

ROY/HILL ASSOCIATES, LIMITED PARTNERSHIP
AMENDMENT OF
PARTNERSHIP AGREEMENT AND CERTIFICATE

THIS AMENDMENT is made February 7, 1986 to the PARTNERSHIP AGREEMENT AND CERTIFICATE of ROY/HILL ASSOCIATES, LIMITED PARTNERSHIP dated December 27, 1983 and filed with the Secretary of State of Rhode Island on December 28, 1983 (the "Partnership Agreement") by and among the undersigned General Partners and Limited Partners.

The parties hereto agree as follows:

1. Paragraph 1 of the Partnership Agreement is hereby amended by the deletion of the second sentence thereof.
2. Paragraph 5 of the Partnership Agreement is hereby amended by the deletion of the last sentence thereof and the addition of the following:

"In the event that the cash flow of the Partnership shall be insufficient to pay the expenses of the Partnership, each Partner shall be required to contribute additional capital to the Partnership not to exceed an amount equal to the product of (i) such Partner's initial percentage interest in the Partnership as shown on Schedule "A" to the Partnership Agreement and (ii) \$250,000. The amount of any such additional capital contribution shall be determined by the Managing Partner with the written consent of the owners of sixty (60%) percent of the interests of the Partnership and shall be

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borne by each of the Partners in proportion to their respective initial percentage interests in the Partnership. The percentage interest in the capital, profits, losses and cash flow of any Partner who fails to make any such additional capital contribution within thirty (30) days after the Managing Partner's written demand therefor shall be reduced, effective as of the date of such demand, to that percentage which is equal to the defaulting Partner's capital account divided by the aggregate capital accounts of all Partners, and the defaulting Partner shall remain liable to the Partnership for the deficiency in additional capital contributions together with interest thereon from the date of the Managing Partner's demand therefor at the rate of eighteen (18%) percent per annum. The defaulting Partner's percentage interest shall be restored only upon payment in full of such deficiency and interest thereon."

3. Paragraph 7 of the Partnership Agreement is hereby amended in its entirety to read as follows:

"7. Allocation of Profits, Losses and Other Items. All profits, losses and other items of the Partnership shall be allocated among the Partners in accordance with their respective percentage interests in the Partnership."

4. Paragraph 8 of the Partnership Agreement is hereby amended in its entirety as follows:

"8. Distribution of Cash. After repayment of obligations to creditors (including loans made by Partners) net cash flow of the Partnership shall be distributed to the Partners in accordance with their respective percentage interests in the Partnership, except that net proceeds of any refinancing may be distributed to the Partners as the Partners may otherwise agree in writing."

5. Paragraph 13 of the Partnership Agreement is hereby amended in its entirety to read as follows:

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"13. Partners' Relations to Partnership. Each of the General Partners shall devote such of its time as it, in its absolute discretion, shall deem necessary to the affairs of the Partnership and, except as otherwise provided herein, it shall receive no compensation therefor."

6. The Partnership Agreement is hereby amended by the addition of the following new Paragraph 22:


"22. Agent for Service. The agent for service of process on the Partnership shall be Robert N. Huseby, Esq., a resident of the State of Rhode Island, whose office address is Licht & Semonoff, One Park Row, Providence, Rhode Island 02903."

7. Terms not specifically defined herein shall have the meanings assigned by the Partnership Agreement.


8. Except as expressly hereby amended, the Partnership Agreement, including Schedule A thereto, continues in full force and effect.

IN WITNESS WHEREOF, the General Partners and Limited Partners of the Partnership have signed this Amendment as of the date first above written.

Limited Partners:

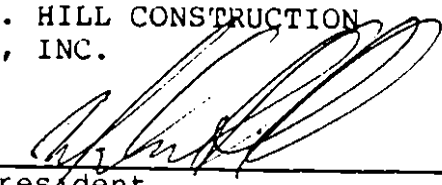

Peter A. Roy


Jock R. Roy

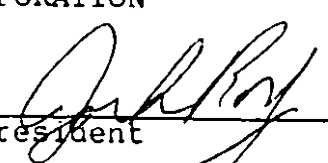

Melvin F. Hill, III

General Partners:

M.F. HILL CONSTRUCTION
CO., INC.

By 
President

MOORLAND DEVELOPMENT
CORPORATION

By 
President

COMMONWEALTH OF MASSACHUSETTS
~~STATE OF RHODE ISLAND~~
COUNTY OF NORFOLK

In *Cohasset* on the *4th* day of *February*,
1986, before me personally appeared Peter A. Roy, to me known
and known by me, to be the party executing the foregoing
instrument, and he acknowledged said instrument, by him
executed, to be his free act and deed, and the free act and
deed of said corporation.

Robert F. Sawyer

Robert F. Sawyer

Notary Public

My Commission Expires: 1-21-88

STATE OF RHODE ISLAND
COUNTY OF *Newport*

In *Newport* on the *4th* day of *February*,
1986, before me personally appeared Jock R. Roy, to me known
and known by me, to be the party executing the foregoing
instrument, and he acknowledged said instrument, by him
executed, to be his free act and deed, and the free act and
deed of said corporation.

Richard M. Fisher

STATE OF RHODE ISLAND
COUNTY OF *Newport*

RICHARD M. FISHER
130 TOURO STREET
NEWPORT, RHODE ISLAND 02840

In *Newport* on the *4th* day of *February*,
1986, before me personally appeared Melvin F. Hill, III, to me
known and known by me, to be the party executing the foregoing
instrument, and he acknowledged said instrument, by him
executed, to be his free act and deed, and the free act and
deed of said corporation.

Richard M. Fisher

STATE OF RHODE ISLAND
COUNTY OF *Newport*

RICHARD M. FISHER
130 TOURO STREET
NEWPORT, RHODE ISLAND 02840

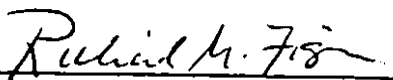
In *Newport* on the *4th* day of *February*,
1986, before me personally appeared *Jock R. Roy*,
President of Moorland Development Corporation, to me known and
known by me, to be the party executing the foregoing
instrument, and he acknowledged said instrument, by him
executed, to be his free act and deed, and the free act and
deed of said corporation.

Richard M. Fisher

RICHARD M. FISHER
130 TOURO STREET
NEWPORT, RHODE ISLAND 02840

STATE OF RHODE ISLAND
COUNTY OF *Newport*

In *Newport* on the *4th* day of *February*,
1986, before me personally appeared Melvin F. Hill, III,
President of M.F. Hill Construction Co., Inc., to me known and
known by me, to be the party executing the foregoing
instrument, and he acknowledged said instrument, by him
executed, to be his free act and deed, and the free act and
deed of said corporation.



RICHARD M. FISHER
130 Touro Street
NEWPORT, RHODE ISLAND 02840

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ROY/HILL ASSOCIATES, LIMITED PARTNERSHIP

PARTNERSHIP AGREEMENT AND CERTIFICATE

27th THIS AGREEMENT of Limited Partnership is made as of this day of December, 1983, by and among the undersigned parties.

W I T N E S S E T H:

WHEREAS, the parties wish to constitute themselves into a limited partnership for the purposes and upon the terms and conditions provided for in this agreement;

THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Formation and Name of Partnership. Pursant to the Uniform Limited Partnership Act (the "Act"), as adopted by the State of Rhode Island (the "State"), the parties hereto hereby form a partnership under the name of Roy/Hill Associates, Limited Partnership (hereinafter the "Partnership"). Terms not defined herein shall have the meaning provided in a construction contract between M.F. Hill Construction Co., Inc. and the Partnership dated December , 1983.

2. Business of the Partnership. The business of the Partnership shall be to acquire real estate located at Hammersmith Road, Moorland Farm, in Newport, Rhode Island, to construct and develop condominium units thereon, and to offer for lease or sale such units, as the partners may determine (the "Project"), to carry on all activities reasonably necessary for and related to the accomplishment of these purposes.

3. Principal Office of the Partnership. The principal office and place of business of the Partnership shall be at 14 Pelham Street, Newport, Rhode Island, or at such other place or places as the parties shall hereafter determine.

4. Term of Partnership. The term of the Partnership shall commence as of the date hereof, and shall continue unless dissolved as herein provided in Paragraph 18 below.

5. Partners. The general partners of the Partnership are Moorland Development Corporation and M.F. Hill Construction Co., Inc. (the "General Partners"), and the Limited Partners of the Partnership are Jock R. Roy, Peter A. Roy and Melvin F. Hill, III

(the "Limited Partners"). The amount of each partner's capital contribution and his percentage interest in the Partnership are shown on the attached Schedule "A". Each partner shall be entitled to a percentage interest in the Partnership equal to the ratio of his capital contribution to the total capital contribution of all the partners. No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership, except as otherwise provided by law. A Limited Partner shall not be required to make any capital contribution beyond that provided on the attached Schedule A.

6. Capital Accounts. The capital account of a partner as of any date shall equal the amount of his cash contributions, the agreed value of his contributions of services, and his basis in any other property contributed to the capital of the Partnership, increased by such partner's distributive share of Partnership profits (including, if such date is not the close of a fiscal year, such partner's distributive share of Partnership profits to such date), and decreased by (i) such partner's distributive share of Partnership losses (including, if such date is not the close of the fiscal year, such partner's distributive share of losses to such date) and (ii) distributions by the Partnership to such partner.

7. Allocation of Profits, Losses and Other Items. All profits, losses and other items of the Partnership shall be allocated as follows:

First, so as to make the capital accounts of Peter A. Roy and Jock R. Roy each equal the sum of (a) \$50,000, less the amount of any cash previously distributed to them pursuant to paragraph 8-First, and (b) 70% of the amount by which the aggregate Cost of Work and Contractor's Fee for each subphase of the Project, exceeds \$55.00 per square foot, as to subphases I and II, and \$52.50 as to subphase III and IV of Condominium Unit Area (as adjusted by the final paragraph of this Section 7), less the amount of any cash previously distributed to them pursuant to paragraph 8-Second.

Thereafter, .6% to Moorland Development Corporation, .4% to M.F. Hill Construction Co., Inc., 29.7% to Peter A. Roy, 29.7% to Jock R. Roy and 39.6% to Melvin F. Hill, III.

All credits and any other tax items of the Partnership shall be allocated .6% to Moorland Development Corporation, .4% to M.F. Hill Construction Co., Inc., 29.7% to Peter A. Roy, 29.7% to Jock R. Roy and 39.6% to Melvin F. Hill, III.

The \$55.00 or \$52.50 amount provided above, as the case may be as to each subphase shall be adjusted with regard to any of

the units comprising the Project for which construction commences after June 1, 1984 by multiplying said \$52.50 amount by a fraction, the numerator of which is the Consumer Price Index for the most recently preceding June (but not earlier than June 1, 1984) and the denominator of which is the Consumer Price Index for January, 1984. For the purpose of this Section, "Consumer Price Index" shall mean the index for all Urban Consumers for Boston, Massachusetts (1967 = 100), issued by the U.S. Department of Labor, or a comparable successor index, if necessary.

8. Distribution of Cash. After repayment of obligations to creditors (including loans made by partners) net cash flow of the Partnership shall be distributed to the Partners as follows:

First, the first \$100,000 of cash flow shall be distributed in equal shares to Peter A. Roy and Jock A. Roy.

Second, cash flow in excess of that distributed pursuant to paragraph "First" shall be distributed to Peter A. Roy and Jock R. Roy in a amount amount equal to 70% of the amount by which the construction costs of the Project exceed \$55.00 or \$52.50 per square foot, as the case may be.

Third, cash flow shall be distributed in accordance with the partner's capital accounts, with the excess, if any, distributed .6% to Moorland Development Corporation, .4% to M.F. Hill Construction Co., Inc., 29.7% to Peter A. Roy, 29.7% to Jock R. Roy, and 39.6% to Melvin F. Hill, III.

9. Assignability of Partnership Interest. The Partnership interest of each partner (including such partner's right to receive a share of the profits and a return of such partner's capital account) shall not be assignable, without the prior written consent of the owners of sixty (60%) percent of the interests in the Partnership.

10. Management of Business. Moorland Development Corporation shall be the sole managing general partner of the partnership (the "Managing Partner"), and it shall make all decisions and otherwise direct the affairs of the Partnership. The Managing Partner shall have all the powers, rights and authority granted to partners under the Act. In extension and not in limitation of the power given it by law or other provisions of this Agreement, it shall, in its sole discretion (but consistent with, and limited to, the business of the Partnership, as stated in paragraph 2 hereof), have full power in the management of the Partnership business:

(a) to sell, exchange, trade, convey, mortgage, refinance, lease for any term, pledge, partition, appraise, apportion, divide in kind, borrow on, hypothecate or give options for any and all property of the Partnership, whether realty or personalty, upon such terms and conditions as they may deem best, and in so doing to execute all necessary deeds or other instruments;

(b) on behalf of the Partnership, to make and enter into all kinds of contracts, agreements, and obligations by or with any person or persons, partnerships or partnership, corporation or corporations for the purchasing, acquiring, holding and selling, or otherwise disposing of Partnership property, and generally with full power to perform any and all acts connected therewith, or arising therefrom, or incidental thereto;

(c) to borrow money for any purpose in connection with the operation of the business of the Partnership and to encumber, pledge or hypothecate all or any part of the property of the Partnership as security therefor;

(d) to pay all reasonable costs, charges and expenses incurred in the operation of the business of the Partnership;

(e) to employ such agents, accountants, attorneys and counsel as may be reasonably necessary or desirable in the operation of the business of the new Partnership, and to pay them reasonable compensation therefor;

(f) to do any and all other acts and things necessary, proper, convenient or advisable to effectuate the purposes of the Partnership.

(g) to establish such bank account or accounts as they may deem necessary.

11. Delegation of Powers. In its sole discretion, the Managing Partner may delegate to the other General Partner the power to act in the name and behalf of the Partnership in connection with any particular matter affecting the Partnership, including the authority to execute notes, deeds, leases, assignment of leases, mortgages and other instruments.

12. Protection to Third Party Contractors. No person dealing with the Partnership, or its assets, whether as mortgagee, assignee, purchaser, lessee, grantee or otherwise, shall be required to investigate the authority of any Partner purporting to act on behalf of the Partnership, in selling, assigning, leasing, mortgaging or conveying any Partnership assets or any part thereof, nor shall any such assignee, lessee, purchaser, mortgagee, or grantee be required to inquire as to whether the

approval of the partners for any such sale, assignment, lease, mortgage or transfer has been first obtained. Any such person shall be conclusively protected in relying upon a certificate of authority or any other material fact signed by the Managing Partner or in accepting any instrument signed by the Managing Partner in the name and behalf of the Partnership or the partners.

13. Partners' Relations to Partnership. Pursuant to the Construction Contract, M.F. Hill Construction Co., Inc. shall undertake certain construction activities and the Partnership shall compensate M.F. Hill Construction Co., Inc. therefor. Aside from the foregoing, each of the general partners shall devote such of his time as it, in its absolute discretion, shall deem necessary to the affairs of the Partnership, and, except as otherwise provided for herein, it shall receive no compensation therefor.

No partner, by reason of his being a member of this Partnership, shall be restricted in any way from engaging in any other business venture or activity and no partner shall be accountable to the Partnership, or any partner thereof, by reason of any other activity not directly involving the Partnership. Neither the Partnership nor the partners shall have any right by virtue of this Partnership Contract in and to such activities or the income or profits derived therefrom.

14. Loans to Partnership. From time to time a partner may make loans to the Partnership in excess of his contributions to the capital of the Partnership, and such loans shall not be treated as a contribution to the capital of the Partnership for any purpose hereunder; nor shall such loans entitle such partner to any increase in the partner's share of the profits and losses or cash distributions of the Partnership. The amount of any such loan, with interest thereon at a rate determined by the partners in their absolute discretion, but not to exceed rates chargeable by unaffiliated lenders, shall be an obligation of the Partnership to such partner.

15. Exculpatory Provision. No partner shall be held liable to any of the partners for any act or omission on behalf of the Partnership or otherwise in his capacity as a partner, except for such partner's willful default, gross negligence, fraud or dishonest conduct.

16. Reimbursement of Expenses of Partners. The partners shall be entitled to reimbursement from the Partnership for certain expenditures and obligations and liabilities incurred by them in connection with the business of the Partnership the determination of such expenditures, and the calculation of the proper amount of such expenditures to be made by a vote of 60% of the interests in the Partnership.

17. Dissolution of Partnership.

(a) In addition to any other causes otherwise provided herein or by law, the Partnership shall be dissolved upon the occurrence of any of the following events:

(1) the consent of all of the partners in the Partnership.

(2) the sale of all of the Partnership's property.

(3) the retirement, adjudication of insanity or bankruptcy or death of a partner, unless the remaining partners unanimously elect to continue the Partnership and the Partnership business. In the event that the remaining partners unanimously so elect, the Partnership shall not be dissolved, the Partnership and its business shall be continued and the Partnership interest owned by the partner who retires, or is adjudged to be insane or bankrupt, or dies shall be acquired by the Partnership upon payment of an amount equal to the fair market value at such time of such partner's interest in the Partnership, which payment shall be made by the non-negotiable promissory note of the Partnership, bearing interest on the first business day of each calendar quarter at a rate of nine percent (9%) per annum with principal payable in twenty (20) equal quarterly annual installments, the final such installment due five (5) years from date of such note. The Partnership may prepay such note at any time.

(b) In the event of dissolution, the remaining partners shall proceed without unnecessary delay (after paying or making due provision for all liabilities to creditors of the Partnership, including repayment of any outstanding loans by any Partner to the Partnership, and after adjusting the capital accounts of all Partners to reflect all gains or losses of the Partnership from such liquidating sales or otherwise) to distribute the assets of the Partnership to the partners in accordance with their capital accounts as so adjusted. For purposes of such distribution, non-cash assets shall be valued at fair market value (as determined by unanimous agreement by appraisal).

(c) The Partnership shall terminate when all property owned by the Partnership, (after the payment of all Partnership liabilities or after or due provision has been made for such liabilities), shall have been distributed to the Partners.

18. Fiscal Year and Books of Account. The Partnership's fiscal year shall end on the 31st day of December each year, unless otherwise decided by the partners. At all times during the term of the Partnership, the partners shall keep, or cause to

be kept, books of account in which shall be entered fully and accurately all transactions of the Partnership. Said books shall at all times be maintained at the principal office of the Partnership and shall be open to the inspection and examination of any partner or his representatives.

The books shall be kept on the cash receipts and disbursements method and for the calendar accounting period. Any partner shall have the further right to a private audit of the books and records of the Partnership, provided such audit is made at the expense of the partner desiring it and is made at reasonable times after due notice.

19. Amendments. This Partnership Agreement shall not be amended without the unanimous consent of all partners if the effect of any such amendment would be (a) to increase the liability or change the capital contributions required of the partners, (b) to change the rights of any partner upon liquidation of the Partnership, (c) to change the provisions of this Partnership Contract relating to federal income tax or distribution allocations, or (d) to change the provisions of this Partnership Agreement relating to the termination of the Partnership.

This Partnership Agreement may otherwise be amended with the consent of the owners of at least sixty (60%) percent of the interests in the Partnership, except where a larger percentage is otherwise required by law or herein.

20. Management of Moorland Development Corporation. Notwithstanding any provision herein to the contrary, in the event that at any time for a period of more than 60 days, both Jock R. Roy and Peter A. Roy (a) fail to serve as President or Treasurer of Moorland Development Corporation and (b) fail to serve in an executive or managerial capacity for Moorland Development Corporation, then the interest of Moorland Development Corporation hereunder shall be converted to a limited partnership interest, and M.F. Hill Construction Co., Inc. shall serve as the sole General Partner of the Partnership, and shall act as the sole Managing Partner.

21. Miscellaneous Provisions.

(a) Nothing herein contained shall be construed to constitute any partner the agent of another partner, except as provided herein, or in any manner to limit the partners in the carrying on of their own respective businesses or activities.

(b) All notices provided for herein shall be in writing and transmitted by registered or certified mail, return receipt

requested, to each partner at his address as shown on the records of the Partnership. The partners shall be responsible for notifying the other partners of any changes in their addresses.

(c) Subject to the foregoing provisions, this Agreement shall inure to the benefit of and be binding upon the partners, their successors, heirs, permitted assignees, executors, trustees, administrators and receivers.

(d) It is the intent of the parties hereto that all questions with respect to the construction of this Agreement and the rights and liabilities of the parties shall be determined in accordance with the provisions of the laws of the State of Rhode Island.

(e) By vote of 60% of the Partnership interests, the Partners may remove any general partner if (a) it is found by a court of competent jurisdiction to have willfully violated its fiduciary responsibilities as a general partner, and such violation shall have caused a substantial adverse effect upon the Partnership or (b) in the case of M.F. Hill Construction Co., Inc., it is found to have willfully breached any material provision of the Construction Contract and such breach shall have caused a substantial adverse effect upon the Partnership and the same shall not have been cured within 90 days thereafter.

(f) As soon after the execution of any amendment to this Agreement as is practicable, the General Partners will execute and file an amended Certificate in accordance with the Act, and shall execute such other documents and instruments and shall take all such other actions as may be deemed by the General Partners to be necessary or appropriate to effectuate and permit the continuation of the Partnership under the laws of the State. The General Partners shall from time to time take appropriate action, including the preparation and filing of such other certificates as may be required under the laws of the State and to enable the Partnership to do business as a limited partnership in the State and under the laws of all other jurisdictions in which the Partnership may elect to do business. All fees for such filing shall be at the expense of the Partnership.

(g) Moorland Development Corporation shall serve as the "Tax Matters Partner," as described in Section 6223 of the Internal Revenue Code.

(h) This Agreement sets forth the entire agreement between the parties.

IN WITNESS WHEREOF, the parties hereunto have hereunto affixed their signatures and seals as of the day and year first above written.

General Partners:

M.F. HILL CONSTRUCTION CO., INC.

By: 

Witness: _____

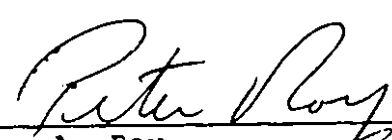
MOORLAND DEVELOPMENT CORPORATION

By: 

Witness: _____

LIMITED PARTNERS

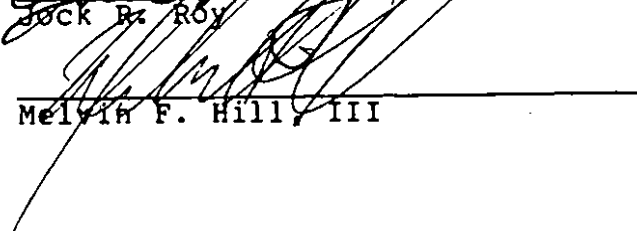
Witness: _____


Peter A. Roy

Witness: _____


Jack R. Roy

Witness: _____


Melvin F. Hill, III

Schedule A

ROY/HILL ASSOCIATES, LIMITED PARTNERSHIP

<u>Partner</u>	<u>Capital Contribution</u>	<u>Interest In Partnership</u>
<u>General Partners</u>		
Moorland Development Corporation	\$ 100.00	0.6%
M.F. Hill Construction Co., Inc.	\$ 100.00	0.4%
<u>Limited Partners</u>		
Jock R. Roy	\$ 50,000.00	29.7%
Peter A. Roy	\$ 50,000.00	29.7%
Melvin F. Hill, III	\$ 100.00	39.6%

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