of an Opinion of Continued Limited Liability, become a General Partner and, as the Authorized Managing General Partner, shall replace the Incumbent Managing General Partner as Managing General Partner:

(i) Failure of the Incumbent Managing General Partner to observe or perform any material legal obligation or covenant to be observed or performed hereunder by the Incumbent Managing General Partner, provided that the Incumbent Managing General Partner shall have received notice of such failure from any one or more of the Partners (or their agent given the Agent has valid consent of the Partner), and shall not have cured or remedied such failure within a grace

period of thirty (30) days thereafter (or in the event of any such failure not susceptible of being cured or remedied within thirty (30) days, such longer period as may be required to cure the same through diligent and continuous efforts, and the Incumbent Managing General Partner is diligently and continuously attempting to cure or remedy the same);

(ii) Receipt of Notice from any secured or judgment creditor of the mortgagor of a default which would have a material effect on the Project or the commencement of foreclosure or judicial proceedings with respect to the Project, which are not (a) cured or remedied within a period of thirty (30) days thereafter (or in the event of any such notice or foreclosure not susceptible of being cured or remedied within thirty (30) days, such longer period as may be required to cure the same through diligent and continuous efforts, and the Incumbent Managing General Partner is diligently and continuously attempting to cure the same, (b) abandoned, or (c) enjoined by a court of competent jurisdiction for any period of thirty (30) days, whether or not consecutive; or

(iii) Willful or intentional misconduct or reckless disregard by the Incumbent Managing General Partner of any of his obligations to the Partnership or the Investor Limited Partners; or

(iv) The commencement and continuation of foreclosure proceedings to within thirty (30) days of the date on which the Mortgage Lender may sell the Project.

If the event for which the Incumbent Managing Partner was replaced is the result of his act or failure to act or otherwise the result of an occurrence within his control, he may return to his responsibility as Managing General Partner upon his curing such event. If such event was not the result of his act or failure to act or otherwise the result of an occurrence within his control, he may return to his responsibility as Managing General Partner upon the curing by any Person of such event.

Each of the Partners hereby makes, constitutes, and appoints the Special Corporate Limited Partner, with full power of substitution, the true and lawful attorney of, and in the name, place and stead of, such Partner, with power from time to time to take all action and do all things necessary or appropriate for it to become the Managing General Partner as provided in this Section 3.1(d)(2) to the same extent and in the same manner as the General Partners are authorized by the Limited Partners pursuant to Section 9.16 to act as their true and lawful attorney.

Any dispute or controversy as to whether any of the events described in paragraphs (i) or (iii) has occurred, or whether the event for which the Incumbent Managing General Partner was replaced was the result of his act or failure to act or otherwise the result of an occurrence within his control, or whether such event has been cured, or whether such event is susceptible of being cured within any grace period specified, shall be determined by a board of three arbitrators who shall judge the dispute or controversy pursuant to the rules and procedures of the American Arbitration Association. The findings of such board shall be final and binding on the parties thereto. Each of the parties shall bear its own expense of arbitration. The Incumbent Managing General Partner shall appoint one arbitrator, the Authorized Managing General Partner shall appoint another arbitrator, and the two arbitrators shall agree upon and appoint the third arbitrator, who shall be a member of the American Arbitration Association, shall be versed in real estate matters and shall be familiar with the subject property or similar properties. A failure by either party to appoint an arbitrator within fourteen (14) days of receipt of written notice of request for arbitration shall constitute a forfeiture by the failing party of his rights to the other party to appoint such an arbitrator.

(3) Execution of Documents. Every contract, deed, mortgage, lease and other instrument executed by any General Partner appearing from instruments or certificates filed in the office of the Secretary of State of Rhode Island to be a General Partner hereunder or by any General Partner authorized in writing by all the General Partners to execute said instruments or by the sole General Partner, if there is only one, shall be conclusive evidence that at the time of delivery thereof, (i) the Partnership was then in existence, (ii) this Agreement had not theretofore been terminated or cancelled (nor amended in any manner except as shown by certificates or other instruments duly filed in said office of the Secretary of State of Rhode Island, and (iii) the execution and delivery of such instrument was duly authorized by the General Partners.

(4) Delegation. The General Partners may delegate all or any of their non-fiduciary duties under this Agreement and in furtherance of such delegation may elect, employ, contract or deal with an Affiliated Person as provided in Section 3.1(d)(5), but in no event shall the General Partners be relieved of their responsibility for their duties and obligations hereunder.

(5) Dealing with Affiliated Persons. The General Partners may for, in the name of, and on behalf of, the

Partnership, enter into such agreements, contracts or the like with any Affiliated Person in an independent capacity, to undertake and carry out the business of the Partnership as if such Affiliated Person were an independent contractor, and the General Partners may obligate the Partnership to pay reasonable compensation for, and on account of, any such services and accept terms which are no less favorable to the Partnership than are available from others on an arms-length basis, or such other compensation as shall be specifically provided for herein.

(6) Arbitration. If at any time the General Partners cannot act upon or decide any matter before them, because of an inability to obtain majority consent, when and if such consent is required, any General Partner may submit the controversy to arbitration in the City of Providence before a single arbitrator, in accordance with the rules and procedures then in effect of the American Arbitration Association or successor organization. The decision of the arbitrator shall be binding upon the General Partners and the Partnership and judgment on any award made by the arbitrator may be entered in any court having jurisdiction thereof. The costs of arbitration shall be borne equally among all the General Partners.

(7) Borrowings. The General Partners may not make any borrowing which is prohibited by the Regulations, or, except for the Mortgage Loan, and loans secured by purchase-money security interests approved by RIHMFC in capital assets of the Project, which is secured by a lien or other charge upon the assets of the Partnership. Notwithstanding the foregoing, the General Partners are authorized to pledge the rights of the Partnership to receive installments of the Capital Contributions agreed to be made by the Limited Partners as security for any borrowing for Partnership purposes approved by RIHMFC.

(e) Special Duties, Representations, Warranties and Agreements of the General Partners. In addition to their usual and customary duties and obligations the General Partners shall have the following special duties and obligations:

(1) The General Partners agree that, promptly after the execution and delivery of this Agreement, they will file an Amended Certificate of Limited Partnership with respect thereto and will take all such action which may be required under the Rhode Island Uniform Limited Partnership Act and the applicable Regulations to permit the Limited Partners, if and when they are admitted to the Partnership, to exercise the rights contemplated by this Agreement.

(2) The General Partners will promptly take all action which may be necessary or appropriate for development, operation, and maintenance of the Project in accordance with the obligations of the Partnership under the Building Loan Agreement, Mortgage and Regulatory Agreement. The General Partners shall devote to the Partnership such time as may be necessary for the performance of the special duties required hereunder to be performed by the General Partners. The General Partners shall, at the expense of the Partnership, 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 shall be satisfactory to RIHMFC.

(3) The General Partners hereby represent and warrant to each of the Limited Partners that, as of the date hereof, and they shall represent and warrant to the extent applicable on the due date for any installment of the Capital Contributions of the Limited Partners:

(i) The Partnership has been duly organized under the Rhode Island Uniform Limited Partnership Act and has not been dissolved or terminated.

(ii) To their best knowledge, there are no claims, legal actions or other proceedings pending or threatened which would adversely affect the interests of the General Partners in the Partnership as of the date of this Agreement.

(iii) No approval of RIHMFC, HUD or any other governmental authority or person is necessary in connection with the admission of the Limited Partners to the Partnership or, if any such approval is or shall be necessary, the same has or will be validly obtained.

(iv) The original use of the Project has not, as of the date upon which the Amended Certificate of Limited Partnership is filed pursuant to Section 3.1(e)(1), commenced within the meaning of the Code.

(v) To their best knowledge, no legal action or other proceeding is pending or threatened before any court or before any commission, administrative body or other authority having jurisdiction over zoning or environmental laws or regulations applicable to the Property which might prevent the completion of construction of the Property in substantial conformity with the Mortgage, the Building Loan Agreement or the Construction Contract. This subparagraph (v) shall be deemed to

include but not be limited to the following: (a) legal actions or proceedings before any court, commission, administrative body or other governmental authority having jurisdiction over zoning or environmental laws or regulations applicable to the Property, (b) labor disputes and (c) acts of any governmental authority.

(vi) No material default, or event which with the passage of time or the giving of notice or both would constitute a material default, has occurred and is continuing (or has been asserted and continues to be asserted) under the Regulatory Agreement, the Note, the Mortgage or the Building Loan Agreement and the same are in full force and effect.

(vii) No Partner has any personal liability with respect to the Note or Mortgage.

(4) The General Partners jointly and severally further represent and warrant and agree with the Limited Partners that all payments and expenses required to be made or incurred in order to complete construction of the Project in conformity with the Mortgage, the Building Loan Agreement and the Construction Contract or which form the basis for determining the principal sum of the Note, including interest, real estate taxes, and insurance premiums during construction and any escrow payments, will be paid or provided for by, or for the account of, the Partnership, utilizing only the funds available from (i) the Mortgage Loan, (ii) the Capital Contributions which the Limited Partners are required to make in accordance with Section 2.2(b) and (c), (iii) the proceeds of any hazard insurance, (iv) and to the extent permitted by RIHMFC, the net rental income of the Project. The General Partners jointly and severally agree in their individual capacities that, if such funds are not sufficient therefor or are not otherwise presently available for such purposes, they will loan (or cause to be loaned) to the Partnership all additional funds necessary for such purposes. All loans made by the General Partners pursuant to this Section 3.1(e)(4) ("Construction Completion Loans") shall be reimbursed out of future installments of Capital Contributions, if any, made to the Partnership. To the extent such loans are not repaid out of future installments of Capital Contributions of the Limited Partners they shall not change the participation interests in the Partnership but shall be evidenced by Residual Receipts Notes, which shall be reimbursable by the Partnership as provided in Sections 4.3 and 7.3 hereof.

(5) The General Partners, jointly and severally, in their individual capacities, further agree that they shall be obligated to purchase the Limited Partnership Interests of all Limited Partners desiring to sell the same if

(i) Completion of the Project does not occur by September 1, 1980, or

(ii) prior to the above date, the Lender shall have commenced proceedings to foreclose the Mortgage, or the Partnership's title to the Property or the Project shall otherwise be divested or subject to divestiture for any reason, or

(iii) at any time prior to the above date, the General Partners shall elect to discontinue construction on the Project by reason of unforeseen and adverse circumstances in the construction or development of the Project, which circumstances are beyond the reasonable control of the General Partners and with respect to which the General Partners, after using their best efforts, including without limitation consulting with outside advisers or consultants, determine in good faith that it would not be economically feasible to complete construction of the Project.

The General Partners shall give prompt written notice to each Limited Partner of his right to sell his Limited Partnership Interest to the General Partners pursuant to this Section 3.1(e)(5). The General Partners jointly and severally agree that if at the time of such repurchase the repurchase is prohibited under Section 15 or 16 of the Rhode Island Uniform Limited Partnership Act, the General Partners will contribute sufficient capital to the Partnership to enable them to perform the repurchase obligations set forth herein without violating such provisions of law.

If a Limited Partner elects to exercise his right to sell his Partnership Interest pursuant to this Section 3.1(e)(5), the purchase shall be made by the General Partners within fifteen (15) days from the date the General Partners receive written notice of such election.

The purchase price shall be paid in cash or (at the option of the General Partners) one-third in cash and the balance by a Secured Promissory Note or Notes of up to two (2) years maturity bearing an interest rate of eight per cent (8%) per annum, in an amount equal to the sum of the Capital Contributions of such Limited Partner desiring to sell his Interest, less his allocable share of amounts paid or at the time currently due from the Partnership to the



Packager and to the Placing Broker. Each Limited Partner selling his Partnership Interest pursuant to this Section 3.1(e)(5) shall have no further obligation under this Agreement, including any obligation to pay any further installments of his agreed Capital Contribution. The General Partners purchasing such Interest shall assume the status of a Limited Partner in respect to such Limited Partnership Interest. The General Partners shall forthwith cause an amended Certificate of Limited Partnership, showing such substitution, to be filed wherever required. Notwithstanding anything to the contrary contained in Section 9.3 of this Agreement, the repurchase obligation created in this Section 3.1(e)(5) shall not be an obligation of the Partnership, but shall be an obligation of the General Partners in their individual capacities, jointly and severally.

(6) The General Partners jointly and severally agree in their individual capacities that if the Partnership requires funds to pay Operating Expenses of the Partnership incurred after Completion of the Project and before December 31, 1983, inclusive, and such funds are not otherwise available, they will make, or cause to be made, Operating Expense Loans to the Partnership, up to \$15,000 per year or a maximum of \$60,000 outstanding at any one time.

Any such funds loaned pursuant to this Section 3.1(e)(6) shall be reimbursed by the Partnership at such time as the General Partners shall determine but only from Cash Flow and proceeds from the sale or other disposition or refinancing of the Project in accordance with the terms and conditions of Sections 4.2, 4.3 or 7.3 hereof, as the case may be. Notwithstanding the foregoing, the obligations of the General Partners to make Operating Expense Loans under this Section 3.1(e)(6) shall cease when and if either (i) Davenport Management, Inc., or other Affiliate of the General Partners shall have been involuntarily removed as Management Agent for the Project by RIHMFC or otherwise pursuant to this Agreement, or (ii) Davenport Associates, Inc. shall have been removed as the Managing General Partner.

(f) Indemnification of the General Partners. No General Partner shall be liable, responsible or accountable in damages or otherwise to any of the Partners of the Partnership for any act or omission of any General Partner in good faith on behalf of the Partnership and in a manner reasonably believed by the General Partner to be within the scope of the authority granted to the General Partners by this Agreement and in the best interests of the Partnership. The General Partners shall be entitled to indemnity from the Partnership for any loss, damage, or claim by reason of any act or omission performed or omitted by any General Partner or General Partners in good faith on behalf of the Partnership and in a manner reasonably believed by the acting General

Partner or General Partners to be within the scope of the authority granted to the General Partners by this Agreement and in the best interests of the Partnership, except that they shall not be entitled to be indemnified in respect of any loss, damage or claim incurred by reason of gross negligence, willful misconduct or any breach of the General Partners' fiduciary duty with respect to such acts or omissions, or any breach of any warranty or agreement contained in this Agreement or any material breach of any warranty or agreement contained in any other document governing the affairs of the Partnership or the Project. Any indemnity under this Section shall be provided out of and to the extent of Partnership assets only, and no Limited Partners shall incur any liability on account thereof.

### Section 3.2. Limited Partners.

(a) General. 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 General Partner) shall participate in or have any control over the Partnership's business nor shall he transact any business for the Partnership nor shall he have the power to sign for and bind the Partnership. No Limited Partner shall have the right to have the Partnership dissolved and liquidated or to have his Capital Contribution returned except as provided in this Agreement.

(b) Limited Liability. The liability of each Limited Partner in his capacity as a Limited Partner shall be limited to the amount of the Capital Contributions specified in Section 2.2(b) or (c) which such Limited Partner is required to make under the conditions herein set forth. No Limited Partner shall, in his capacity as a Limited Partner, have any further liability for any of the debts or be bound by any of the obligations of the Partnership or be required to contribute any capital, or loan any funds to the Partnership, except as otherwise provided by Section 2.2 or 6.3(c) herein and as otherwise required by Rhode Island law. No General Partner shall have any personal liability for the repayment of the Capital Contributions of any Limited Partner, except as otherwise provided by Section 3.1(e)(5) herein.

(c) Admission of Additional and Substituted Limited Partners. Each present and additional Limited Partner may become signatory hereto by signing a conformed or other counterpart of this Partnership Agreement 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 bound by all the provisions of the Agreement, provided, however, that no such counterpart shall be binding until it has been signed by one of the General Partners.

Upon the admission of any additional or Substitute Limited Partners, Schedule "A" shall be amended to reflect the names, addresses and Capital Contributions made and agreed to be made by such additional or Substitute Limited Partners, and an amendment to the Certificate of Limited Partnership reflecting such admission shall be filed as required by the laws of Rhode Island.

(d) Consents of Limited Partners Required by Law. Except where prohibited by the Rhode Island Limited Partnership Act or other applicable law, all Limited Partners hereby consent in advance to any action for which their consent is required hereunder if such action is approved by Consent of the Limited Partners, as that term is defined herein, provided that such action does not increase the liabilities or reduce the rights to Profits and Losses and cash distributions of any Limited Partner.

Section 3.3 Activities of the Special Corporate Limited Partner. The Special Corporate Limited Partner shall not participate in, or have any part in the control of the Partnership business, and shall have no authority to act on behalf of or bind the Partnership except pursuant to the express terms of this Agreement. If pursuant to the provisions of Section 3.1(d)(2) hereof, the Special Corporate Limited Partner shall become a General Partner and the Managing General Partner of the Partnership, it shall have the same interest in Profits, Losses, Cash Flow and other distributions as it had as Special Corporate Limited Partner and shall immediately be vested with all power and authority as a General Partner in which event it shall be entitled to all of the rights and benefits of a General Partner (including, but not limited to, indemnification) except for the benefits allocated to the class comprised of General Partners under Article IV, Section 7.3 and Article VIII hereof, and shall be subject to all the obligations and duties of a General Partner, except the obligation and duties pursuant to Sections 3.1(e)(4), (5) and (6) hereof, but it shall be liable only with respect to matters with regard to which it did act as a General Partner.

Section 3.4 Other Interests of Partners. Any of the Partners may engage in or possess an interest in other business ventures of every nature and description, including, but not limited to, the real estate business in all of its phases, which shall include, without limitation, the ownership, operation, management, syndication and development of real property. Neither the Partnership nor the other Partners shall have any rights in and to such independent ventures or the income or profits therefrom. The Partnership may employ or transact business with any person affiliated with any Partner or any person formerly affiliated with a Partner, notwithstanding the fact that any Partner or member of his Immediate Family or Affiliated Person may have (or may have had) an interest in or connection with, such person, and neither the Partnership nor the other Partners shall have any

rights in or to any income or profits derived therefrom by reason of this Agreement.

#### ARTICLE IV

##### ALLOCATIONS AND DISTRIBUTIONS

###### Section 4.1. Allocation of Profits and Losses.

(a) Ordinary Profits and Losses. The Profits and Losses of the Partnership (other than Profits and Losses of the Partnership arising from the sale, refinancing or other disposition of all or a substantial part of the assets of the Partnership pursuant to Section 4.1(b)) for each fiscal year (or portion thereof in which Completion of the Project and the Conversion Date occur), incurred and/or accrued from and after the first day of the calendar month during which the admission of the Investor Limited Partners to the Partnership occurs, shall be determined and allocated among, or be borne by, the Partners as follows: (i) Prior to the Conversion Date, ninety-nine percent (99%) to the class comprised of Investor Limited Partners, zero percent (0%) to the Special Corporate Limited Partner and one percent (1%) to the class comprised of General Partners, except that after December 31, 1995, an amount of profits equal to Mortgage amortization in excess of \$90,000 per annum shall be allocated to the class comprised of General Partners; and (ii) after the Conversion Date, fifty (50%) to the class comprised of Investor Limited Partners, zero percent (0%) to the Special Corporate Limited Partner and fifty percent (50%) to the class comprised of General Partners.

(b) Extraordinary Profits. The Profits arising from the sale, refinancing or other disposition of all or a substantial part of the assets of the Partnership shall (subsequent to the charging to Capital Accounts of all distributions pursuant to Sections 4.2 and 4.3 and as set forth in Section 4.4(b) and excluding the adjustment pursuant to Section 8.5(a)) be allocated among the Partners (treating the class comprised of Investor Limited Partners, the class comprised of the Special Corporate Limited Partner and the class comprised of General Partners as separate classes for such allocation) as follows:

First, to each class of Partner (without preference over any other Partner) receiving an allocation, pursuant to this clause First, an amount equal to the excess, if any, of the aggregate losses and cash distributions charged to the Capital Accounts of such class prior to the time of the realization of such Extraordinary Profits, over the sum of the aggregate Profits and Capital Contributions credited to the accounts of such classes prior to the time of the realization of such Extraordinary Profits;

Second, to each class of Partner (without preference over any other Partner) receiving an allocation, pursuant to this clause Second, an amount equal to the excess, if any, of the aggregate cash distributions charged to the Capital Accounts of such class of Partners as a result of distributions, if any, pursuant to sub-sections Third, Fourth, Fifth and Sixth of Section 4.3 over the balance of the Capital Accounts of such class of Partners immediately prior to such distributions, but after crediting to such Account the amount, if any, allocable to such classes of Partners pursuant to clause First of Section 4.1(b); and

Third, 50% to the class comprised of General Partners, 3% to the Special Corporate Limited Partner until the Special Corporate Limited Partner shall have been allocated an amount equal to 3% of the Base Amount, and the remainder: 47% plus the amount by which 3% of the Profits being allocated pursuant to this clause exceeds 3% of the Base Amount to the Investor Limited Partners.

(c) Extraordinary Losses. All Losses of the Partnership attributable to the sale or other disposition of all or a substantial part of the assets of the Partnership shall be allocated to the Partners in proportion to the respective then positive balances of their Capital Accounts (adjusted as though the Partnership's fiscal year ended immediately prior to the event giving rise to such Losses).

#### Section 4.2. Cash Flow of the Partnership.

(a) "Cash Flow". The term "Cash Flow" of the Partnership for a particular fiscal year or portion thereof shall include all Profits and Losses from the ordinary operations of the Partnership for such fiscal year or portion thereof and shall be determined by adjusting such Profits and Losses as follows:

(i) Depreciation of building, improvements and personal property shall not be considered as a deduction;

(ii) Amortization of any financing fees and organizational expenses shall not be considered as a deduction;

(iii) Amortization of the Mortgage Loan shall be considered as a deduction;

(iv) Principal payments on all conditional sales contracts and other secured obligations shall be considered as a deduction;

(v) If the General Partners shall so determine, reasonable reserves, established in accordance with generally

accepted accounting principles (and any applicable Regulations) shall be deducted pursuant to the Regulatory Agreement to provide for replacements, improvements, taxes, insurance, working capital, or any other contingency of the Partnership;

(vi) Amounts paid (including payments made to any reserve fund) by the Partnership for replacements, improvements, taxes, insurance or other Partnership purpose under the terms of the Regulatory Agreement (and not withdrawn from a reserve fund established for such purpose) shall be considered as a deduction;

(vii) Increases or decreases in amounts required after the Completion of the Project to maintain reasonable working capital shall be considered a deduction or increase, respectively;

(viii) Capital Contributions to the Partnership, proceeds of any mortgage refinancing, any loan to the Partnership, sale, exchange, eminent domain taking, damage or destruction by fire or other casualty, whether insured or uninsured, or other disposition of all or a substantial part of the assets of the Partnership shall not be included in Cash Flow of the Partnership; and any payments made from such sources of funds shall be excluded in determining Cash Flow of the Partnership;

(b) Distributions of Cash Flow

(i) The Cash Flow of the Partnership shall be determined for each fiscal year and for the portions of the fiscal years in which each of the Completion of the Project and the Conversion Date occurs.

(ii) Subject to the Regulations, after payment of Operating Expense Loans, the Cash Flow of the Partnership shall, until the Conversion Date, be distributed ninety-nine percent (99%) to the Investor Limited Partners, zero percent (0%) to the Special Corporate Limited Partner and one percent (1%) to the General Partners and, after the Conversion Date, fifty percent (50%) to the Limited Partners, zero percent (0%) to the Special Corporate Limited Partner and fifty percent (50%) to the General Partners.

(iii) Subject to the Regulations and RIHMFC approval if required, all distributions of Cash Flow of the Partnership to the Partners may be made at quarterly intervals during the fiscal year, and in any event shall be made within ninety (90) days after the close of each fiscal year.

Section 4.3. Additional Distributions.

At any time after Completion of the Project, and subject to the Regulations, all cash available from any refinancing of any

mortgage on, or the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all or a substantial part of the assets of the Partnership or from the liquidation of the assets of the Partnership following a dissolution of the Partnership and all cash other than cash distributed pursuant to Section 4.2 herein which is determined by the General Partners to be available for distribution shall be distributed and applied in the following order of priority:

First, to the payment of all debts and liabilities of the Partnership then due (or required by any lender or creditor to be repaid on account of the event referred to in this Section 4.3, which makes such cash available) including Operating Expense Loans but excluding the principal amounts of Construction Completion Loans pursuant to Section 3.1(e)(4);

Second, to fund reserves for contingent liabilities to the extent and for such period of time deemed reasonable by the General Partners, provided that at the expiration of such period of time as the General Partners shall deem advisable, the balance of such reserves remaining after payment of such contingencies shall be distributed in the manner hereinafter set forth in this Section 4.3;

Third, to the class comprised of Investor Limited Partners up to the amount of the positive balance, if any, in the respective Capital Accounts of the Partners of such class;

Fourth, to the classes comprised of the Special Corporate Limited Partner, and the General Partners up to the amounts of the positive balances, if any, in the respective Capital Accounts of the Partners of such classes;

Fifth, One percent (1%) to the class comprised of General Partners, ninety-eight percent (98%) to the class comprised of Investor Limited Partners and one percent (1%) to the Special Corporate Limited Partner until the class of Investor Limited Partners shall have received an amount equal to their Capital Contributions plus \$67,000 less the aggregate distributions made to the Partners of such class pursuant to this Agreement, including, without limitation, pursuant to this Section 4.3.

Sixth, to the class comprised of General Partners, until such class of Partners shall have received an amount equal to their Capital Contributions less the aggregate distributions made to the Partners of such class pursuant to this Agreement;

Seventh, to the payment of the principal amount of Construction Completion Loans until such Loans are paid in full;

Eighth, 50% to the class comprised of General Partners, 3% to the Special Corporate Limited Partner until the Special Corporate Limited Partner shall have received 3% of the Base Amount from all payments made pursuant to this section, and the remainder: 47% plus the amount by which 3% of all proceeds distributed pursuant to this clause exceeds 3% of the Base Amount, to the Investor Limited Partners.

#### Section 4.4. Allocations and Distributions Among Partners.

(a) Allocations and Distributions Within Classes of Partners. Profits and Losses of the Partnership allocated to and distributions made to, a particular class of Partners shall be allocated to each Partner in such class in the same proportion as such Partner's Capital Contribution to the Partnership bears to the aggregate amount of original Capital Contributions made to the Partnership by all Partners of such class. If the Partnership does not admit to the Partnership additional Investor Limited Partners who as a class shall hold the total proportion of the Partnership Interests allocable to the class of Investor Limited Partners indicated on Schedule "A", the class of Investor Limited Partners shall receive the same proportion of the Profits and Losses and distributions otherwise distributable under this Agreement to such class as the proportion of the actual Partnership Interests held by the Investor Limited Partners bears to the total Partnership Interests allocable to such class as indicated on Schedule "A". The Profits and Losses and distributions not allocable or distributable to the Investor Limited Partners pursuant to this Section 4.4 shall be allocated to the class comprised of General Partners in proportion to their respective Partnership interests as indicated on Schedule "A".

(b) Priority of Allocations and Distributions. All Profits, Losses and distributions to the Partners shall be credited or charged, as the case may be, to their Capital Accounts as of the date at which Profits and Losses are determined and distributions made. All distributions made to the Partners pursuant to the provisions of Sections 4.2 and 4.3 shall be treated as having been made and charged to their respective Capital Accounts prior to the allocation of Profits and Losses pursuant to Section 4.1(b) or 4.1(c). The Profits and Losses of the Partnership allocated among the Partners pursuant to Section 4.1(a) shall be credited or charged to their respective capital accounts prior to the allocation of Profits and Losses of the Partnership pursuant to Sections 4.1(b) and 4.1(c).

(c) Allocation Upon Transfer of Partnership Interest. Except as otherwise provided in Section 2.2(h), upon the transfer



of a Partnership Interest, the transferor and transferee shall be allocated a pro rata share of Profits and Losses. Each item of income, gain, loss, deduction or credit entering into the computation thereof, for the fiscal year in which the transfer occurs, shall be prorated between the transferor and transferee based on the portion of the fiscal year that the transferred Partnership Interest was held by the transferor and transferee, respectively.

## ARTICLE V

### WITHDRAWAL OF A GENERAL PARTNER

#### Section 5.1. Withdrawal of a General Partner.

(a) Voluntary Withdrawal. No General Partner may voluntarily withdraw from the Partnership nor sell, assign or encumber his General Partnership Interest prior to the twentieth anniversary of the Completion Date without the consent of the Special Corporate Limited Partner and the consent of Investor Limited Partners whose Capital Contributions aggregate not less than sixty-five percent (65%) of the Investor Limited Partnership Interests. No General Partner may voluntarily withdraw from the Partnership at any time unless (i) the Partnership shall have received the opinion of Counsel to the Partnership to the effect that (A) such withdrawal will not constitute a termination of the Partnership or otherwise materially adversely affect the status of the Partnership for Federal income tax purposes and (B) such withdrawal will not constitute a breach of, or entitle any governmental unit to terminate, any rental assistance agreement or agreement with respect to property taxes and excises, and (ii) if such withdrawal shall require the admission of a new General Partner, a new General Partner shall have been selected who, or which, (A) shall have stated a willingness to be admitted to the Partnership, (B) shall satisfy the then applicable provisions of the Code and any applicable procedures, regulations, rules and rulings (including published private rulings) thereunder, including applicable net worth requirements so that the Partnership shall be classified as a Partnership for tax purposes, (C) shall have received the unanimous consent of all of the other Partners with respect to admission, and (D) shall have the competency to cause the Partnership to have the capacity to operate the Project effectively. Notwithstanding anything stated above, if the voluntary withdrawal of a General Partner requires the admission of a new General Partner, said voluntary withdrawal shall not become effective unless and until the new General Partner is admitted to the Partnership as a Substitute General Partner pursuant to Section 5.2 hereof.

(b) Involuntary Withdrawal. If a General Partner shall die, become insane or otherwise physically, mentally or emotionally incapable of performing the duties or exercising the responsibilities of a General Partner or become a bankrupt within the meaning

of the Federal Bankruptcy Act, such General Partner shall be deemed to have involuntarily withdrawn from the Partnership upon the date of such occurrence. The date upon which a General Partner shall be deemed to have become insane or incapacitated as aforesaid is the date upon which a certificate of a licensed physician shall be delivered to the Partnership, which certificate shall state the opinion of the signer that the General Partner is incapable of performing his duties and exercising his responsibilities by reason of physical, mental or emotional disability of indefinitely long duration.

(c) Consequences of Withdrawal.

(1) Upon the withdrawal of a General Partner, the Withdrawing General Partner or his estate or legal representative shall be entitled to receive (i) any positive balance in his or its Capital Account (as adjusted to the date of such withdrawal), (ii) any amounts due and owing to him or it by the Partnership less any amounts due and owing by him or it to the Partnership, (iii) the remaining balance, if any, of salaries, development fees, or management fees payable as and when due pursuant to this Agreement or any other written agreements between the Partnership and the Withdrawing General Partner in his capacity as General Partner. The right of such a General Partner to payment of said amounts and fees shall be subject to any claim for damages the Partnership or any Partner may have against the General Partner if such withdrawal is in contravention of this Agreement. Any payments pursuant to this Section shall be made only to the extent that the Partnership has funds available therefor from and at the time of any refinancing of any mortgage on, or the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all or a substantial part of the assets of the Partnership or from the liquidation of the assets of the Partnership following a dissolution of the Partnership.

(2) Until the admission of a Substitute General Partner, as provided in Section 5.2, any Person who acquires, in any manner whatsoever, the Partnership Interest, or any portion thereof, of a Withdrawing General Partner, upon his written acceptance and adoption of all of the terms and provisions of this Agreement and the Regulatory Agreement, shall be admitted as a Limited Partner of the Partnership, unless such admission would terminate the status of the Partnership as such under the then applicable provisions of the Code and any applicable regulations, rules and rulings (including published private rulings) thereunder. As a Limited Partner such Person shall have no right to participate in the management of the affairs of the Partnership, and shall not be entitled to any portion of the Profits and Losses, distributions of Cash Flow or other cash distributions payable to

the class comprised of Limited Partners. Such person shall, however, acquire the share of the capital, Profits and Losses, distributions of Cash Flow and any other distributions of net cash proceeds which would otherwise have been received by the Withdrawing General Partner from whom he received his Partnership Interest.

(3) Notwithstanding Section 5.1(c)(2) above, each General Partner hereby covenants and agrees, in the event of his withdrawal, to transfer to a Substitute General Partner selected as provided in Section 5.2, or to the remaining General Partners, as the case may be, such portion of his General Partnership Interest as shall be designated by the General Partner who has proposed the admission of such substitute General Partner, such transfer to be made in consideration of the payment by the remaining General Partner or Partners or the Substitute General Partner to the Withdrawing General Partner of the fair market value of such Interest as agreed upon by the remaining General Partners or the Substitute General Partner and the Withdrawing General Partner, or if they cannot agree, as determined by a committee of three Qualified Real Estate Appraisers, one selected by the Withdrawing General Partner, one selected by the proposed Substitute General Partner (or remaining General Partners), and a third selected by the other two. If a General Partner wrongfully withdraws from the Partnership, the Qualified Real Estate Appraisers in making their valuation may, without limitation of any other remedies which may be available to the remaining Partners, take into account the damage to the Partnership and the remaining Partners resulting from such wrongful withdrawal. The portion of the General Partnership Interest designated to be transferred in accordance with this Section 5.1(c)(3) shall be sufficient to assure that the Partnership will meet the minimum General Partnership Interest required for the continued treatment of the Partnership as a partnership under the then applicable provisions of the Code and any applicable regulations, rules and rulings (including published private rulings) thereunder.

Section 5.2. Substitution of a General Partner. Upon the written acceptance and adoption of the terms and provisions of this Agreement, the Note, Mortgage, Building Loan Agreement, and Regulatory Agreement, if applicable to the Project, to the same extent and on the same terms as the present General Partners, and with the Consent of the Limited Partners, the legal representatives, heirs or assigns of the Partnership Interest of a Withdrawing General Partner shall be admitted to the Partnership as a Substitute General Partner or Partners with the rights and obligations of a General Partner as set forth in this Agreement unless such admission would terminate the status of the Partnership as such under the applicable provisions of the Code and any applicable regulations, rules and rulings (including published private rulings) thereunder.

### Section 5.3. Continuation of the Partnership Business.

(a) Election to Continue Partnership Business. In the event of the withdrawal of a General Partner, the remaining General Partner or Partners, if any, or the last Withdrawing General Partner or his heirs, successors or assigns, shall immediately send notice of such withdrawal to each Limited Partner. The General Partners hereby covenant and agree, unless there is no remaining General Partner or Substitute General Partner, that they shall elect to continue the business of the Partnership, unless if either Marcel A. Richard or Robert S. Gershkoff shall not have become a Substitute General Partner, the Limited Partners acting by Consent object to the continuation of the business within thirty (30) days from the date they received notice of the withdrawal of such General Partner. If at any time, Davenport Associates, Inc., Paul S. Davenport, or any successor General Partner with substantial net worth shall retire as a General Partner, the remaining General Partners or Partner shall, at the request of the Limited Partners acting by Consent, use best efforts to propose for admission a Substitute General Partner or General Partners. Any such proposed Substitute General Partner shall, with the consent of the other General Partners, and with the unanimous consent of the Limited Partners, become a successor General Partner upon his execution of this Agreement. Either of Marcel A. Richard or Robert S. Gershkoff shall be an acceptable Substitute General Partner pursuant to this Section and the Limited Partners hereby specifically consent to such admission, provided that said individual proposed for admission then has the net worth required by Rev. Proc. 72-13, or any applicable successor thereto and his admission as a Substitute General Partner will not, in the opinion of Counsel to the Partnership, jeopardize the partnership status of the Partnership for Federal income tax purposes. Otherwise the Partnership will terminate under Section 7.1(b) of this Agreement.

(b) Only One Remaining General Partner. If at any time only one General Partner shall remain as a General Partner of the Partnership, such remaining General Partner shall use his or its best efforts to propose for admission, in the manner set forth in Section 5.2, a Substitute General Partner or Partners. Each General Partner hereby covenants and agrees that he or his legal representative shall transfer to such Substitute General Partner, immediately following his admission to the Partnership as a Substitute General Partner pursuant to Section 5.2, such portion of his General Partnership Interest as shall be designated by the General Partner who has proposed the admission of such Substitute General Partner, such transfer to be made in consideration of the payment by the Substitute General Partner to the transferring General Partner of such consideration as such parties shall mutually agree, or if they cannot agree, the fair market value of such Interest as determined by a committee of three Qualified Real Estate Appraisers, one selected by the Withdrawing General

Partner, one selected by the proposed Substitute General Partner and a third selected by the other two.

(c) No Remaining General Partner. If, following the withdrawal of a General Partner, there is no remaining General Partner or Substitute General Partner of the Partnership, the Limited Partners acting by Consent may, within ninety (90) days after notice of such withdrawal, elect to reconstitute the Partnership as provided in Section 7.2 and continue the business of the Partnership for the balance of the term specified in Section 1.4 by selecting a Substitute General Partner by unanimous consent. If the Limited Partners shall so elect to reconstitute the Partnership, the successor limited partnership shall be governed by the terms of this Agreement.

In the event of an election to reconstitute the Partnership with a Substitute General Partner, each General Partner hereby covenants and agrees that he or his legal representative will transfer to said Substitute General Partner such portion of his General Partnership Interest as shall be designated by said Substitute General Partner, such transfer to be made in consideration of the payment by said Substitute General Partner to the transferring General Partner of such consideration as such parties shall mutually agree, or if they cannot agree, the fair market value of such Interest, as determined in Section 5.3(b) hereof.

Section 5.4. Liability of Withdrawing General Partner. If the business of the Partnership is continued after withdrawal of a General Partner, the Withdrawing General Partner shall remain liable for all obligations and liabilities incurred by him while a General Partner and for which he was liable as a General Partner, but a Withdrawing General Partner shall not incur any obligation or liability on account of the business of the Partnership or the activities of the General Partners from and after the time his withdrawal shall have become effective.

Section 5.5. Necessary Consent by Limited Partners. Until notice to the contrary is received by the Partnership from any Limited Partner and except for the specific consents to the admission of Marcel A. Richard or Robert S. Gershkoff given pursuant to Section 5.3(a), the Limited Partners hereby agree and consent to the admission of a Substitute General Partner pursuant to Sections 5.2, 5.3 and 7.2, if such admission shall have been approved by Consent of the Limited Partners.

Section 5.6. Prohibited Assignment. In no event shall all or any part of a General Partnership Interest be assigned or transferred to a minor or incompetent. Any such attempted assignment shall be void and not binding on the Partnership.

## ARTICLE VI

### ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST

#### Section 6.1. Death of a Limited Partner.

(a) The death, incapacity, bankruptcy or voluntary withdrawal of a Limited Partner shall not dissolve or terminate the Partnership. In the event of the death of a Limited Partner, the estate or legal representative of the deceased Limited Partner shall be deemed to be the assignee of the deceased Limited Partner's Partnership Interest and may become a Substitute Limited Partner upon satisfaction of the conditions set forth in Section 6.2(b). The estate of the deceased Limited Partner shall be liable for all of the deceased Limited Partner's liabilities and obligations to the Partnership as a Limited Partner.

#### Section 6.2. Assignment.

(a) If a Limited Partner wishes to transfer, sell, alienate, assign, encumber or otherwise dispose of any part of his Partnership Interest, such Limited Partner must first offer to sell such Interest or such part of his Interest to the General Partners at its fair market value as agreed to by the General Partners and such Limited Partner. If the General Partners do not exercise their right of first refusal, or the parties cannot agree upon the fair market value, within thirty (30) days of the receipt by the General Partners of such offer from the Limited Partner, then, any such Limited Partner shall have the right to assign all or any part of his Limited Partnership Interest if:

(1) the assigning Limited Partner shall, at the request of any General Partner, deliver to the General Partners an opinion of counsel, in form and substance satisfactory to Counsel to the Partnership, that such Assignment and any offerings made in connection therewith are in compliance with applicable Federal and state securities laws;

(2) the Assignee shall execute a statement acceptable to the General Partners that he is acquiring such Partnership Interest or part thereof for his own account for investment and not with a view to the distribution or resale thereof;

(3) the General Partners consent to such Assignment, except that consent shall be withheld if in the opinion of Counsel to the Partnership such transfer would result in the termination under the Code of the Partnership's taxable year or of its status as a Partnership;

(4) in the opinion of Counsel to the Partnership, the transfer will comply with the Regulations and all other

applicable rules and regulations of governmental authorities;

(5) the Assignee has delivered to the General Partners copies of the instrument of assignment and any related documents, which documents shall be satisfactory to the General Partners; and

(6) The Assignee has agreed in writing, as a condition to receiving a Partnership Interest, to be bound, if the Project is subject to the Regulations at the time, by the Regulatory Agreement, the Note, the Mortgage, and the Subsidy Agreements, to the extent applicable to the Project and to the same extent and on the same terms as applicable to the other Limited Partners.

If the foregoing conditions are not complied with, the Partnership need not recognize such assignment for any purpose hereunder.

(b) Substitution. An Assignee of a Limited Partnership Interest assigned in accordance with the provisions of Section 6.1 or 6.2(a) shall become a Substitute Limited Partner of the same class as his Assignor if:

(1) the General Partners consent to such substitution, which consent may be given or withheld in the General Partners' sole discretion;

(2) such Person executes an instrument, reasonably satisfactory to the General Partners, accepting and adopting the terms and provisions of this Agreement;

(3) in the case of Assignments other than by operation of law, the Assignor states his intention in writing to have his Assignee become a Substitute Limited Partner; and

(4) such Person agrees at the option of the General Partners, to pay any filing fees, reasonable counsel fees, and other reasonable expenses incurred in connection with his becoming a Substitute Limited Partner hereunder.

An Assignee of a Limited Partnership Interest who does not become a Substitute Limited Partner in accordance with this Section 6.2(b) and who desires to make a further Assignment of his Interest shall be subject to all the provisions of Sections 6.2(a) and 6.2(b) to the same extent and in the same manner as any Limited Partner of his class desiring to make an Assignment of his Limited Partnership Interest. Failure or refusal of the General Partners to admit an Assignee as a Substitute Limited Partner shall in no way affect the right of such Assignee to receive the share of capital, Profits, Losses and distributions

of Cash Flow and net cash proceeds to which his predecessor in interest was entitled.

(c) Prohibited Assignment. In no event shall all or any part of a Limited Partnership Interest in the Partnership be assigned or transferred to a minor or incompetent, and any such attempted Assignment shall be void and ineffectual and shall not bind the Partnership.

(d) Immediate Family. The foregoing provisions of Section 6.2(a) and 6.2(b) shall not apply to the sale, transfer or assignment (in trust or otherwise) by a Limited Partner, whether on death or inter vivos, of all or any part of his Interest in the Partnership:

- (1) to or for the benefit of his Immediate Family or to a charitable, religious or educational organization, as same are defined under the Code, or
- (2) to the legal representatives of a deceased or incapacitated Limited Partner, or by such a legal representative to accomplish any transfer or assignment permitted by the foregoing subparagraph (1).

#### Section 6.3. Further Conditions of Assignment.

(a) Upon the admission of a Substitute Limited Partner in accordance with the terms and provisions of this Agreement, the General Partners shall cause Schedule "A" to be amended to reflect the admission of such Substitute Limited Partner and shall file, wherever required, an amended Certificate of Limited Partnership and such further instruments as may be appropriate to effectuate the admission of such assignee as a Substitute Limited Partner.

(b) In the event any Assignment of a Limited Partnership Interest shall be made, there shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making such Assignment, and such instrument must evidence the written acceptance of the Assignee to all the terms and provisions of this Agreement and if such an instrument is not so filed, the Partnership need not recognize any such Assignment for any purpose hereunder.

(c) Any Limited Partner hereafter admitted to the Partnership pursuant to Section 6.2, as a condition to receiving an interest in the Partnership assets and being admitted as a Substitute Limited Partner to the Partnership, shall agree in writing to be bound by the terms of this Agreement, and (if the Project is subject to the Regulations) the Note, Mortgage, Subsidy Agreements, and Regulatory Agreement, if applicable, to the same extent and on the same terms as the other Limited Partners.



Section 6.4. Rights and Liabilities of an Assigning Limited Partner.

(a) Any Limited Partner who shall assign his Interest in the Partnership shall cease to be a Limited Partner of the Partnership, and shall no longer have any of the rights or privileges of a Limited Partner.

(b) The obligations of an assigning Limited Partner to make Capital Contributions to the Partnership hereunder shall be extinguished only by, and only to the extent of, the amount of Capital Contributions contributed by the assigning Limited Partner prior to the assignment plus the aggregate amount of Capital Contributions made to the Partnership by the Partner or Partners who have purchased or otherwise acquired the Partnership Interest of the assigning Limited Partner.

Section 6.5. Termination of Partnership for Tax Purposes. Except as provided in this Section 6.5, no sale or exchange of a Partnership Interest may be made if the interest sought to be sold or exchanged, when added to the total of all other interests sold or exchanged within a period of twelve (12) consecutive months prior thereto, results in the termination of the Partnership under Section 708 of the Code (or any successor statute). Such sale or exchange may be made if, prior to the date thereof, a favorable opinion from Counsel to the Partnership has been rendered or a favorable ruling by the Internal Revenue Service has been published in the Internal Revenue Bulletin or has been issued upon the application of, and at the expense of, the Partner desiring to transfer his Partnership Interest, to the effect that the proposed transfer will not terminate the Partnership for tax purposes and will not prevent the Partnership from being entitled to use any of the accelerated methods of depreciation available to a first user.

ARTICLE VII

DISSOLUTION, SUCCESSOR PARTNERSHIP AND LIQUIDATION

Section 7.1. Events Causing Dissolution. The Partnership shall be dissolved and, subject to Section 7.2, its affairs wound up upon the first to occur of the following:

(a) the sale or other disposition of all or a substantial part of the assets of the Partnership;

(b) the death, insanity, retirement, withdrawal, resignation, bankruptcy or expulsion of a General Partner if no General Partner remains or if none of Paul S. Davenport, Davenport Associates,

Inc., or any successor General Partner of substantial net worth remains and the Limited Partners do not elect, pursuant to Section 7.2 to reconstitute the Partnership;

(c) the election to dissolve the Partnership made in writing by the General Partners and all of the Limited Partners except that such election by the Limited Partners shall not be required if the General Partners elect to terminate the Project as provided in Section 3.1(e)(5); or

(d) the expiration of the Partnership term.

Section 7.2. Successor Partnership. Upon termination of the Partnership resulting from an event described in Section 7.1, the Limited Partners who desire to continue the business of the Partnership, acting unanimously, shall have the right, exercisable by notice to all Partners within sixty (60) days after the date of such termination, to continue the business of the Partnership and reconstitute the Partnership as a successor limited partnership with one or more Substitute General Partners, as the Limited Partners may elect, who shall be admitted to the Partnership upon his or its or their execution of this Agreement. If the Limited Partners shall exercise such right,

(a) the successor limited partnership shall be governed by the terms and provisions of this Agreement subject to such reallocation of Partnership Interests as the participating Limited Partners shall agree;

(b) each Limited Partner who does not desire to participate in such successor limited partnership shall be paid in cash the fair market value of his Partnership Interest, as determined by agreement among the Limited Partners not later than five (5) years after the expiration of such sixty (60)-day period, or in case of failure to agree, as determined by a committee of three Qualified Real Estate Appraisers, one selected by the approving Limited Partners, one selected by the disapproving Limited Partners, and a third selected by the other two; and

(c) each Withdrawing General Partner shall be entitled to receive the amount, if any, which he would be entitled to receive under Section 5.1(c) hereof upon his withdrawal effective as of the date of the termination of the Partnership.

Each Partner agrees that if he does not participate in any successor limited partnership formed pursuant to this Section 7.2, he shall execute and deliver such instruments as shall reasonably be required by such successor limited partnership to transfer any interest he may have in the Property to such successor limited partnership.

### Section 7.3. Distribution Upon Dissolution.

(a) Procedure on Liquidation. Unless the business of the Partnership is continued upon the termination and dissolution of the Partnership, the General Partner or General Partners, if any, or if there is no remaining General Partner, any person elected to perform such liquidation by the Consent of the Limited Partners, or if there is none, such other person required by law to wind up the Partnership's affairs, shall proceed with the liquidation of the Partnership (including cancellation of the Certificate of Limited Partnership), and the net proceeds of such liquidation shall be applied and distributed in accordance with the provisions of Section 4.3 hereof.

(b) Distribution in Kind. If it becomes necessary to make a distribution of Partnership property in kind, due to the economic impracticability of liquidating the assets of the Partnership, such property shall be transferred and conveyed to the Partners or their assignees so as to vest in each Partner or Assignee of a Partner, as a tenant-in-common, an undivided interest in the whole of said property equal to his interest had there been a distribution of net cash proceeds made in accordance with Section 7.3(a) and Section 4.3 herein.

## ARTICLE VIII

### FISCAL MATTERS

Section 8.1. Amounts Payable by the Partnership to the General Partners and Their Affiliates. Subject to the Regulations, any required approval of the holder of the Mortgage Loan, the Partnership shall make the following payments:

(a) To Davenport Associates, Inc.:

(i) the amount of \$55,599 on account of cash advances by Davenport Associates, Inc. to the Partnership to meet cash requirements for closing under the RIHMFC mortgage loan commitment, payable as follows:

During 1978 - \$40,000  
During 1979 - \$15,599

(ii) the following additional fees to Davenport Associates, Inc., which shall be deemed to be guaranteed payments within the meaning of Section 707(c) of the Code:

(A) a fee of \$7,500 for the commitment of the General Partners, pursuant to Section 3.1(e)(6),

to make Operating Expense Loans to the Partnership which shall be payable as follows:

\$1,500 during each of the years 1979,  
1980, 1981, 1982 and 1983;

(B) a fee of \$33,106 for the commitment of the General Partners, pursuant to Section 3.1(e)(4) to make Construction Completion Loans to the Partnership which fee shall be payable during 1979;

(C) a fee of \$49,000 for the services of Davenport Associates, Inc. in managing the affairs of the Partnership including supervision of Partnership accounts and operations, including tax advice, overhead and administrative expense, which fee shall be payable as follows:

During 1978 - \$14,000  
During 1979 - 14,000  
During 1980 - 7,000  
During 1981 - 7,000  
During 1982 - 3,500  
During 1983 - 3,500; and

(iii) the following additional fees totalling \$362,692, to Davenport Associates, Inc. for the general management of the Project through successful completion, and other services, each fee to become a liability of the Partnership at the time and upon the occurrence of the condition indicated for such fee below:

(A) \$76,192 at the time the Fourth Installment becomes due and payable from the Escrow Agent to the Partnership;

(B) \$96,500 at the time Fifth Installment becomes due and payable from the Escrow Agent to the Partnership;

(C) \$100,000 at the time the Sixth Installment becomes due and payable from the Escrow Agent to the Partnership,

(D) \$90,000 at the time the Seventh Installment becomes due and payable from the Escrow Agent to the Partnership.

If cash to pay the fees stated in Section 8.1(a)(iii) is not available from the Capital Contributions of the Partners or from other sources (not including Cash Flow, which may not be used for such purposes) within five (5) years from the date the fees become due and payable, then the obligation of the Partnership to pay said fees shall forever cease and terminate.

(b) To Davenport Management, Inc.:

(i) \$37,600 (\$376 per dwelling units) for services to the Partnership in connection with the rent-up of the Project, which fee will be payable monthly as units are occupied; and

(ii) \$5,645 for pre-completion Project Management Services, which fee is payable in 1979.

(c) To the Managing Agent an annual management fee in an amount approved from time to time by HUD and RIHMFC.

(d) To TBCFS, Inc., an affiliate of the Special Corporate Limited Partner, brokerage fees in an aggregate amount equal to 8% of Units sold by or through TBCFS, Inc., now estimated to be \$53,600 (\$5,360 per unit).

(e) Other fees in an aggregate amount of \$65,258 to Real Estate Resources, Inc. ("RERI"), for tax advice to the Partnership, for services in connection with the organization and syndication of the Partnership and for accounting and marketing expenses. RERI will pay approximately \$16,000 of the above-stated amount to The Boston Company Real Estate Counsel, Inc.

Section 8.2. Title to Property and Bank Accounts. The property of the Partnership shall be held in the name of the Partnership. The funds of the Partnership shall be deposited in the name of the Partnership in such bank account or accounts as shall be designated by the General Partners, and withdrawals therefrom shall be made upon the signature of any one of the General Partners or such other Person or Persons as shall be designated by the General Partners. All deposits (including security deposits) and other funds not needed in the operation of the business may, to the extent permitted by applicable governmental requirements and the Regulations, be deposited in interest-bearing accounts or invested in municipal obligations, or United States Government obligations, or other obligations as may be permitted by applicable governmental regulations.

Section 8.3. Records and Accounting. The General Partners shall keep or cause to be kept complete and accurate books with respect to the Partnership's business. The books and records of

the Partnership shall be kept on an accrual basis and the Profits and Losses of the Partnership shall be determined for each fiscal year in accordance with accounting methods followed for Federal income tax purposes and otherwise in accordance with generally accepted accounting principles and procedures applied in a consistent manner. Except as otherwise provided herein, whenever a proportionate part of the Profits or Losses of the Partnership is credited or charged to a Partner's account, every item of gain, loss or deduction entering into the computation of such Profits or Losses shall be considered either credited or charged, as the case may be, and every item of credit or tax preference related to such Profits or Losses and applicable to the period during which such Profits or Losses were realized shall be allocated to such account in the same proportion. All books and records shall be maintained at the Partnership's principal office and each Partner, and his duly authorized representative, shall have access to them and the right to inspect and copy them at all reasonable times. The Partnership shall adopt a calendar year as its fiscal year for Federal income tax and financial reporting purposes.

#### Section 8.4. Reports.

(a) Interim Reports. Until the Project has attained ninety percent (90%) residential occupancy the General Partners shall, cause to be prepared and sent to the Limited Partners a report at the end of each quarter, other than at the end of the fiscal year of the Partnership which briefly describes the progress of construction, the progress of the rental program and any other aspects of the Project which the General Partners deem material to the Partners.

(b) Annual Report. On or before March 1 of each year, the General Partners shall deliver to each Partner a financial report of the Partnership for the previous financial reporting year, including a balance sheet and related statements of income, retained earnings and changes in financial condition. All such statements shall be prepared in accordance with generally accepted accounting procedures and shall be accompanied by a report of the Auditors stating (i) that an audit of such financial statements has been made in accordance with generally accepted auditing standards, (ii) the opinion of the Auditors regarding such financial statements, accounting principles and practices reflected therein and the consistency of the application of such accounting principles, and (iii) any matters to which the Auditors take exception and, to the extent practicable, the effect of each such exception on such financial statement.

(c) Transactions With General Partners or Affiliates. The General Partners shall provide the Partners annually, on or before March 1, with a detailed statement of any transaction of

the Partnership with the General Partners or their Affiliates and of fees, commissions, compensation and other benefits paid or accrued to the General Partners or their Affiliates for the fiscal year completed, showing the amount paid or accrued to each recipient and the services performed.

(d) Tax Returns and Tax Information. The General Partners shall use their best efforts to

(i) provide to each Partner estimates of the Profits and Losses of the Partnership for each calendar year, prepared on an accrual basis, not later than November 30 of such year,

(ii) have the Auditors prepare the tax returns (Federal, State and local, if any) of the Partnership for such fiscal year not later than March 1 of the immediately succeeding year, and

(iii) deliver to each Partner no later than March 1 the information necessary to prepare his Federal income tax return.

(e) Accounting Decisions. All decisions as to accounting matters, except as specifically provided to the contrary herein, shall be made by the General Partners in accordance with the accounting methods followed for Federal income tax purposes and otherwise in accordance with generally accepted accounting principles and procedures applied in a consistent manner. Such decisions must be acceptable to the Auditors and the General Partners may rely upon the advice of such Auditors as to whether such decisions are in accordance with generally accepted accounting principles.

8.5 Tax Elections and Depreciation. The Partnership shall make elections for Federal tax purposes as follows:

(a) In case of a transfer of all or part of the Partnership Interest of a Partner, the Partnership may in the sole discretion of the General Partners timely elect pursuant to Sections 734, 743 and 754 of the Code (or corresponding provisions of future law) and pursuant to similar provisions of applicable state or local income tax laws, to adjust the basis of the assets of the Partnership. In such event, any basis adjustment attributable to such election, shall be allocated solely to the transferee.

(b) All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners, after consultation with the Auditors, in such manner as will, in their opinion, be most advantageous to a majority in interest of the Limited Partners.

(c) With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, accelerated depreciation or amortization methods. However, if after consultation with the Auditors the General Partners determine that a change to some other method would be advantageous to a majority in interest of the Limited Partners, the Partnership shall elect to change to some other method of depreciation.

(d) The Partnership shall elect to treat as an expense for Federal income tax purposes all amounts paid or incurred by it for real estate taxes, interest, and other charges during or related to the construction of the Project, which may, for Federal income tax purposes, be allowed as current deductions.

Section 8.6. Management Agent. The General Partners shall at all times enter into and keep in effect an agreement with the Management Agent, which may be a General Partner or an Affiliated Person. The Management Agent shall be compensated in the amount permitted by RIHMFC.

In addition to the right of the Managing General Partner to remove the Management Agent at will, if at any time after ninety percent (90%) Occupancy, the Project is in material default under the Note or agreements with RIHMFC and such default continues uncured for a period of four (4) months, the Partnership shall forthwith terminate its management agreement with the Management Agent, unless RIHMFC shall disapprove such termination, or unless, upon receipt by the Limited Partners of an Opinion of Continued Limited Liability as to the exercise of all the rights of the Limited Partners as set forth in this Section 8.6, the written Consent of of the Limited Partners is obtained to the retention of the Management Agent as the manager of the Property. If such Consent is not so obtained, the General Partners shall immediately proceed to select a new Management Agent for the Property, subject to RIHMFC approval, and if such Opinion of Continued Limited Liability shall have been furnished to the Limited Partners, subject to the Consent of the Limited Partners. If in such latter event, within thirty (30) days after such termination the General Partners shall not have submitted the name of a new Management Agent to the Limited Partners, or if by the later of thirty (30) days after such termination or ten (10) days after such submission, the Limited Partners shall not have given their Consent, the Limited Partners, within thirty (30) days thereafter, may submit a list of at least three names of proposed Management Agents to the General Partners, who shall forthwith select a new Management Agent from such list.



## ARTICLE IX

### GENERAL PROVISIONS

Section 9.1. Amendments. The General Partners may and at the request of Limited Partners having fifty-one percent (51%) of the Limited Partnership interest shall submit to the Partners in writing the text of any proposed amendment to this Agreement and a statement by the proposer of the purpose of any such amendment. The General Partners may include in any submission its view as to the proposed amendment. Upon the consent of all the General Partners and Consent of the Limited Partners such amendment shall take effect, except that no such amendment shall increase the liability or obligation of any Partner or alter any Partner's share of distributions or Profits or Losses of the Partnership or affect any right of the General Partners or Affiliated Persons to receive payment without, in each case, the written approval of all the Partners and except that all the Limited Partners must approve in writing any amendment of this Section 9.4. A written approval may not be withdrawn or voided once it is filed with the General Partners.

Upon the reasonable request of a Limited Partner the General Partners will file all amendments to the Certificate of Limited Partnership necessary or appropriate to comply with applicable filing requirements of the Rhode Island Uniform Limited Partnership Act.

Section 9.2. Notices. All notices, approvals, consents, reports; demands or other communications required hereunder shall be in writing and signed by the party giving same, and shall be deemed to have been given when (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by written notice to the Partnership:

(a) if to the Partnership or the General Partners, at the principal office of the Partnership set forth in Section 1.2 hereof or to such other party as may be designated by notice by them.

(b) if to the Limited Partners by depositing in the United States mail postage prepaid and either registered or certified to The Boston Company Real Estate Counsel Inc., One Boston Place, Boston, Massachusetts 02108, and to such other party, if any, as may be designated by notice from a Limited Partner.

Section 9.3. Further Assurances. The Partners will execute, acknowledge and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement.

Section 9.4. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements herein shall survive until the dissolution and final liquidation of the Partnership, except to the extent that a representation, warranty or agreement expressly provides otherwise or was applicable to a specific period of time which has passed.

Section 9.5. Counterparts. This Agreement may be signed by each party hereto upon a separate copy, in which event all such copies shall constitute a single counterpart of this Agreement, except that no counterpart shall be binding unless signed by a General Partner.

Section 9.6. Captions. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provisions hereof.

Section 9.7. Construction. Except as otherwise expressly provided herein, all provisions of this Agreement shall be binding on, inure to the benefit of, and be enforceable by or against, the heirs, successors, legal representatives and assigns of the parties hereto.

Section 9.8. Separability. In case one or more of the provisions of this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

Section 9.9. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws and decisions of Rhode Island.

Section 9.10. Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith which conflict with the express terms of this Agreement. No covenant, representation, or condition not expressed in this Agreement shall affect or be effective to interpret, change or restrict the express provisions of this Agreement.

Section 9.11. Effective Date. Notwithstanding the date of execution of this Agreement, this Agreement shall become effective

upon the filing of the Amendment to the Certificate of Limited Partnership of the Partnership with the Secretary of State of Rhode Island.

Section 9.12. RIHMFC Requirements. For as long as any Mortgage shall be outstanding:

(i) each of the provisions of this Agreement shall be subject to, and the General Partners covenant to act in accordance with, the Regulatory Agreement, Building Loan Agreement, Note and Mortgage, but in no event shall any Partner be personally liable for the performance of any covenant contained therein;

(ii) the Regulatory Agreement, Building Loan Agreement, Note and Mortgage shall be binding upon and shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns, but only to the extent expressly provided therein;

(iii) upon any dissolution of the Partnership or any transfer of the Property, no title or right to the possession and control of the Property and no right to collect the rent therefrom shall pass to any Person who is not, or does not become, bound by the Regulatory Agreement in a manner satisfactory to RIHMFC;

(iv) no amendment of this Agreement which would affect the rights of RIHMFC under any of the above referred-to RIHMFC documents shall be made without the prior written consent of RIHMFC; and

(v) any other provisions of this Agreement to the contrary notwithstanding, in the event that any provision of this Agreement shall be in conflict with any provisions of the Regulatory Agreement, the provisions of the Regulatory Agreement shall control.

Section 9.13. Power of Attorney.

(a) Appointment. Each of the Limited Partners hereby makes, constitutes, and appoints the initial General Partners of the Partnership and each of them, and each person who shall hereafter become a General Partner, with full power of substitution, the true and lawful attorney of, and in the name, place and stead of, such Limited Partner, with the power from time to time to execute, acknowledge, make, swear to, verify, deliver, record and/or publish:

(i) any and all amendments to the Certificate of Limited Partnership under the laws of the Rhode Island or any other jurisdiction, any amendment to any such Agreement and Certificate that may be required by this Agreement or the laws of Rhode Island, including but not limited to, amendments reflecting the addition or

substitution of Limited Partners and reductions of capital, or any other document required from time to time to admit a Limited Partner, to effect the substitution of a Limited Partner, or to effect the substitution of a Limited Partner's assignee as a Limited Partner as to part or all of the Partnership Interest of the Limited Partner;

(ii) any other document required to reflect any action of the Partners provided for in this Agreement, whether or not such Limited Partner voted in favor of or otherwise consented to such action;

(iii) any other instrument, certificate or document which may be required by any regulatory agency, the laws of the United States, any state, or any other jurisdiction in which the Partnership is doing or intends to do business or which the General Partners deem advisable to file or record, provided such instrument, certificate or document is not inconsistent with the terms of the Certificate and Agreement as then in effect;

(iv) any certificate of dissolution, or cancellation of the Certificate of Limited Partnership that may be necessary upon the dissolution or liquidation of the Partnership;

(v) any instrument or papers required to continue the business of the Partnership pursuant to Sections 5.3 and 7.2;

provided that no General Partner shall take any action as attorney-in-fact for any Limited Partner which could in any way increase the liability of such Limited Partner beyond the liability expressly set forth in this Agreement.

(b) Amendments to Certificate and Agreement.

(i) Each of the Limited Partners is aware that the terms of this Agreement permit certain amendments of the Certificate of Limited Partnership and this Agreement to be effected and certain other actions to be taken or omitted by, or with respect to, the Partnership, in each case with the approval of less than all the Limited Partners if a specified percentage of the Partners shall have voted in favor of, or otherwise consented to, such action if, as, and when:

(1) an amendment of the Certificate of Limited Partnership and Agreement is proposed or an action is proposed to be taken or omitted by, or with respect to, the Partnership which requires, under the terms of this Agreement, the approval of a specified percentage in interest (but less than all) of the Partners;

(2) Partners holding the percentage of interests in the Partnership, specified in this Agreement as being required for such amendment or action, have approved such amendment or action in the manner contemplated by this Agreement; and

(3) a Limited Partner has failed or refused to approve such amendment or action, hereinafter referred to as a non-consenting Limited Partner, then each non-consenting Limited Partner agrees that each special attorney specified above, with full power of substitution, is hereby authorized and empowered to execute, acknowledge, make, swear to, verify, deliver, record, file and/or publish, for and in behalf of such non-consenting Limited Partner, and in his name, place and stead, any and all instruments and documents which may be necessary or appropriate to permit such amendment to be lawfully made or action lawfully taken or omitted. Each consenting and non-consenting Limited Partner is fully aware that he and each other Limited Partner have executed this special power of attorney and that each Limited Partner will rely on the effectiveness of such powers with a view to the orderly administration of the Partnership's affairs.

(ii) Any amendment to this Agreement (and to the Certificate) substituting a Limited Partner, or adding a Limited or General Partner, may be signed by any General Partner and by the Person to be substituted as a Limited Partner, or added as a General Partner, and shall also be signed by the assigning Limited Partner in the case of a substitution. Any amendment reflecting the determination of the remaining General Partner to continue the business of the Partnership upon the withdrawal or disablement of a General Partner need be signed only by one General Partner. The execution of any such amendment on behalf of a Limited Partner or any proposed substitute or added Limited Partner may be effected by his attorney-in-fact.

(c) Power Coupled With an Interest. The foregoing grant of authority

(i) is a Special Power of Attorney coupled with an interest in favor of the General Partners and as such shall be irrevocable and shall survive the death or insanity of the Limited Partner,

(ii) may be exercised for the Limited Partner by a signature of any General Partner of the Partnership or by listing all of the Limited Partners, including such Limited Partner, and then executing any instrument with a single signature of any General Partner acting as attorney-in-fact for all of them, and

(iii) shall survive the Assignment by the Limited Partner of the whole or any portion of his interest, except that, where the Assignee of the whole thereof has furnished a Power of Attorney and has been approved by the General Partners for admission to the Partnership as a Substitute Limited Partner, this Power of Attorney shall survive such Assignment for the sole purpose of enabling a General Partner to execute, acknowledge and file any instrument necessary to effect such substitution and shall thereafter terminate.

(d) Power of Attorney by Substituted or Additional Limited Partners. A similar power of attorney shall be one of the instruments which the General Partners shall require an Assignee of a Limited Partner to execute as a condition of such Assignment and admission as a Substitute Limited Partner.

Section 9.14. Binding Effect. Except to the extent required under the Rhode Island Uniform Limited Partnership Act and for salaries, fees, and other compensation, if any, provided as such herein for the General Partners, none of the provisions of this Agreement shall be for the benefit of or be enforceable by any creditor of the Partnership.

## ARTICLE X

### DEFINED TERMS

Section 10.1. Definitions. The defined terms used in this Agreement shall have the meanings as specified below:

"Acquiring Partner" means any Partner acquiring a Limited Partnership Interest pursuant to Section 2.2(d) hereof.

"Affiliated Entity" means an Entity described in (vi) under affiliated person.

"Affiliated Person" means any (i) General Partner, (ii) Limited Partner, (iii) member of the Immediate Family of any

General Partner or Limited Partner, (iv) legal representative of any person referred to in the preceding clauses (i) through (iii), (v) trustee under the will of any person referred to in the preceding clauses (i) through (iii), or (vi) Entity of which a majority of the voting interest is owned by any one or more of the persons referred to in the preceding clauses (i) through (v), (vii) Entity which owns common stock of a General Partner or Limited Partner, or (viii) officer, director or employee of any Entity referred to in the preceding clauses (i), (ii), (vi) and (vii).

"Affiliate" or "Affiliates" shall have the same meaning as "Affiliated Person."

"Agreement" means this Agreement, as amended from time to time.

"Assignee" means the transferee of any Limited Partnership Interest pursuant to Section 6.2.

"Assignment" means the transfer of any Limited Partnership Interest pursuant to Section 6.2.

"Assignor" means the transferor of any Limited Partnership Interest pursuant to Section 6.2.

"Auditors" means Alexander Grant & Co., Inc., 99 High Street, Boston, Massachusetts or a successor thereto, or a firm of independent certified public accountants of recognized national standing selected by the General Partners, or such other independent certified public accountants as may be selected by the General Partners with the Consent of the Limited Partners.

"Authorized Managing General Partner" means the Special Corporate Limited Partner which shall become a General Partner of the Partnership and shall replace the Incumbent Managing General Partner as the Managing General Partner of the Partnership in the event of the occurrence of any one or more of the events specified in Section 3.1(d)(2).

"Base Amount" means the sum of Capital Contributions of the Partner plus amounts expended to amortize the Mortgage Loan.

"Builder" means Donatelli Building Co., Inc., a Rhode Island corporation with a principal place of business at 1900 Mineral Springs Drive, Providence, Rhode Island.

"Building Loan Agreement" means the Construction Loan Agreement between the Partnership and RIHMFC relating to the disbursement of the Mortgage proceeds for construction of the Project.

"Capital Account" means the capital account of each Partner established in accordance with Section 2.3.

"Capital Contribution" means the amount of cash and the agreed value of property contributed to the Partnership by a Partner.

"Cash Flow" shall have the meaning given it in Section 4.2(a).

"Class Contribution" means the aggregate Capital Contributions of all the members of a particular class of Partners.

"Code" means the Internal Revenue Code of 1954, as amended, or corresponding provisions of subsequent laws.

"Completion of the Project" means the date on which the project is approved and accepted as complete by RIHMFC and the certificates of occupancy have been issued.

"Consent of the Limited Partners" means (1) the prior written consent or approval of the Special Corporate Limited Partner and of the Investor Limited Partners whose Capital Contributions represent at least fifty-one percent (51%) of the Investor Limited Partner Class Contribution or (2) if the Special Corporate Limited Partner shall not give its consent and approval, the consent and approval of Investor Limited Partners whose Capital Contributions represent at least sixty-six percent (66%) of the Investor Limited Partners Class Contribution.

"Construction Completion Loans" means a non-interest bearing construction completion loan made to the Partnership as provided in Section 3.1(e)(4).

"Construction Contract" means the Construction Contract which will be hereafter entered into between the Builder and the Partnership to construct the Project.

"Contingent Development Fee" means the fee to be paid to the Managing General Partners pursuant to Section 8.1(a).

"Conversion Date" means the later of the following dates: (1) December 31, 1995 or (2) the date on which the class comprised of Investor Limited Partners shall have received an amount from a refinancing, sale or other disposition of the Project equal to all of the cash required to be distributed to them under Section 4.3 Fifth.

"Counsel to the Partnership" means Messrs. Edwards & Angell, One Hospital Trust Plaza, Providence, Rhode Island or successor counsel appointed by the General Partners.

"Defaulting Limited Partner" means any Limited Partner who fails to make an installment of his Capital Contribution on, or



prior to, the due date therefor as set forth in Section 2.2(c) herein.

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

"Escrow Agent" means Rhode Island Hospital Trust National Bank.

"Escrow Agreement" means the agreement between the Escrow Agent and the Partnership, and Real Estate Resources, Inc., as the same may be amended from time to time.

"Final Closing" means the final closing under the Mortgage with RIHMFC, including execution by RIHMFC and the Partnership of the Housing Assistance Payments Contract.

"General Partner" means any Person designated as a General Partner in Schedule "A" hereto, or any Person who becomes a Substitute General Partner as provided herein, in such Person's capacity as a General Partner of the Partnership.

"General Partners" means every Person or Persons who qualify as a General Partner, whether there be one or several.

"General Partnership Interest" means the interest in the Partnership held by each General Partner in his capacity as a General Partner, as indicated on Schedule "A" as it may be amended.

"HUD" means the U.S. Department of Housing and Urban Development and all its subsidiary agencies, including the Federal Housing Administration, and any successor agency performing similar functions.

"Immediate Family" means with respect to any person his spouse, parents, parents-in-law, issue, nephews, neices, brothers, sisters, brothers-in-law, sisters-in-law, children-in-law and grandchildren-in-law.

"Incumbent Managing General Partner" means the General Partner or Partners designated by the General Partners acting unanimously and with the Consent of the Limited Partners pursuant to Section 3.1(d)(1) to have sole management control over the business and affairs of the Partnership, so long as said Partner or Partners shall not have been removed as such by one or more of the General Partners acting pursuant to the provisions of Section 3.1(d)(2).

"Initial Installment" means the first contribution to the capital of the Partnership required to be made hereunder by the Limited Partners.

"Interest" shall have the meaning of "Partnership Interest."

"Investor Limited Partner" means any person designated in Schedule "A" as an Investor Limited Partner or any person admitted to the Partnership as a Substitute Limited Partner in an Investor Limited Partner's capacity.

"Land" means the real property located at Randall Street in the City of Providence, Rhode Island on which the Project will be constructed.

"Lender" means RIHMFC and its successors and assigns and the assignees of the Mortgage Note.

"Limited Partner" means any person designated in Schedule "A" as a Limited Partner or any person admitted to the Partnership as a Substitute Limited Partner in such person's capacity as a Limited Partner of the Partnership.

"Limited Partnership Interest" means the interest in the Partnership which may be held by each Limited Partner in his capacity as Limited Partner, as indicated in Schedule "A" as it may be amended.

"Limited Partnership Unit" means one-tenth of the total Limited Partnership Interests.

"Management Agent" means the Person chosen to manage the Property in accordance with Section 8.6 hereof.

"Management Fee" means the amount payable from time to time by the Partnership on an annual basis for management services in accordance with an RIHMFC-approved management contract, or if the Property is not subject to RIHMFC Regulations, in accordance with a reasonable and competitive fee arrangement.

"Managing General Partner" shall have the meaning given it in Section 3.1(c).

"Mortgage" means the mortgage on the Property and the Project from the Partnership to RIHMFC, as from time to time amended, which secures the Mortgage Loan, whatever the amount may be at any given time.

"Mortgage Loan" means the Mortgage indebtedness of the Partnership evidenced by the Note of the Partnership in the principal amount of \$3,255,000 to RIHMFC, as such indebtedness may be increased or decreased at or prior to Completion of the Project and secured by the lien created on the Property by the Mortgage.

"Note" means the Note which evidences the Mortgage Loan and notes issued in substitution or replacement thereof.

"Occupancy" means the percentage of the total number of dwelling units in the Project that are filled on any given day.

"Operating Expense" means all the costs and expenses of any type incurred incident to the ownership and operation of the Property, including without limitation taxes, minor capital improvements, payments of principal and interest on the Mortgage Loan, the cost of operations, maintenance and repairs and the funding of any reserves required to be maintained by HUD or established in accordance with generally accepted accounting principles for replacements, improvements, or contingency of the Partnership, and amounts paid for replacements or improvements (not withdrawn from a reserve fund established for that purpose, but excluding depreciation expenses.

"Operating Expense Loan" means a non-interest bearing loan made to the Partnership as provided in Section 3.1(e)(6).

"Opinion of Continued Limited Liability" means either (i) a determination by a court of competent jurisdiction in an action for declaratory judgment or similar relief brought by or on behalf of the Investor Limited Partners, or (ii) an opinion by Counsel to the Partnership (provided that within twenty (20) days after the mailing of such opinion to the Investor Limited Partners, representing at least fifty-one percent (51%) of the Investor Limited Partner Class Contribution do not object in writing to the form or substance of such opinion), that neither the grant nor exercise of a specific power granted to the Investor Limited Partners under this Agreement is unlawful or will be deemed taking part in the control of the business of the Partnership or will result in the loss of the limited liability of the Investor Limited Partners or, with respect to the Special Corporate Limited Partner, that neither the grant nor the exercise of any power granted to the Special Corporate Limited Partner is unlawful or will be deemed taking part in the control of the business of the Partnership, or if the grant or exercise of a power granted to the Special Corporate Limited Partner will be deemed taking part in the control of the business of the Partnership, that, nevertheless, said grants to or exercise of power by the Special Corporate Limited Partner will not result in the loss of limited liability of the Investor Limited Partners.

"Packager" shall mean Real Estate Resources, Inc. or "RERI."

"Partner" means any General Partner or Limited Partner.

"Partnership" means the limited partnership as formed in accordance with the Partnership Agreement, as said limited partnership may from time to time be constituted.

"Partnership Interest" or "Interest" means the percentage of the Partnership held by each Partner, as indicated in Schedule "A".

"Person" means any individual or Entity and the heirs, executors, administrators, successors and assigns of such person where the context so admits and, unless the context otherwise requires, the singular shall include the plural and the masculine gender, shall include the feminine and the neuter and vice versa.

"Placing Broker" shall mean Tucker, Anthony & R.L. Day, Inc., One Beacon Street, Boston, Massachusetts, and TBCFS, Inc., One Boston Place, Boston, Massachusetts, or any successor broker or brokers performing the functions of a broker with respect to the sale of Limited Partner Interests in the Partnership.

"Profits and Losses" means profits and losses as determined by the Partnership for federal income tax purposes, and each item of income, gain, loss, deduction or credit entering into the computation thereof excluding any adjustments made pursuant to Section 8.5(a).

"Project" means the building and improvements constructed or to be constructed on the Property pursuant to the Construction Contract.

"Project Architect" means The Providence Partnership, a Rhode Island Corporation, with a principal place of business at Canal Street, Providence, Rhode Island.

"Property" means the real property located in Providence, Rhode Island to be more fully described in the Mortgage, together with all buildings and other improvements on or to be constructed or made upon such property.

"Qualified Real Estate Appraisers" means those appraisers selected in accordance with Section 5.3(b) and 7.2(b) who shall be knowledgeable in the field of subsidized housing projects similar to the Project.

"Regulations" means the Regulatory Agreement, The Rhode Island Uniform Limited Partnership Act and the Enabling Act of RIHMFC (as amended), Section 8 of the U.S. Housing Act of 1937, as amended and the rules and regulations thereunder, each as the same may be made, published or amended from time to time, but only to the extent applicable to the Partnership or the Project, as the case may be.

"RIHMFC" means Rhode Island Housing Mortgage and Finance Corporation, the lender.

"Regulatory Agreement" means the Regulatory Agreement between the Partnership and the RIHMFC, as from time to time in effect.

"Residual Receipts Notes" means non-interest bearing residual receipts obligations issued by the Partnership pursuant to Section 2.3(a).

"Schedule "A" means Schedule "A" of this Agreement as amended.

"Secured Promissory Notes" means the with recourse promissory notes of the General Partners referred to in Section 3.1(e)(5) hereof secured by a pledge of the General Partners' Interests and the Limited Partners' Interests acquired by repurchase pursuant to such Section 3.1(e)(5).

"Special Corporate Limited Partner" means the person designated in Schedule "A" as the Special Corporate Limited Partner or any person admitted to the Partnership as a Substitute Limited Partner in the Special Corporate Limited Partner's capacity.

"Subsidy Agreements" means the HUD set aside letter, the Annual Contributions Contract, the Agreement to Enter into Housing Assistance Payments Contract, and the Housing Assistance Payments Contract.

"Substitute General Partner" means the assignee of a General Partnership Interest who is admitted to the Partnership pursuant to Article V.

"Substitute Limited Partner" means the assignee of a Limited Partnership Interest who is admitted to the Partnership pursuant to Article VI.

"Title Policy" means the title insurance policy insuring the Partnership's interest in the Property which will be furnished by the General Partners at the initial closing of the RIHMFC Mortgage Loan.

"Unit" means one-tenth of the total Limited Partnership interests.

"Withdrawing General Partner" means any General Partner withdrawing from the Partnership pursuant to the provisions of Section 5.1 hereof.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

GENERAL PARTNERS

DAVENPORT ASSOCIATES, INC.  
General Partner

SPECIAL CORPORATE LIMITED PARTNER

By

President

*The* BOSTON COMPANY REAL ESTATE  
COUNSEL, INC.

By

Vice President

Paul S. Davenport, General

LIMITED PARTNERS

See Signature Pages Attached  
Limited Partner

Consented to:

WITHDRAWING LIMITED PARTNERS

Robert S. Gershakoff,

Marcel A. Richard

Marcel A. Richard

SCHEDULE A

Names and Addresses of:

Original Partnership Interest

Residual Partnership Interest\*\*

Paid-In Capital Contributions

Total Additional Capital Contributions to be paid

(a) General Partners

Davenport Associates, Inc.  
15 Westminster Street  
Providence, Rhode Island 02903

0.98%

49.9%

\$

98

0

Paul S. Davenport  
31 Trowbridge Drive  
North Kingstown, RI 02852

0.02%

0.1%

\$

2

0

(b) Limited Partners

Special Corporate  
Limited Partner

0

3.0%

\$

10

0

Investor Limited  
Partners

Edgar Jadin  
William R. Sapers  
Louis B. Levovsky  
B. Allen Rowland  
Norman Wallack  
Austin J. Dwyer  
Ellis E. Jensen  
Henri Landwirth  
John H. Quinn  
William M. Spencer III  
Elizabeth Webster  
David Auerback  
Sanford W. Udis

9.9%  
4.95  
9.9  
9.9  
4.95  
9.9  
4.95  
9.9  
9.9  
9.9  
9.9  
9.9  
4.95

4.7%  
2.35  
4.7  
4.7  
2.35  
4.7  
2.35  
4.7  
4.7  
4.7  
4.7  
4.7  
2.35

\$ 10,000  
5,000  
10,000  
10,000  
5,000  
10,000  
5,000  
10,000  
10,000  
10,000  
10,000  
10,000  
10,000

\$ 57,000  
28,500  
57,000  
57,000  
28,500  
57,000  
28,500  
57,000  
57,000  
57,000  
57,000  
57,000  
57,000

99%

47.0%

100,000

570,000\*

TOTALS

100%

100%

\$ 100,110

\$ 670,000\*

\* Subject to adjustments and conditions set forth in Sections 2.2(c) and (d) of this Agreement.  
\*\* Subject to the provisions of Section 4.3 of this Agreement.

SCHEDULE A

(b) Limited Partners (continued)

Addresses

Special Corporate Limited Partner

THE BOSTON COMPANY REAL ESTATE COUNSEL, INC.  
One Boston Place  
Boston, Massachusetts 02108

Investor Limited Partners

Edgar Jadwin  
123 Green Avenue  
Madison, New Jersey 07940

William R. Sapers  
294 Allandale Street  
Chestnut Hill, Massachusetts 02146

Louis B. Levovsky  
1030 President Avenue  
Fall River, Massachusetts 02720

B. Allen Rowland  
300 Canal Street  
Lawrence, Massachusetts 01840

Norman Wallack  
12 Petrini Circle  
Needham, Massachusetts 02192

Austin J. Dwyer  
25 Fairwood Drive  
Cheshire, Connecticut 06410

Ellis E. Jensen  
Kings Highway  
Hancock, New Hampshire 03449

Henri Landwirth  
1100 South Orlando Avenue  
Maitland, Florida 32751

John H. Quinn  
2 Fair Oaks Lane  
Box 1295  
Maitland, Florida 32751



William M. Spencer III  
3035 Cherokee Road  
Mountain Brook, Alabama

Elizabeth Webster  
P. O. Box 31  
Mountain View Road  
Blowensburg, New Jersey 08504

David Auerback  
P. O. Box 396  
Hubertus King Road  
Franconia, New Hampshire

Sanford W. Udis  
1030 President Avenue  
New Bedford, Massachusetts

Dr. Louis B. Levovsky  
Name of Subscriber

Charlesgate East Partnership  
15 Westminster Street  
Providence, Rhode Island 02903

Gentlemen:

Subscription Agreement and Special Power of Attorney

I, the undersigned, hereby irrevocably apply to become an Investor Limited Partner in the Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), and subscribe for the number of Limited Partnership interests (the "Units") set forth below at a price of \$67,000 per Unit, payable in accordance with Section 2.2(c) of the Second Amendment to Agreement of Limited Partnership of the Partnership. All capitalized terms used but not defined herein shall have the same meaning as defined in the Partnership Agreement.

A. I acknowledge receipt of a numbered copy of the Private Placement Memorandum and the Charlesgate East Partnership Agreement furnished therewith and adopt, accept and agree to be bound by all the terms and provisions of said Partnership Agreement.

B. I warrant and represent as follows:

(1) I have examined the Private Placement Memorandum and recognize that the Partnership has only been recently organized and has no material financial or operating history and that an investment in the Units involves a high degree of risk;

(2) I have been advised that there will be no public market for the Units, that it may not be possible readily to liquidate my investment, and that the Partnership has no intention of registering the Units under the Securities Act of 1933; as amended (the "Act"), or of supplying information necessary to enable me to make a sale of the Units under Rule 144 under the Securities Act of 1933;

(3) I understand that I am purchasing the Units without being furnished any offering literature or prospectus other than a Private Placement Memorandum dated February 6, 1978, and the attachments thereto;

(4) This interest is being purchased for my own account, for investment and not for the interest of any other person and not with a view to resale or distribution;

(5) I am cognizant of the fact that a substantial part of the total proceeds of this offering will be paid to the General Partners or their Affiliates.

(6) I understand that if I fail to make any installment payment of my Capital Contribution when due the Investor Limited Partners (and then Davenport Associates, Inc.), have the option to purchase my entire Interest in the Partnership with respect to which such default occurs, for a price equal to 10% of the difference, if any, between my Capital Contributions theretofore made and any cash distributions theretofore received by me. I further understand that in such event I will remain liable for any payments due with respect to such Partnership Interest until they are paid notwithstanding the fact that any Acquiring Partner may have agreed to make such payments.

(7) I have a net worth (i.e., total assets in excess of total liabilities) of at least \$150,000 exclusive of home, furnishings and automobiles, or a 55% marginal tax rate (considering both state and Federal taxes);

(8) My overall commitment to investments which are not readily marketable is not disproportionate to my net worth and my investment in the Units will not cause such overall commitment to become excessive;

(9) I have adequate means of providing for my current needs and personal contingencies and have no need for liquidity in my investment in the Units;

(10) I have evaluated the risks of investing in the Partnership;

(11) I have substantial experience in making investment decisions of this type or am relying on my own tax adviser or qualified offeree representative in making this investment decision; and

(12) I understand that the General Partners of the Partnership reserve the right to screen potential Investors and have the right to reject my subscription

or to regulate the size of my investment, and that the Escrow Agent may be directed to return my deposit at any time prior to the sale of all the Units. I further understand that if the Initial Installments due on all 10 Units of the Partnership have not been deposited with the Escrow Agent by March 30, 1978, Real Estate Resources, Inc. (the "Packager") may, in its sole discretion, admit those Investors who have made such deposits or direct the Escrow Agent to refund all installments received, if any, with interest thereon, if any.

C. I hereby make, constitute and appoint the General Partners of the Partnership and each of them, and each person who shall hereafter become a General Partner, with full power of substitution, my true and lawful attorney, with the power from time to time in my name, place and stead, to execute, acknowledge, make, swear to, consent to, verify, deliver, record, file and/or publish:

(1) the Second Amendment to Agreement of Limited Partnership of the Partnership under the laws of Rhode Island or any other jurisdiction; any amendment to such Partnership Agreement (including, but not limited to, amendments reflecting the addition or substitution of Limited Partners) or any other document required from time to time to admit a Limited Partner (including me), to effect the substitution of a Limited Partner (including me), or to effect the substitution of a Limited Partner's Assignee as a Limited Partner as to part or all of the Partnership Interest of the Limited Partner (including the substitution of my Assignee);

(2) any amendment to the Partnership Agreement or any other document required to reflect any action of the Partners provided for in the Partnership Agreement whether or not I voted in favor of or otherwise consented to such action;

(3) any other instrument, certificate, or document as may be required by any regulatory agency, the laws of the United States, any state or any other jurisdiction in which the Partnership is doing or intends to do business or which the General Partners deem advisable to file or record, provided such instrument, certificate or document is in accordance with the terms of the Partnership Agreement as then in effect;

(4) any certificate of dissolution, or cancellation of the Certificate of Limited Partnership that may be necessary upon the dissolution or liquidation of the Partnership; and

(5) any instrument or papers required to continue the business of the Partnership pursuant to Sections 5.3 and 7.2;

provided that no General Partner shall take any action as my attorney-in-fact which could in any way increase my liability beyond that expressly set forth in the Partnership Agreement unless I have given a Power of Attorney to a General Partner for such purpose.

I am aware that the terms of the Partnership Agreement permit certain amendments of the Certificate of Limited Partnership and of the Partnership Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership, in each case with the approval of less than all the Limited Partners, if a specified percentage of the Partners shall have voted in favor of or otherwise consented to such action, if, as and when:

(1) an amendment of the Certificate of Limited Partnership and of the Partnership Agreement is proposed or an action is proposed to be taken or omitted by or with respect to the Partnership which requires, under the terms of the Partnership Agreement, the approval of a specified percentage in interest (but less than all) of the Partners,

(2) Partners holding the percentage of interests in the Partnership specified in the Partnership Agreement as being required for such amendment or action have approved such amendment or action in the manner contemplated by the Partnership Agreement, and

(3) I have failed or refused to approve such amendment or action,

I agree that each special attorney specified above, with full power of substitution, is hereby authorized and empowered to execute, acknowledge, make, swear to, verify, consent to, deliver, record, file and/or publish, for and in my behalf, and in my name, place and stead, any and all instruments and documents which may be necessary or appropriate to permit such amendment to be lawfully made or action lawfully taken or omitted. I am fully aware that I and each other Limited Partner

have executed this special power of attorney, and that each Limited Partner will rely on the effectiveness of such powers with a view to the orderly administration of the Partnership's affairs.

The foregoing grant of authority

(1) is a Special Power of Attorney coupled with an interest in favor of the General Partners and as such shall be irrevocable and shall survive my death or insanity;

(2) may be exercised for me by a signature of any General Partner of the Partnership or by listing all of the Limited Partners, including me, and executing any instrument with a single signature of any General Partner acting as attorney-in-fact for all of the Limited Partners; and

(3) shall survive the Assignment by me of the whole or any portion of my interest in the Partnership, except that where the Assignee of the whole thereof has furnished a Power of Attorney and has been approved by the General Partners for admission to the Partnership as a Substitute Limited Partner, this Power of Attorney shall survive such Assignment for the sole purpose of enabling a General Partner to execute, acknowledge and file any instrument necessary to effect such substitution and shall thereafter terminate.

D. I enclose herewith my certified check in the amount of \$10,000 per Unit payable to the order of Rhode Island Hospital Trust National Bank, Providence, Rhode Island as the Escrow Agent.

I understand that the initial payments made herewith will be held by the Escrow Agent for my benefit and will be returned promptly to me without deduction and with interest thereon, if any, if I am released from my obligations to contribute capital to the Partnership.

E. I hereby appoint Tucker Anthony & R.L. Day (choose one of Tucker, Anthony & R.L. Day, Inc., One Beacon Street, Boston, MA 02108; TBCFS, Inc., One Boston Place, Boston, MA 02108 or The Boston Company Real Estate Counsel, Inc., One Boston Place, Boston, MA 02108) to be my Offeree Representative with respect to my investment in the Partnership.

I understand that all material relationships between the above-mentioned possible Offeree Representatives and the Partnership, the General Partners of the Partnership and any Affiliate

of any General Partner of the Partnership have been disclosed to me in the Private Placement Memorandum. I further understand that while the Offeree Representative which I appoint above may assist me in evaluating the merits and risks of investing in the Partnership, I may and should also consult my own counsel and accountant as to matters concerning my investment and may appoint a second Offeree Representative to assist me, in addition to the Offeree Representative I appoint above.

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement and Special Power of Attorney this 28th day of March, 1978.

Number of Units 1/2

33,500  
Total Price \$ 5,000

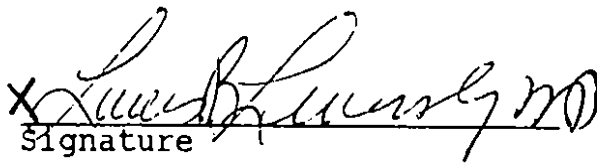
TYPE OF OWNERSHIP (CHECK ONE)

☒ Individual Ownership

☐ Joint Tenants with Right  
of Survivorship (both  
Parties must sign)

☐ Community Property (one  
signature required)

☐ Tenants-in-common (both  
Parties must sign)

  
Signature

\_\_\_\_\_  
Signature

Dr Louis B Levorsky  
Name Typed or Printed

\_\_\_\_\_  
Name Typed or Printed



ADDITIONAL INVESTOR INFORMATION

X 526 Kaufman Rd  
Residence Address

Somerset, Mass

City, State and Zip Code

Residence Address

City, State and Zip Code

1030 Presidential Ave  
Mailing Address

Fall River, Mass

City, State and Zip Code

Mailing Address

City, State and Zip Code

021-28-4708  
Tax Identification or  
Social Security Number

Tax Identification or  
Social Security Number

DO NOT WRITE BELOW THIS LINE

Accepted as to \_\_\_\_\_ number of Units \_\_\_\_\_ Date: \_\_\_\_\_, 1978

CHARLESGATE EAST PARTNERSHIP

By \_\_\_\_\_  
General Partner

By \_\_\_\_\_  
General Partner

JURAT

W. J. Macaulay  
Notary Public, SS

March 28, 1978

Then personally appeared Louis B. Levesky, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

W. J. Macaulay  
Notary Public

My Commission Expires:

**MY COMMISSION  
EXPIRES APRIL 28, 1983**

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated March 24 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

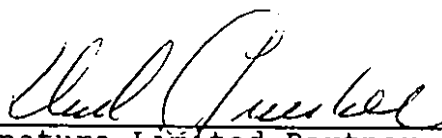
WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated:

Maximum  
Capital Contribution

\$ 33,500.<sup>00</sup>/<sub>100</sub>

Not to be filled in by  
Limited Partner

  
Signature Limited Partner

DAVID AUERBACH  
Name of Limited Partner  
(please print)

FRANCIS N. H.  
Residence

JURAT

Comm. of Mass

Supple, SS

Mar 24, 1978

Then personally appeared David Gumbach, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Frank M. Garvey  
Notary Public

My Commission Expires: 2/12/83

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: \_\_\_\_\_

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

*Austin J. Dwyer*  
Signature Limited Partner

Austin Dwyer  
Name of Limited Partner  
(please print)

25 Fairwood Drive  
Residence

Cheshire, Conn. 06410

JURAT

Rondine, SS Shade Island March 14, 1978

Then personally appeared Justin Alvarez, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

[Signature]  
Notary Public

My Commission Expires June 30, 1981

My Commission Expires:

My Commission Expires June 30, 1981

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: \_\_\_\_\_

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

Edgar Jadin  
Signature Limited Partner

EDGAR JADWIN  
Name of Limited Partner  
(please print)

123 GREEN AVE, MADISON, NJ 07940  
Residence

JURAT

Essay, SS

March 16, 1978

Then personally appeared Edgar Jordan, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Geraldine J. Foster  
Notary Public

My Commission Expires:

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 20, 1978



CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: \_\_\_\_\_

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

X Ellis E. Jensen  
Signature Limited Partner

X Ellis E. Jensen  
Name of Limited Partner  
(please print)

Kings Hwy. - Warwick, R.I.  
Residence

*please notatize on next page!*

Hancock, N.H.

JURAT

✓  
Hilston, Guss

Mar. 25, 1978

Then personally appeared ELLIS E. JENSEN, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Kenneth E. Whiton  
Notary Public

My Commission Expires:

KENNETH E. WHITON, Notary Public  
My Commission Expires February 27, 1979

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

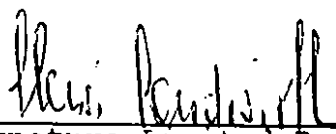
The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated March 14, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: March 14, 1978

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

  
\_\_\_\_\_  
Signature Limited Partner

Henri Landwirth  
\_\_\_\_\_  
Name of Limited Partner  
(please print)

1100 S. Orlando Avenue  
\_\_\_\_\_  
Residence  
Maitland, Florida 32751

JURAT

\_\_\_\_\_, SS

March 15, 1978

Then personally appeared Norm Lindvick, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Charlotte Elise Ollyp  
Notary Public

My Commission Expires:

Notary Public, State of Florida at Large  
My Commission Expires Jan. 22, 1979  
Bonded by American Fire & Casualty Co.

CHARLESGATE EAST PARTNERSHIP

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated \_\_\_\_\_ 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: \_\_\_\_\_

Maximum  
Capital Contribution \_\_\_\_\_

Not to be filled in by  
Limited Partner \_\_\_\_\_

*Louis B. Levovsky by*  
*Attorney in Fact*  
Signature Limited Partner  
*Under Subscription Agreement dated*  
*Dr. LOUIS B. LEVOVSKY 3/25/78*  
Name of Limited Partner  
(please print)  
*576 Kaufman Road, Somerset*  
Residence *Mass*

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE


The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: March 20, 1978

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

  
\_\_\_\_\_  
Signature Limited Partner

John H. Quinn  
\_\_\_\_\_  
Name of Limited Partner  
(please print)

Maitland, Florida  
\_\_\_\_\_  
Residence

JURAT

STATE OF FLORIDA  
COUNTY OF

ORANGE, SS

March 20, 1978

Then personally appeared John H. Quinn, who being  
duly sworn, acknowledged the foregoing instrument to be his  
free act and deed, and that the statements contained therein  
are true and correct, before me

*Dean Kinkley*  
Notary Public

My Commission Expires:

Notary Public, State of Florida at large.

My Commission Expires Feb. 27, 1980

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: 3-14-78

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

B Allen Rowland  
Signature Limited Partner

B ALLEN ROWLAND  
Name of Limited Partner  
(please print)

New Castle, NH 03854  
Residence



JURAT

*Sealed*  
*Boston* *Notary Public*  
*SS*

*March 14*, 1978  
*Allen Rowland*

Then personally appeared *Allen Rowland*, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

*Allen B. Lewis*  
Notary Public

My Commission Expires:

**MY COMMISSION  
EXPIRES APRIL 28, 1983**

CHARLESGATE EAST PARTNERSHIP

LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated:

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

William R. Sapers  
Signature Limited Partner

William R. Sapers  
Name of Limited Partner  
(please print)

294 Allandale Rd, Chestnut Hill Ma  
Residence

JURAT

Suffolk, SS

March 20, 1978

Then personally appeared William R. Sapers, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Ernest J. Grassey  
Notary Public

My Commission Expires:

ERNEST J. GRASSEY, NOTARY PUBLIC  
My Commission Expires March 14, 1980

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated 16 March 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: \_\_\_\_\_

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

  
\_\_\_\_\_  
Signature Limited Partner

\_\_\_\_\_  
Name of Limited Partner  
(please print)

\_\_\_\_\_  
Residence

JURAT

State Of Alabama

Jefferson Co., SS

16th March, 1978

Then personally appeared William M. Spencer, III who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Barbara C. Wilson  
Notary Public

My Commission Expires: 6/11/79

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated:

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

X Sanford W. Udis

\_\_\_\_\_  
Signature Limited Partner

Sanford Udis, MD

\_\_\_\_\_  
Name of Limited Partner  
(please print)

X 3 Courtney St

\_\_\_\_\_  
Residence

Fox River, MASS 02720

JURAT

Suffolk, SS

March 27, 1978

Then personally appeared Sanford W. Udis, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Ernest J. Grassey  
Notary Public

My Commission Expires:

ERNEST J. GRASSEY, NOTARY PUBLIC  
My Commission Expires March 14, 1980

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

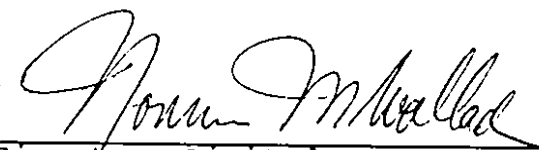
The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated February 6, 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: \_\_\_\_\_

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

X   
Signature Limited Partner

Norman M Wallack  
Name of Limited Partner  
(please print)

12 Petrini Circle, Needham, MA  
Residence



JURAT

Massachusetts

Suffolk, SS

March 7, 1978

Then personally appeared Norman McAllash, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

Ernest J. Grasse  
Notary Public

My Commission Expires:

ERNEST J. GRASSEY, NOTARY PUBLIC  
My Commission Expires March 14, 1980

CHARLESGATE EAST PARTNERSHIP  
LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to enter into the Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, a Rhode Island limited partnership (the "Partnership"), in or substantially in the form attached as Exhibit A to the Private Placement Memorandum of Charlesgate East Partnership dated \_\_\_\_\_ 1978, hereby agrees to all of the terms of said agreement and agrees to be bound by the terms and provisions thereof. The undersigned hereby constitutes and appoints the General Partners of Charlesgate East Partnership and each of them, his true and lawful attorney-in-fact, with all the powers and authorities as set forth in Section 9.13 of such Partnership Agreement, including without limitation, in his name, place and stead to make, execute, sign, acknowledge, swear to, deliver and file such Second Amendment to Agreement of Limited Partnership, any such other amendment or amendments to the Partnership Agreement and to the Certificate of Limited Partnership for the purpose of admitting the undersigned and others as Limited Partners in Charlesgate East Partnership. The undersigned hereby joins and executes the Second Amendment to Agreement of Limited Partnership, hereby authorizing this Signature Page to be attached to any such documents. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the death of the undersigned.

WITNESS, the execution hereby by the undersigned, as a Limited Partner of Charlesgate East Partnership and individually.

Dated: \_\_\_\_\_

Maximum  
Capital Contribution

\_\_\_\_\_  
Not to be filled in by  
Limited Partner

Elizabeth M. Webster  
Signature Limited Partner

ELIZABETH M. WEBSTER  
Name of Limited Partner  
(please print)

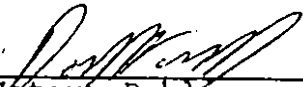
BLAWENBURG, N.J. 08504  
Residence

JURAT

County of Essex  
State of N.H., SS

March 26, 1978

Then personally appeared Elizabeth M. Webster, who being duly sworn, acknowledged the foregoing instrument to be his free act and deed, and that the statements contained therein are true and correct, before me

  
Notary Public

My Commission Expires:

July 28, 1978

SPECIAL POWER OF ATTORNEY

I, Marcel A. Richard, hereby make, constitute and appoint Paul S. Davenport my true and lawful attorney, with the power in my name, place and stead, to execute, acknowledge, make, swear to, consent to, verify, deliver, record, file, and/or publish:

The Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, the Second Amendment to the Certificate of Limited Partnership of Charlesgate East Partnership and any other instrument, certificate or document necessary to effect my withdrawal as a ~~General~~ Partner of the Charlesgate East Partnership.

WITNESS my hand and seal this 29<sup>th</sup> day of March, 1978.

Marcel A. Richard  
Marcel A. Richard



STATE OF RHODE ISLAND

March 29, 1978

PROVIDENCE, Sc.

Then personally appeared before me Marcel A. Richard, to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument to be his free act and deed.

Jonathan Elde  
Notary Public

Special Power of Attorney

I, ROBERT S. GERSHKOFF, hereby make, constitute and appoint Paul S. Davenport my true and lawful attorney, with the power in my name, place and stead, to execute, acknowledge, make, swear to, consent to, verify, deliver, record, file and/or publish:

The Second Amendment to Agreement of Limited Partnership of Charlesgate East Partnership, the Second Amendment to the Certificate of Limited Partnership of Charlesgate East Partnership and any other instrument, certificate or document necessary to effect my withdrawal as a ~~General~~ Partner of the Charlesgate East Partnership.

WITNESS my hand and seal this 29<sup>th</sup> day of March, 1978.

  
Robert S. Gershkoff

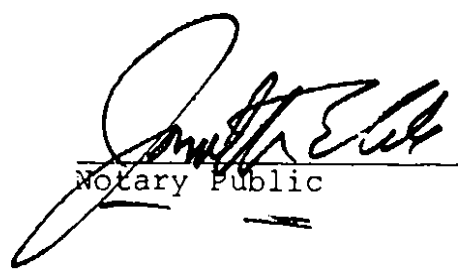


STATE OF RHODE ISLAND

March 29, 1978

PROVIDENCE, Sc.

Then personally appeared before me Robert S. Gershkoff, to me known and known by me to be the party executing the foregoing instrument and he acknowledged said instrument to be his free act and deed.

  
Notary Public

3 31 78 .....\*03.....50.00  
9459B14.....50.008L

MAR 31 1978

*Handwritten signature*