

CURTIS ARMS ASSOCIATES

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FIRST AMENDED AND RESTATED AGREEMENT
AND CERTIFICATE OF LIMITED PARTNERSHIP

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CURTIS ARMS ASSOCIATES

* * *

FIRST AMENDED AND RESTATED AGREEMENT
AND CERTIFICATE OF LIMITED PARTNERSHIP

* * *

THIS FIRST AMENDED AND RESTATED AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP, made as of the 1st day of February, 1980, by and among THOMAS G. DECONCILIS, JR., an individual residing in the State of Rhode Island ("DeConcilis"), and C.R.H.C., INCORPORATED, a Delaware corporation ("CRHC"), as general partners (the "General Partners"); DeConcilis and O. AHLBORG & SONS, INC., a Rhode Island corporation ("Ahlborg"), as initial limited partners (the "Initial Limited Partners"); and CAPITAL HOUSING PARTNERS-XCI, a District of Columbia limited partnership ("CHP-XCI"), as limited partner (the "Limited Partner").

WITNESSETH:

WHEREAS, an Agreement and Certificate of Limited Partnership, dated September 28, 1979, creating "Curtis Arms Associates" (the "Partnership") pursuant to the Uniform Limited Partnership Act of the State of Rhode Island (the "Act"), was filed in the Office of the Secretary of State of Rhode Island, on or about September 28, 1979;

WHEREAS, the Partnership was formed to develop, construct, finance, own, manage, lease and otherwise operate a certain multi-family housing project for rental to elderly and handicapped persons of low and moderate income located in Providence, Providence County, Rhode Island, as more particularly described in this Agreement (the "Project"); and

WHEREAS, the parties hereto now desire to continue the Partnership, to amend certain of the terms and provisions of the Agreement and Certificate of Limited Partnership in order to (i) recognize the withdrawal of the Initial Limited Partners, (ii) admit CRHC as a General Partner, (iii) admit CHP-XCI as the Limited Partner and (iv) otherwise set forth the rights and responsibilities of the parties hereto with respect to the Partnership;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

FORMATION AND CONTINUATION

1.01 Continuation. The parties hereto hereby continue the Partnership as a limited partnership under the Act. Upon the execution of this Agreement by all parties hereto, the Managing General Partner shall take all actions necessary to assure the prompt recording of this Agreement as required by the Act. All fees for such recording shall be paid for out of Partnership assets. The Managing General Partner shall take all other action required by law to perfect and maintain the Partnership as a limited partnership under the Act or under the laws of all other jurisdictions in which the Partnership may elect to conduct business. The Managing General Partner shall also promptly register the Partnership under any applicable assumed or fictitious name statute or similar law in force and effect in any jurisdiction.

1.02 Name. The name of the Partnership shall be "Curtis Arms Associates."

1.03 Place of Business. The principal office and place of business of the Partnership shall be located at c/o DeConcilis, 50 Curtis Street, Providence, Rhode Island and c/o CRHC, 11300 Rockville Pike, Rockville, Maryland. The Managing General Partner may change the location of the Partnership's principal office and place of business and may establish such additional offices or places of business of the Partnership as it may from time to time determine after Notice to all Partners and satisfaction of all requirements of the Act.

1.04 Term. The term of the Partnership commenced on September 28, 1979 and shall continue until December 31, 2025, unless sooner dissolved in accordance with this Agreement.

ARTICLE II

DEFINED TERMS

The following terms have the definitions hereinafter indicated whenever used in this Agreement with initial capital letters:

2.01 Accountants: The independent certified public accountants for the Partnership selected pursuant to Article 8.03.

2.02 Act: The Uniform Limited Partnership Act of the State of Rhode Island, as it may be amended from time to time.

2.03 Affiliate: When used with reference to a specified Person, any Person who directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the specified Person.

2.04 Agreement or Partnership Agreement: This First Amended and Restated Agreement and Certificate of Limited Partnership, as it may be further amended from time to time.

2.05 Ahlborg: O. Ahlborg & Sons, Inc., a Rhode Island corporation.

2.06 Bankruptcy: Either (i) the initiation by a Partner of a proceeding, or initiation of any proceeding against a Partner which has not been vacated, discharged or bonded within 30 days of initiation, under a Federal, state or local bankruptcy or insolvency law, (ii) an assignment by a Partner for the benefit of creditors, (iii) the admission by a Partner in writing of his inability to pay his debts as they become due, or (iv) the consent of a Partner to appointment of a receiver or trustee for all or a substantial part of his property, or court appointment of such receiver or trustee which is not suspended or terminated within 30 days after appointment.

2.07 Capital Account: Of a Partner as of any date, his actual Capital Contributions paid to the Partnership, (i) increased to reflect his distributive share of Partnership profits for each Fiscal Year (or fraction thereof), and (ii) decreased to reflect his distributive share of Partnership losses for each Fiscal Year (or fraction thereof) and distributions of cash or property by the Partnership to him.

2.08 Capital Contribution: The total amount of money or other property contributed or agreed to be contributed, as the context requires, by each Partner to the Partnership pursuant to the terms of this Agreement. Any reference to a Partner's Capital Contribution shall include the Capital Contribution made by a predecessor holder(s) of the Interest of such Partner, unless the context requires otherwise.

2.09 Capital Proceeds: The aggregate of net proceeds from (i) the financing or refinancing of any existing mortgage on any Partnership assets, (ii) the sale or condemnation of the Project, the improvements thereon, or all or substantially all of the other Partnership assets, (iii) title or fire and extended coverage insurance, and (iv) any reserves previously set aside from prior Capital Proceeds realized which are deemed available for distribution by the Managing General Partner or Liquidator; less (i) the expenses of the Partnership incurred in connection with such sale, refinancing or condemnation, and (ii) the amount applied to the repayment of the prior loan refinanced or to the construction, repair or restoration of improvements to the Project.

2.10 Certificate: The Certificate of Limited Partnership filed in the Office of the Secretary of State of Rhode Island on or about September 28, 1979, as said Certificate is amended by and restated in this Agreement and as it may be further amended from time to time.

2.11 CHP-XCI: Capital Housing Partners-XCI, a District of Columbia limited partnership.

2.12 Code: The Internal Revenue Code of 1954, as amended from time to time, and all published rules, rulings and regulations thereunder.

2.13 Completion Date: The date on which construction of the Project is substantially complete as determined by the supervising architect and HUD, and the Project is ready for occupancy.

2.14 Consent: Either the written consent of a Person, or the affirmative vote of such Person, as the case may be, pursuant to Article XIII to do the act or thing for which the Consent is solicited, or the act of granting such Consent, as the context may require. Reference to the Consent of a stated percentage in Interest of the Partners (or a class of Partners) means the Consent of so many of the Partners (or Partners of such class) not then in default whose combined Interests represent such stated percentage of the total Interests of the Partners not then in default.

2.15 Construction Completion Advances: The funds provided to the Partnership by DeConcilis pursuant to Article 7.08.

2.16 Construction Contract: The contract entered into on behalf of the Partnership with the General Contractor pursuant to which the Project shall be constructed.

2.17 Construction Loan: The construction and interim financing (and applicable credit and security instruments) in the amount of \$3,754,700 and repayable interest only through Final Closing at the rate of 9.5%, loaned by RIHTNB for construction and interim financing funds for the Project prior to Final Closing.

2.18 CRHC: C.R.H.C., Incorporated, a Delaware corporation.

2.19 CRI: C.R.I., Inc., a Delaware Corporation.

2.20 DeConcilis: Thomas G. DeConcilis, Jr., an individual residing in the State of Rhode Island.

2.21 Final Closing: The date on which the final amount of the Permanent Loan is determined and disbursed in full.

2.22 Final Endorsement: The date on which HUD endorses the credit and security instruments evidencing the Permanent Loan.

2.23 Final Mortgage Amount: The final amount of the Permanent Loan provided by RIHTNB.

2.24 Fiscal Year: The calendar year.

2.25 General Contractor: Ahlborg.

2.26 General Partners: DeConcilis and CRHC, and any and all other Persons who become General Partners in accordance with the provisions of this Agreement.

2.27 GNMA: The Government National Mortgage Association.

2.28 HAP Contract: The contract between RIHMFC and the Partnership pursuant to which RIHMFC will provide housing assistance payments for eligible tenants of all units of the Project for 20 years as provided by section 8 of the USHA, as amended, in an amount sufficient to pay all Project expenses.

2.29 HUD: The United States Department of Housing and Urban Development.

2.30 Initial Closing: The date on which the Partnership and RIHTNB executed the Construction Loan documents.

2.31 Initial Endorsement: The date on which HUD endorsed for insurance the credit and security instruments evidencing the Construction Loan.

2.32 Initial Limited Partners: DeConcilis and Ahlborg.

2.33 Interest or Partnership Interest: The ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of said Act, which percentage Interest for voting and certain other purposes of this Agreement shall, absent proof to the contrary, be as set forth in Articles 5.01 and 5.02.

2.34 Investors: The investor limited partners admitted or to be admitted to CHP-XCI.

2.35 IRS: The Internal Revenue Service, an agency of the United States Government.

2.36 Limited Partner(s): CHP-XCI, and any Substitute Limited Partners.

2.37 Liquidator: The Managing General Partner or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law, who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Partnership upon its dissolution.

2.38 Management Agreement: The agreement for the management of the Project to be entered into between the Partnership and the Managing Agent.

2.39 Managing Agent: Management Realty Services, Inc., or any Person substituted therefor pursuant to this Agreement and the Management Agreement.

2.40 Managing General Partner: DeConcilis.

2.41 Mortgagee: RIHTNB.

2.42 Net Cash Flow: With respect to each Fiscal Year, the taxable income of the Partnership for Federal income tax purposes, increased by (i) depreciation and amortization deductions taken in computing such taxable income, (ii) all other receipts of the Partnership not included in taxable income, exclusive of Capital Contributions, Capital Proceeds and similar capital receipts, (iii) the net proceeds from the sale of Partnership assets (but not Capital Proceeds) to the extent not included in such taxable income, and (iv) any other funds deemed available for distribution and designated as Net Cash Flow by the Managing General Partner, including reserves which are no longer necessary for the Partnership's business; and reduced by (i) all amortization and principal payments for the Fiscal Year on matured obligations of the Partnership, (ii) expenditures for capital outlay items not normally chargeable to current operations, (iii) additions to reserves for the Project required by HUD or RIHMFC, (iv) any amounts subject to segregation under HUD or RIHMFC regulations for accounts payable and accrued items payable at the close of the Fiscal Year, and (v) any other necessary reserves established by the General Partners.

2.43 NHA: The National Housing Act.

2.44 Notice: A writing containing the information required by this Agreement to be communicated to a Person and

personally delivered to such Person or sent by registered or certified mail, postage prepaid, return receipt requested, to such Person at the last known address of such Person as shown on the books of the Partnership, the date of personal delivery, registry or of the certification receipt, as the case may be, being deemed the date of such Notice; provided, however, that any written communication containing such information actually received by a Person shall constitute Notice for all purposes of this Agreement.

2.45 Operating Deficits: In any Fiscal Year, the excess of Operating Expenses over collections from operation of the Project for such year.

2.46 Operating Deficit Advances: The funds provided to the Partnership by DeConcilis pursuant to Article 7.09.

2.47 Operating Expenses: All current reasonable costs and expenses of operation of the Project, including, without limitation, costs of operations, taxes, insurance, maintenance, repairs, debt service, prepaid expenses, escrows and reserves required by HUD or the Mortgagee, and reasonable reserves to meet anticipated expenses.

2.48 Partner or Partners: The General Partners and the Limited Partner(s).

2.49 Partnership: The limited partnership referred to herein as "Curtis Arms Associates," as said limited partnership may from time to time be constituted.

2.50 Permanent Loan: The permanent financing (and applicable credit and security instruments) in the amount of \$3,754,700, for a term of 480 months and with interest at 7.5% per annum, to be provided by RIHTNB at Final Closing.

2.51 Person: Any individual, partnership, corporation, trust or other entity.

2.52 Project: The tract of land described in Exhibit 1 attached hereto and made a part hereof, and the 106 unit apartment complex in one highrise building thereon located in Providence, Providence County, Rhode Island, known as "Curtis Arms Apartments" and designated as HUD Project No. 016-35053-WAH-LDP-L8.

2.53 Regulatory Agreement: The agreement entered into between HUD and the Partnership at Initial Endorsement in connection with the insurance by HUD of the Construction Loan and Permanent Loan.

2.54 RIHMFC: The Rhode Island Housing and Mortgage Finance Corporation.

2.55 RIHTNB: The Rhode Island Hospital Trust National Bank.

2.56 Substitute Limited Partner: Any Person admitted to the Partnership as a Limited Partner pursuant to Article 9.03.

2.57 USHA: The United States Housing Act of 1937, as amended.

ARTICLE III

BUSINESS PURPOSE

3.01 Business. The business of the Partnership shall be to construct, own, finance, develop, manage, lease and otherwise operate the Project, and to engage in any other kind of lawful activity for profit related to the foregoing.

3.02 Authorized Activities. In carrying out the purposes of the Partnership, but subject to all other provisions of this Agreement, the Partnership is authorized to:

(A) Provide housing for elderly and handicapped persons of low and moderate income;

(B) Acquire by purchase, lease or otherwise any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Partnership;

(C) Construct, operate, maintain, finance, improve, 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;

(D) Construct the Project with financing and grants from the Mortgagee and HUD;

(E) Enter into contracts with the Mortgagee and HUD with respect to the Construction Loan or Permanent Loan;

(F) Subject to the provisions of this Agreement, negotiate for and conclude agreements for the sale, exchange or other disposition of all or substantially all of the property of the Partnership, or for the refinancing of any mortgage loan on the property of the Partnership;

(G) Borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, except for any purpose for which a Person is required to advance funds pursuant to this Agreement, and to secure the same by mortgage, pledge or other lien on the Project or any other assets of the Partnership, provided that the Construction Loan and Permanent Loan provide that neither the Partnership nor any Partner shall have any personal liability thereunder, but that the sole recourse of any lender shall be to the property securing the indebtedness;

(H) Apply to HUD and/or RIHMFC and enter into such contracts with HUD and/or RIHMFC as may be required for obtaining housing assistance payments pursuant to section 8 of the USHA and mortgage insurance pursuant to section 221(d)(4) of the NHA.

(I) Enter into the Construction Contract and other agreements with the General Contractor and others as may be required to develop and construct the Project;

(J) Enter into the Management Agreement and other agreements with the Managing Agent and others as may be required to operate the Project;

(K) Rent apartment units in the Project from time to time and collect all rents and other income and to pay therefrom all expenses of the Project;

(L) Bring and defend actions at law or in equity;

(M) Purchase, cancel or otherwise retire or dispose of the Interest of any Partner pursuant to the express provisions of this Agreement;

(N) Make interim investments in government obligations, certificates of deposit and bankers' acceptances; and

(O) Engage in any kind of lawful activity, and perform and carry out contracts of any kind, necessary or advisable in connection with the accomplishment of the purposes of the Partnership.

3.03 HUD Requirements. The Partnership is authorized to execute the Regulatory Agreement and other documents required by HUD with respect to the Construction Loan and Permanent Loan. So long as the Project is encumbered by a mortgage insured by HUD, any assignee of a Partner shall be bound by the Regulatory

Agreement or other documents required by HUD in the same manner as the Partners at the time the Regulatory Agreement was executed. Upon dissolution of the Partnership, no title or right to possession and control of the Project, and no right to collect the rents therefrom, shall pass to any Person not bound by the Regulatory Agreement in a manner satisfactory to HUD.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

4.01 DeConcilis: DeConcilis hereby represents, warrants and covenants to the Partnership and the Partners that:

(A) HUD has entered into a firm commitment pursuant to section 221(d)(4) of the NHA to insure by endorsement the Construction Loan and the Permanent Loan, and such commitment provides that the Project will have a total estimated replacement cost of \$4,224,406;

(B) Construction of the Project commenced on or about September 28, 1979;

(C) Initial Closing and Initial Endorsement occurred on or about November 21, 1979;

(D) RIHTNB has agreed to provide the Construction Loan and Permanent Loan;

(E) RIHMFC has agreed to execute the HAP Contract and he will use his best efforts to keep the HAP Contract in full force and effect;

(F) All appropriate public utilities, including sanitary and storm sewers, water and electricity, are available to the Project and he will achieve the Completion Date;

(G) The Partnership owns and will continue to own good and marketable title to the Project, subject to no material liens, charges or encumbrances other than those which are both permitted by HUD, the Mortgagee, CRI and RIHMFC, if required, and set forth in the title policy for the Project, if any, and such title policy will be kept in full force and effect in favor of the Partnership;

(H) The use of the land for construction and operation of the Project is not in violation of applicable zoning laws;

(I) The Partnership has entered into the Construction Contract with the General Contractor;

(J) Construction and development of the Project will be completed in a timely and workmanlike manner in accordance with applicable requirements of the Construction Loan, Permanent Loan, Mortgagee, HUD, RIHMFC, and all other appropriate governmental entities, if required, and in accordance with the plans and specifications and approved changes of the Project that have been or will be delivered to CRHC;

(K) All-Risk Builder's, Workmen's Compensation, fire and extended coverage and public liability insurance in favor of the Partnership in amounts required by the Mortgagee, HUD and RIHMFC, if required, or as are necessary to protect the Partnership, are and will be kept in full force and effect, except that the All-Risk Builder's policy will terminate upon completion of construction;

(L) The Partnership is a duly organized limited partnership validly existing under the laws of the State of Rhode Island and has complied and will continue to comply with all filing requirements necessary under the Act for the preservation of the limited liability of the Limited Partners;

(M) Payment and performance bonds issued by Seaboard Surety Company, naming the Partnership as obligee, in amounts equal to 50% of the Construction Contract were obtained prior to Initial Closing and will remain in full force and effect until Final Closing and until payment to all subcontractors, or for so long as required by appropriate local governmental authorities;

(N) Neither the Partnership nor any Partner has any personal liability with respect to the Construction Loan or Permanent Loan or any other mortgage loan for the Project, and in the event of default thereon, the sole recourse of any mortgage lender shall be to the Project;

(O) The execution of this Agreement will not violate any provisions of law, any order of any court binding on him or his Affiliates or the Partnership, any provision of any indenture, agreement or other instrument to which he, his Affiliates or the Partnership is a party or by which the Partnership or Project is affected, or be in conflict with, result in a breach of or constitute a default under any such indenture, agreement or other instrument or result in creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon the Project;

(P) No event has occurred which would entitle CHP-XCI to have its Interest purchased pursuant to the Repurchase Agreement attached hereto as Exhibit 2 and made a part hereof;

(Q) He has a net worth in excess of \$250,000;

(R) To the best of his knowledge, Final Closing and Final Endorsement is expected to occur by October 1, 1981, initial occupancy of the Project is expected to occur by April 1, 1981, and no portion of the Project is in a condition and state of readiness for its assigned function;

(S) He and his Affiliates have provided or will provide CRHC with all requested material information relevant to the Project and the Partnership, which information is accurate in all material respects and is incorporated in this Agreement by reference, and he and his Affiliates have not failed to provide CRHC with any material information regarding themselves, the Project or Partnership;

(T) The Partnership will not be liable or responsible for any construction costs in excess of the maximum contract amounts set forth in the Construction Contract, except to the extent of any HUD, Mortgagee and RIHMFC, if required, approved mortgage increase applicable to such costs and to the extent that such construction costs can be financed with mortgage loan proceeds;

(U) He will make Construction Completion Advances and Operating Deficit Advances to the Partnership as required by Articles 7.08 and 7.09;

(V) Immediately before Initial Closing, the Partnership was not obligated for any taxes, assessments, construction costs, utility charges, operating expenses or other debts whatsoever which were not provided for from the initial advance of the Construction Loan;

(W) The Construction Loan is not in default or arrears and he does not know of any facts which are likely to cause the foreclosure of the Construction Loan or the Permanent Loan;

(X) He will provide CRHC with a complete set of Initial Closing documents and drawings and specifications for the Project, and will thereafter continue to provide CRHC with all material changes to such documents and a complete set of Final Closing documents, and all such information is incorporated in this Agreement by reference;

(Y) He will meet all requirements necessary to obtain (i) housing assistance payments for the Project pursuant to section 8 of the USHA, (ii) mortgage insurance pursuant to section 221(d)(4) of the NHA, (iii) certificates of occupancy and all other governmental approvals to permit occupancy of all apartment units in the Project, and (iv) Final Closing and Final Endorsement; and

(Z) He and his Affiliates shall indemnify and hold harmless CRI, CRHC, CHP-XCI or their Affiliates from any losses that result from a final judgment or settlement consented to by it or one as to which they have received adequate notice and opportunity to defend, (i) with respect to acquisition of the Project or Partnership, or any interest therein, (ii) arising out of or based upon alleged fraud, deceit or untrue statement of a material fact or omission to state a material fact with respect to or based upon information or statements furnished to CRI, CRHC, CHP-XCI or their Affiliates by them in connection with the offer or sale of interests in the Partnership or CHP-XCI, or (iii) for any fees or other payments to contractors, developers or sponsors in connection with construction of the Project, except that the Partnership shall be liable for the costs of constructing the Project to the extent included in the Construction Loan or Permanent Loan.

4.02 General Partners. The General Partners severally represent, warrant and covenant to the Partnership and the Partners that:

(A) No event has occurred which as a matter of law terminates for Federal income tax purposes the classification of the Partnership as a partnership or its ownership of the Project, and no audit has occurred which classifies the Partnership for Federal income tax purposes as an association taxable as a corporation and not as a partnership;

(B) They are not aware of any material default under any agreement, contract, lease or other commitment, or any event, claim, demand, litigation, proceeding or governmental investigation pending or threatened against or related to the business or assets of the Partnership, which could (i) materially and adversely affect the business or assets of the Partnership, (ii) materially and adversely affect their ability to perform their obligations under this Agreement, or (iii) prevent completion of construction of the Project in accordance with Mortgagee and HUD requirements;

(C) While conducting the business of the Partnership, they will not knowingly act in any manner which will (i) cause the termination of the Partnership for Federal income tax purposes, (ii) cause the Partnership to be treated for Federal income tax purposes as an association taxable as a corporation, (iii) cause the Partnership to fail to qualify as a limited partnership under the Act, or (iv) cause the Limited Partner to be liable for Partnership obligations in excess of the unpaid portions of its Capital Contributions;

(D) They will exercise good faith in all activities relating to the conduct of the business of the Partnership, including the development, operation and maintenance of the Project, and will take no action with respect to the business and

property of the Partnership which is not reasonably related to the achievement of the purposes of the Partnership; and

(E) The business of the Partnership will be conducted in compliance with all agreements with, and regulations of HUD, the Mortgagee, RIHMFC, and other governmental authorities.

4.03 Partnership Work Product. DeConcilis and his Affiliates have transferred or do hereby transfer to the Partnership all of their right, title and interest in all Project matters and work product relating thereto including, without limitation, HUD, RIHMFC, GNMA and Mortgagee commitments and agreements, any agreements with architects, contractors and others, and all Project plans and specifications.

ARTICLE V

PARTNERS AND PARTNERSHIP INTERESTS

5.01 General Partners.

(A) The General Partners, their addresses, their Capital Contributions heretofore made in cash, and their Interests are as follows:

<u>Name</u>	<u>Capital Contributions</u>	<u>Interest</u>
DeConcilis 21 Arnold Avenue Cranston, RI	\$99	1.99%
CRHC 11300 Rockville Pike Rockville, MD	\$1	.01%

5.02 Limited Partner.

(A) The Limited Partner, its address, Capital Contributions heretofore made in cash and Interest are as follows:

<u>Name</u>	<u>Capital Contributions</u>	<u>Interest</u>
CHP-XCI 11300 Rockville Pike Rockville, MD	\$10,000	98.0%

(B) Prior the execution of this Agreement, DeConcilis had a 98% Interest and Ahlborg had a 1% Interest as Initial Limited Partners. Upon execution of this Agreement, the Initial Limited Partners hereby withdraw from the Partnership and contribute their Interests as Initial Limited Partners to the Partnership.

(C) Subject to the provisions of this Article 5.02, the Limited Partner shall make \$672,000 of additional Capital Contributions to the Partnership as follows:

<u>Due Date</u>	<u>Capital Contributions</u>
(1) Upon the earlier of (i) admission of the Investors to CHP-XCI and (ii) April 1, 1980	\$ 30,000
(2) Upon the earlier of (i) admission of the Investors to CHP-XCI and (ii) May 15, 1980	\$ 17,000
(3) Upon the later of (i) May 15, 1981, (ii) the Completion Date, (iii) Final Endorsement and (iv) execution of the HAP Contract.	\$202,000
(4) Upon the later of (i) May 15, 1982 and (ii) satisfaction of the requirements of subparagraph (3) above.	\$154,000
(5) Upon the later of (i) May 15, 1983 and (ii) satisfaction of the requirements of subparagraph (4) above.	\$129,000
(6) Upon the later of (i) May 15, 1984 and (ii) satisfaction of the requirements of subparagraph (5) above.	\$110,000
(7) Upon the later of (i) November 15, 1984 and (ii) satisfaction of the requirements of subparagraph (6) above.	\$ 30,000

(D) If the Final Mortgage Amount is less than \$3,754,700, the CHP-XCI Capital Contributions under Article 5.02 shall be reduced proportionately such that the revised aggregate Capital Contributions of CHP-XCI pursuant to Article 5.02 shall be an amount equal to \$682,000 multiplied by a fraction the numerator of which is the Final Mortgage Amount and the denominator of which is \$3,754,700. Any such reduction shall be applied on a pro rata basis to the Capital Contributions under Articles 5.02(C)(3) through (7).

(E) The Managing General Partner or its designee shall, not more than 30 days prior to the time any installment of

Capital Contributions is due pursuant to Article 5.02(C)(3) through (7), certify in writing that all conditions precedent to that installment and all previous installments of Capital Contributions have been met. CRHC shall provide DeConcilis with the form of such certification and such installment shall be payable on the later of (i) its due date or (ii) 10 days after receipt of such written certification from DeConcilis.

(F) If (i) any commitment of HUD, GNMA or the Mortgagee shall have terminated, (ii) the General Partners have not substantially complied with any material provision of this Agreement, or (iii) foreclosure proceedings shall have commenced against the Project, then the Partnership shall be deemed in default under this Agreement and no further payment of Capital Contribution otherwise payable pursuant to Article 5.02(C) shall be due until the Managing General Partner produces substantial evidence satisfactory to CHP-XCI that such default has been cured or can be cured by the payment of subsequent installments of Capital Contributions when due, or receipt of a final arbitration decision to such effect; provided, however, that CHP-XCI in its sole discretion may elect to make payments of Capital Contributions notwithstanding the foregoing.

(G) DeConcilis has guaranteed to repurchase the Interest of CHP-XCI under the circumstances and for the amount set forth in the Repurchase Agreement attached hereto as Exhibit 2 and made a part hereof. CHP-XCI has agreed to pay DeConcilis \$68,000 pursuant to the Repurchase Agreement for such guarantee.

(H) No additional Persons may be admitted to the Partnership as limited partners without the Consent of all Partners.

5.03 Default in Capital Contributions.

(A) If CHP-XCI fails to make a Capital Contribution to the Partnership or shall make a Capital Contribution in a sum less than that set forth in Article 5.02(C), the parties hereto shall only have the remedies set forth in Articles 5.03(B) and (C).

(B) If CHP-XCI fails to make a Capital Contribution to the Partnership or shall make a Capital Contribution in a sum less than that set forth in Article 5.02(C) within 30 days of its due date, due to a default in the payment of capital contributions by Investors to CHP-XCI, CHP-XCI shall assign its rights to collect such amounts to the Partnership and the Managing General Partner or its designee may pursue all appropriate legal remedies to compel payment of any unpaid capital contribution due and owing to CHP-XCI, including costs and legal fees, and pursue such remedies for as long thereafter as it may deem appropriate to compel payment; provided, however, that if CHP-XCI

is itself diligently taking appropriate action to compel payment by Investors, the Managing General Partner shall defer the pursuit of legal remedies for an additional 30 days. CHP-XCI hereby agrees to use its best efforts to collect such capital contributions from Investors.

(C) If CHP-XCI fails to pay any Capital Contribution pursuant to Article 5.02(C) for any reason within 60 days of its due date, the right of CHP-XCI to receive profits, losses, Net Cash Flow and Capital Proceeds during the term of such default shall be reduced in the proportion that the unpaid portion of the Capital Contribution bears to the total Capital Contribution due from CHP-XCI pursuant to Article 5.02(C). To the extent that the right of CHP-XCI to receive profits, losses, Net Cash Flow and Capital Proceeds is reduced pursuant to this Article 5.03(C), the right of DeConcilis shall be correspondingly increased.

5.04 Legal Opinions. As a condition to payment of the Capital Contributions pursuant to Article 5.02(C), CRHC shall require receipt of an opinion of Eugene A. Liberati or other counsel to the Partnership satisfactory to CRHC, which opinion shall state that Messrs. Ginsburg, Feldman, Weil and Bress may rely thereon, to the effect that:

(A) The Partnership is a duly formed and validly existing limited partnership under the Act and the Interest of CHP-XCI is the interest of a limited partner with no personal liability for the obligations of the Partnership;

(B) The Partnership owns good and marketable, legal and equitable title to the Project, subject only to the mortgage loan and such other liens, charges and encumbrances as are set forth in the title insurance policy issued to the Partnership; and

(C) There is no personal liability by the Partnership and by any of the Partners for the repayment of the Construction Loan or Permanent Loan, and that the sole recourse of the mortgagee shall be to the property securing the indebtedness.

5.05 Return on Partnership Interests. The Partners hereby agree, for themselves, their heirs, successors or assignees, that their Interests shall be subject to a limitation that return upon their respective Interests shall not exceed annual amounts permitted by HUD or RIHMFC, if required.

5.06 Limited Liability. The Limited Partner(s) shall not be liable to the Partnership beyond the amount of his Capital Contributions pursuant to this Article V, except as otherwise provided in the Act.

5.07 Interest. Interest earned on Partnership funds shall inure to the benefit of the Partnership, and the Partners shall not receive interest on their Capital Contributions.

5.08 Capital Account. The Partnership shall maintain a Capital Account for each Partner.

5.09 Withdrawal of Capital Contributions. Except as expressly provided otherwise in this Agreement, no Partner shall have the right to withdraw or reduce his Capital Contributions.

ARTICLE VI

PROFITS, LOSSES AND DISTRIBUTIONS

6.01 Allocation of Profits and Losses.

(A) The profits, gains, losses, deductions and credits of the Partnership shall be determined by the Managing General Partner in accordance with generally accepted accounting principles and, except as provided in Paragraphs (B) and (C) below, shall be allocated to the Partners, pro rata in accordance with their Interests.

(B) Gains of the Partnership arising from the realization of Capital Proceeds shall be allocated as follows:

(1) First, to the Partners, pro rata in accordance with their Interests, until the Capital Account of each Partner is brought to zero; provided, however, that no gain shall be allocated to any Partner pursuant to this Article 6.01(B)(1) once his Capital Account has been brought to zero;

(2) Second, 54.08% to DeConcilis on account of the Disposition and Refinancing Fee paid to him pursuant to Article 7.17(B); and

(3) Third, the balance to the Partners, pro rata in accordance with their Interests.

(C) Losses of the Partnership arising from the realization of Capital Proceeds shall be allocated as follows:

(1) First, losses equal to the amount by which the aggregate amount of the Capital Accounts for all Partners exceeds the Capital Contributions by all Partners shall be allocated in the ratio that such excess for each Partner bears to the aggregate of such excess for all Partners (but not below zero);

(2) Second, 54.08% to DeConcilis; and

(3) Third, the balance to the Partners, pro rata in accordance with their Interests.

6.02 Partnership Adjustments. Any increase or decrease in the amount of any item of income, gain, loss, deduction or credit attributable to an adjustment to the basis of Partnership assets made pursuant to a valid election under sections 734, 743 and 754 of the Code, and pursuant to corresponding provisions of applicable state and local income tax laws, shall be charged or credited, as the case may be, and any increase or decrease in the amount of any item of credit or tax preference attributable to any such adjustment shall be allocated to those Partners entitled thereto under such laws.

6.03 Allocation to Transferred Interests. Profits, gains, losses, deductions and credits allocated to an Interest assigned or reissued during a Fiscal Year shall be allocated to the Person who was the holder of such Interest during such Fiscal Year, in proportion to the number of days that each such holder was recognized as the owner of such Interest during such Fiscal Year or in any other proportion permitted by the Code and selected by CRHC, without regard to the results of Partnership operations during the period in which each such holder was recognized as the owner of such Interest during such Fiscal Year, and without regard to the date, amount or recipient or any distributions which may have been made with respect to such Interest.

6.04 Net Cash Flow.

(A) All Net Cash Flow through December 31, 1982 shall be paid to the Managing General Partner as an Incentive Management Fee pursuant to Article 7.17(A). Thereafter, Net Cash Flow shall be distributed not less than annually as follows:

(1) To the repayment of any unpaid Operating Deficit Advances;

(2) \$12,000 to the Partners, pro rata in accordance with their Interests;

(3) \$15,000 to the Managing General Partner as an Incentive Management Fee pursuant to Article 7.17(A);

(4) \$10,000 to the Partners, pro rata in accordance with their Interests;

(5) \$15,000 to the Managing General Partner as an Incentive Management Fee pursuant to Article 7.17(A); and

(6) The balance, to the Partners, pro rata in accordance with their Interests.

(B) If in any Fiscal Year through December 31, 1984 in which the Partnership repays Operating Deficit Advances pursuant to Article 6.04(A)(1), the distributions to the General Partner pursuant to Article 6.04(A)(3) are less than \$15,000, an amount equal to the lesser of (i) such Operating Deficit Advance repayments and (ii) the amount by which the distributions pursuant to Article 6.04(A)(3) are less than \$15,000 shall carry over and be distributed pursuant to Article 6.04(A)(3) from available Net Cash Flow through December 31, 1985, if any.

6.05 Capital Proceeds. Capital Proceeds shall be distributed as follows:

(A) To the payment of all debts and liabilities of the Partnership, except for (i) loans or advances made pursuant to Articles 7.08 and 7.09, and (ii) accrued but unpaid fees due to any Partner or Affiliates;

(B) To the setting up of any reserves which the General Partners or Liquidator may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership;

(C) To the repayment of any unpaid Operating Deficit Advances;

(D) To the Limited Partner(s), an amount equal to the sum of its actual Capital Contributions to the Partnership and payments to DeConcilis under the Repurchase Agreement attached hereto as Exhibit 2 and made a part hereof, less the amount of its prior receipts of Net Cash Flow and Capital Proceeds;

(E) To DeConcilis an amount equal to the greater of (i) Construction Completion Advances pursuant to Article 7.08 and (ii) \$160,000;

(F) To the repayment of any other loans or advances made by any Partner or Affiliates not repaid under Paragraphs (C) and (E) above;

(G) Of the amount remaining, 54.08% to DeConcilis as a Disposition and Refinancing Fee pursuant to Article 7.17(B); and

(H) The balance to the Partners, pro rata in accordance with their Interests.

6.06 Allocation of Distributions. Distributions of Net Cash Flow and Capital Proceeds allocated to Partners shall be made to the Partners of record on the record date for the distribution without regard to the length of time the record holder has been such.

6.07 HUD Consent. Notwithstanding any other provisions of this Agreement, for so long as the Partnership is a party to the Regulatory Agreement, no cash distributions shall be made to the Partners without the consent of HUD, if required.

ARTICLE VII

RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNERS

7.01 General Partners. Subject to and limited by the express provisions of this Agreement, the General Partners shall have full, exclusive and complete authority and discretion to make all decisions affecting the business of the Partnership. The General Partners shall manage and control the affairs of the Partnership to the best of their ability and shall use their best efforts to carry out the business of the Partnership. The Managing General Partner shall oversee the day-to-day affairs of the Partnership and shall make all decisions with respect thereto.

7.02 Limitations on General Partners. The General Partners and their Affiliates shall not have any authority to:

(A) Perform any act in violation of any applicable law or regulations thereunder;

(B) Perform any act in violation of the provisions of the HAP Contract, Regulatory Agreement, Construction Loan or Permanent Loan;

(C) Do any act required to be approved or ratified in writing by all Limited Partners under the Act without obtaining such approval or ratification, unless the right to do so is permitted by such Act and is expressly otherwise given in this Agreement;

(D) Make application(s) for an increase or increases in the Construction Loan and/or Permanent Loan, if such increase would require an increase in the rental income (net of HAP Contract payments) of the Project, without the Consent of CRHC; or

(E) Sell or otherwise dispose of the Project without the Consent of CHP-XCI.

7.03 Management Purposes. In conducting the business of the Partnership, the General Partners shall be bound by the fact that the Partnership's purpose in owning and operating the Project is to obtain (i) long-term appreciation, (ii) cash income, and (iii) tax deductions.

7.04 Delegation of Authority. The General Partners may delegate all or any of their powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Partnership, which Person may, under supervision of the General Partners, perform any acts or services for the Partnership as the General Partners may approve.

7.05 General Partners or Affiliate Dealing with Partnership.

(A) The General Partners or any Affiliate shall have the right to act as Managing Agent of the Project on terms and conditions permitted by HUD and RIHMFC, if required.

(B) Unless expressly provided otherwise in this Agreement, the General Partners or any Affiliate shall also have the right to contract or otherwise deal with the Partnership for the sale of goods or services only if compensation paid or promised for such goods or services is at fair market value and is paid only for goods or services actually furnished to the Partnership and the goods or services to be furnished are reasonable for and necessary to the Partnership. Any contract covering such transactions shall be in writing and shall contain a clause allowing termination without penalty on 60 days Notice. Any payment made to the General Partners or any Affiliate for such goods or services shall be fully disclosed to all Limited Partners in the reports required under Article VIII.

(C) Notwithstanding the provisions of Article 7.05(B), the General Partners or any Affiliate shall not:

(1) Participate in any arrangement which would circumvent the provisions of Article 7.05(B);

(2) Receive any insurance brokerage fee or write any insurance policy covering the Partnership; or

(3) Except as provided in Article 7.17, receive, directly or indirectly, a commission or fee in connection with the sale or refinancing of the Project.

7.06 Liability for Acts and Omissions. No General Partner shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him in good faith on behalf of the Partnership and in a manner reasonably believed by him to be within the scope of the authority granted to him by this Agreement and in the best interest of the Partnership, except for wilfull misconduct or any breach of his fiduciary duty as General Partner with respect to such acts or omissions. Any loss or damage incurred by any General Partner by reason of any act or omission performed or omitted by him in good faith on behalf of the Partnership and in a manner reasonably believed by him to be within the scope of the authority granted to him by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by any General Partner by reason of wilfull misconduct or any breach of his fiduciary duty as General Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but the Limited Partners shall not have any personal liability to the General Partners under any circumstances on account of any such loss or damage incurred by the General Partners or on account of the payment thereof).

7.07 Net Worth of DeConcilis. DeConcilis shall at all times use his best efforts to maintain such net worth and comply with such other requirements as may from time to time be necessary to assure that all provisions of the Code are met which are necessary to assure that the Partnership is classified as a partnership for Federal income tax purposes.

7.08 Construction Funding Guarantee. DeConcilis shall advance funds to the Partnership as Construction Completion Advances over and above the Construction Loan proceeds, Capital Contributions by the Partners and income derived from operation of the Project, as needed to pay for insurance or other escrow requirements, construction, financing and any and all other costs and requirements necessary to complete construction of the Project and achieve Final Endorsement and the Completion Date. The Construction Completion Advances shall take the form of unsecured, non-interest bearing loans and shall be repayable as provided in Article 6.05.

7.09 Operating Deficit Guarantee. DeConcilis shall advance funds to the Partnership as Operating Deficit Advances to fund Operating Deficits as determined by HUD through November 15, 1985. The aggregate amount of such Operating Deficit Advances in any Fiscal Year need not exceed the aggregate fees paid to Deconcilis under Article 7.15 in such Fiscal Year. The Operating Deficit Advances shall take the form of unsecured, non-interest bearing loans which shall be repayable as provided in Articles 6.04 and 6.05.

7.10 Loans to the Partnership. If additional funds are required by the Partnership for any purpose relating to its business, the Partnership may borrow such funds as are needed from any Partner or other Person for such period of time and on such terms as the Managing General Partner and the lender may agree and at the rate of interest then prevailing for comparable loans; provided, however, that no such loan shall be secured by any mortgage or other encumbrance on the property of the Partnership without the prior Consent of CRHC and the Mortgagee. Loans made under this Article 7.10 shall be repayable as provided in Article 6.05.

7.11 Development Fee. For his services in supervising the development of the Project pursuant to the Development Services Agreement attached hereto as Exhibit 3 and made a part hereof, the Partnership shall pay DeConcilis a Development Fee of \$140,000 in the manner set forth in Article 7.15.

7.12 Initial Development Fee. In consideration for the assignments pursuant to Article 4.03, and initial Project development work as set forth in the Development Services Agreement attached hereto as Exhibit 3 and made a part hereof, the Partnership shall pay DeConcilis an Initial Development Fee of \$270,000, plus interest of \$125,000, which is computed at the rate of 14% per annum on the principal balances outstanding, in the manner set forth in Article 7.15.

7.13 Partnership Management Fee. The Partnership has entered into the Management Services Agreement attached hereto as Exhibit 4 and made a part hereof with DeConcilis for services in managing the business of the Partnership. In consideration for such services, the Partnership shall pay DeConcilis a Management Fee of \$115,200 in the manner set forth in Article 7.15.

7.14 Rent-Up Fee. The Partnership has entered into the Initial Rental Services Agreement attached hereto as Exhibit 5 and made a part hereof with DeConcilis for management consulting services to the Partnership during the rent-up period. In consideration for such services, the Partnership shall pay DeConcilis \$31,800 in the manner set forth in Article 7.15.

7.15 Payment of Fees. The fees payable to DeConcilis pursuant to Articles 7.11 through 7.14 shall be paid as follows:

(A) Upon execution of this Agreement --

(1) Development Fee \$ 10,000

(B) Upon the earlier of (i) admission of Investors to CHP-XCI and (ii) April 1, 1980 --

(1) Development Fee \$ 30,000

(C) Upon the earlier of (i) admission of Investors to CHP-XCI and (ii) May 15, 1980 --

(1) Development Fee \$ 17,000

(D) Upon the later of (i) May 15, 1981, (ii) the Completion Date, (iii) Final Endorsement and (iv) execution of the HAP Contract --

(1) Management Fee. \$ 28,800
(2) Rent-Up Fee \$ 31,800
(3) Initial Development
Fee Interest. \$ 58,400
(4) Development Fee \$ 83,000

(E) Upon the later of (i) May 15, 1982 and (ii) satisfaction of all the requirements of paragraph (D) above --

(1) Management Fee. \$ 28,800
(2) Initial Development Fee . . . \$ 95,000
(3) Initial Development
Fee Interest. \$ 30,200

(F) Upon the later of (i) May 15, 1983 and (ii) satisfaction of all requirements of paragraph (E) above --

(1) Management Fee. \$ 28,800
(2) Initial Development Fee . . . \$ 90,000
(3) Initial Development
Fee Interest. \$ 10,200

(G) Upon the later of (i) May 15, 1984 and (ii) satisfaction of all requirements of paragraph (F) above --

(1) Management Fee. \$ 28,800
(2) Initial Development Fee . . . \$ 80,000
(3) Initial Development
Fee Interest. \$ 1,200

(H) Upon the later of (i) November 15, 1984 and (ii) satisfaction of all requirements of paragraph (G) above --

(1) Initial Development Fee . . . \$ 5,000
(2) Initial Development
Fee Interest. \$ 25,000

7.16 Conditions to Fees to DeConcilis.

(A) If the Capital Contributions of CHP-XCI to the Partnership are reduced pursuant to Article 5.02(D), the fee payments to DeConcilis pursuant to Articles 7.11 through 7.14 shall be reduced by the same amount by first reducing the Development Fee pursuant to Article 7.11 and then the Initial Development Fee and interest pursuant to Article 7.12.

(B) If DeConcilis fails to advance funds to the Partnership pursuant to Articles 7.08 and 7.09, the Partnership shall apply the whole or part of any installment of fees payable under Articles 7.11 through 7.14 to such obligations.

(C) If the Capital Contributions of CHP-XCI to the Partnership are deferred or terminated pursuant to Article 5.02(F), the fee payments to DeConcilis pursuant to Articles 7.11 through 7.14 shall be deferred or terminated in the same amount.

7.17 Other Fees.

(A) The Partnership shall pay the Managing General Partner an Incentive Management Fee from Net Cash Flow pursuant to Article 6.04 for management of the Partnership and the Project.

(B) The Partnership shall pay DeConcilis a Disposition and Refinancing Fee from Capital Proceeds pursuant to Article 6.05(F) for his services in negotiating and concluding the sale or refinancing of Partnership assets.

7.18 Managing Agent. The Managing Agent shall manage the operation of the Project and shall be paid a reasonable management fee, not in excess of the maximum fee approved by HUD and RIHMFC, if required, for such services.

7.19 Removal of the Managing Agent. Any and all management agreements relating to the Project shall provide, or the Managing General Partner shall use his best efforts to amend such agreements to provide, the following:

(A) The Managing General Partner (or, if the Managing General Partner or his Affiliate is the Managing Agent, CRHC) may, at any time, dismiss the Managing Agent if the Managing Agent is declared bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Managing Agent or failure to exercise reasonable care in the discharge of its duties and obligations as Managing Agent, including, without limitation, for any action or failure to take any action which (i) violates in any material respect any provision of the Permanent Loan or any other RIHMFC

or HUD regulation applicable to the Project or the Management Agreement or (ii) violates in any material respect any provision of this Agreement or provision of applicable law; and

(B) If the Managing General Partner is removed for any reason under Article 10.04, CRHC is authorized to cause the removal of the Managing Agent for any of the reasons set forth in Article 7.19(A).

7.20 Replacement of the Managing Agent. Upon the removal of the Managing Agent pursuant to Article 7.19, a substitute Managing Agent shall be named (i) by the Managing General Partner, with the approval of CRHC, if the Managing General Partner or his Affiliate is not the Managing Agent removed under Article 7.19(A), or (ii) by CRHC.

7.21 Reports to CRHC. The Managing General Partner shall furnish or shall cause to be furnished to CRHC all such information as CRHC may request from time to time with respect to the financial and physical conditions of the Project. Such information shall include, without limitation (i) during the period of the Construction Loan, construction draws, change orders, certificate(s) of occupancy, and insurance policies and/or insurance certificates applicable to the Project, (ii) from commencement of rent-up and during the operations of the Project, occupancy status reports, a monthly income statement which compares actual and budgeted expenses for the month and for the "year-to-date," an itemized list of all rent delinquencies, a statement of receipts and disbursements, a schedule of accounts receivable and payable and reconciled bank statements, and (iii) copies of any and all financial reports that may be requested by any governmental agencies having jurisdiction. All documents to be executed by the Partnership at Final Closing shall be submitted to CRHC for review and comment at least 5 days prior to Final Closing.

7.22 Repurchase Option. DeConcilis shall have the option, exercisable upon 30 days Notice at any time after 21 years following admission of CHP-XCI and CRHC to the Partnership, to purchase the Interest of CHP-XCI and CRHC. If DeConcilis exercises such option, he shall be required to pay CHP-XCI and CRHC an amount equal to the greater of (a)(i) the Capital Contributions by CHP-XCI and CRHC and the fee paid to DeConcilis under the Repurchase Agreement attached hereto as Exhibit 2 and made a part hereof, less (ii) distributions pursuant to Articles 6.04 and 6.05 to CHP-XCI and CRHC, or (b) the aggregate Interests of CHP-XCI and CRHC multiplied by (i) 90% of the appraised value of the Project determined by an appraiser selected by DeConcilis with the Consent of CRHC, less (ii) the amount of Partnership debts and expenses, including the Permanent Loan, less (iii) the amount by which the Capital Contributions by CHP-XCI and fee paid

to DeConcilis under the Repurchase Agreement attached hereto as Exhibit 2 and made a part hereof exceeds distributions pursuant to Articles 6.04 and 6.05 to DeConcilis, and less (iv) the greater of Construction Completion Advances or \$160,000. Several illustrative examples of the application of this Article 7.22 are attached hereto as Exhibit 6 and made a part hereof.

ARTICLE VIII

ACCOUNTING AND REPORTS

8.01 Books and Records. The Managing General Partner shall maintain at the office of the Partnership full and accurate books of the Partnership showing all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Partnership's business and affairs. All Partners and their duly authorized representatives shall have the right to inspect and copy any or all of the Partnership's books and records, including books and records necessary to enable a Limited Partner to defend any tax audit or related proceeding, at any and all reasonable times, and shall have, on demand, true and full information of all matters affecting the Partnership upon paying the costs of collection, duplication and mailing, if applicable.

8.02 Annual Audit and Tax Returns. The accounts of the Partnership shall be maintained on the accrual basis and shall be audited by the Accountants as of the end of each Fiscal Year and at any other time that the Managing General Partner may deem it necessary or desirable. The Managing General Partner shall prepare or cause to be prepared, all tax returns required of the Partnership.

8.03 Accountants. The Accountants shall be selected by CRHC prior to Final Closing; and thereafter by the Managing General Partner with the approval of CRHC.

8.04 Partnership Funds. The Managing General Partner shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership whether or not in its direct or indirect possession or control. The Partnership shall maintain at least 2 bank accounts. One such account shall be maintained in Rhode Island for the purpose of paying the day-to-day expenses of the Partnership; withdrawals from such account shall require the signature of the Managing General Partner. The other such account shall be maintained at a location determined by CRHC for the deposit of Capital Contributions and other cash assets of the Partnership not required for its day-to-day operations; withdrawals from such account shall require the signature of CRHC. The funds of the Partnership shall not be commingled with the funds of any other Person nor shall they be employed in any manner except for the benefit of the Partnership.

8.05 Reports to Partners. On or before March 1 of every year, CRHC shall mail to all Persons who were Partners at any time during the Partnership's prior Fiscal Year, all tax information regarding the Partnership and its operations during the prior Fiscal Year which are reasonably necessary to the Partners for the preparation of their tax returns. On or before March 31 of every year CRHC shall mail to all Persons who were Partners at any time during the Partnership's prior Fiscal Year a report of the Accountants containing certified financial statements, and a report of the Managing General Partner with respect to the Partnership and its operations during the prior Fiscal Year.

ARTICLE IX

TRANSFER OF PARTNERSHIP INTERESTS

9.01 Assignment by General Partner. A General Partner may not assign its Interest as a General Partner, in whole or in part, except as permitted by Article X.

9.02 Assignment by Limited Partner. The Limited Partner(s) may assign its Interest in the Partnership, in whole or in part, by an executed and acknowledged written instrument only (i) if the assignee agrees in writing to be bound by this Agreement and (ii) with the Consent of the General Partners to such proposed assignment, which Consent they may grant or withhold in their sole discretion and which may be conditioned on, without limitation, an opinion of counsel that the assignment will not cause the termination of the Partnership for Federal income tax purposes.

9.03 Substitute Limited Partner.

(A) No assignee of the whole or any portion of an Interest in the Partnership pursuant to Article 9.02 shall have the right to become a Substitute Limited Partner in place of his assignor unless all of the following conditions are satisfied:

(1) The fully executed and acknowledged written instrument of assignment which has been filed with the Partnership sets forth a statement of the intention of the assignor that the assignee become a Substitute Limited Partner in his place;

(2) The assignee executes, adopts and acknowledges this Agreement and any other documents required by the General Partners;

(3) The assignee represents and warrants in writing to the matters set forth in Article 9.05;

(4) The General Partners shall have Consented to the assignment; and

(5) A Certificate evidencing the admission of such Person as a Limited Partner shall have been filed for recording.

(B) The General Partners may elect to treat an assignee who has not become a substitute limited partner as a Substitute Limited Partner in the place of his assignor should the General Partners deem, in their sole discretion, that such treatment is in the best interest of the Partnership.

(C) For the purposes of allocating profits and losses and distributing cash of the Partnership, a Substitute Limited Partner shall be treated as such upon his execution of this Agreement.

9.04 Assignees. If an assignee of a Limited Partner pursuant to Article 9.02 does not become a Substitute Limited Partner pursuant to Article 9.03, the Partnership shall not recognize the assignment, and the assignee shall not have any rights exercisable against the Partnership to receive any portion of the share of profits, losses and distributions of the Partnership to which the Limited Partner would have been entitled if no such assignment had been made by such Limited Partner. Any such profits, losses and distributions shall continue to be allocated as if there were no assignment; provided, however, that the Partnership may, in the sole discretion of the General Partners, allocate and distribute the assignor Limited Partner's share of profits, losses and distributions directly to such assignee in full satisfaction of the assignor Limited Partner's rights to such allocations and distributions. Further, an assignee who does not become a Substitute Limited Partner has no right to require any information on account of the Partnership's business or to inspect the Partnership's books.

9.05 Purchase for Investment. CHP-XCI hereby represents and warrants to the General Partners and to the Partnership that its acquisition of its Interest is made as principal for its account for investment purposes only and not with view to the resale or distribution of such Interest, except insofar as the Securities Act of 1933, as amended, and any applicable securities law of any state or other jurisdiction permit such acquisition to be made for such purposes without registration. CHP-XCI agrees that it will not sell, assign or otherwise transfer its Interest or any fraction thereof to any Person who does not similarly represent and warrant and similarly agree not to sell, assign or transfer such Interest or fraction thereof.

ARTICLE X

CHANGES IN GENERAL PARTNERS

10.01 Voluntary Withdrawal of a General Partner.

(A) DeConcilis may voluntarily withdraw from the Partnership or sell, transfer or assign his Interest as General Partner, subject to the provisions of Article 10.01(C), only with the prior Consent of CRHC. CRHC may voluntarily withdraw from the Partnership or sell, transfer or assign its Interest as General Partner at any time.

(B) If a General Partner voluntarily withdraws from the Partnership or sells, transfers or assigns his Interest pursuant to Article 10.01(A), it shall remain liable for all obligations and liabilities incurred by it as General Partner before the effective date of such event, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the effective date of such event, unless this Agreement expressly provides otherwise.

(C) A General Partner may voluntarily withdraw from the Partnership pursuant to Article 10.01(A) only upon meeting the following further requirements:

(1) The Accountants shall have delivered to the Partnership their opinion that any substitute General Partner(s) has (have) sufficient net worth and meet(s) all other published requirements of the IRS necessary to assure that the Partnership will continue to be classified as a Partnership for Federal income tax purposes;

(2) Counsel for the Partnership shall have rendered an opinion that the withdrawal of the General Partner is in conformity with the Act and that none of the actions taken in connection with such withdrawal will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a Partnership for Federal income tax purposes;

(3) Any substitute General Partner has the necessary experience to act as General Partner; and

(4) HUD and RIHMFC shall have approved the withdrawal of the General Partner, if required.

10.02 Death, Etc. of a General Partner.

(A) In the event of the involuntary withdrawal of a General Partner due to his Bankruptcy, death, dissolution or adjudication of incompetence, such General Partner shall

immediately cease to be a General Partner and the business of the Partnership shall be continued with Partnership property by the other General Partners (and the other General Partners, by execution of this Agreement, expressly so agree to continue the business of the Partnership); provided, however, that if such General Partner is then the sole General Partner, the Partnership shall be dissolved unless a successor General Partner is appointed pursuant to Article 10.04.

(B) If, at the time of the involuntary withdrawal of a General Partner due to his Bankruptcy, death, dissolution or adjudication of incompetence, such General Partner was not the sole General Partner, the remaining General Partner(s) shall immediately (i) give Notice to the Limited Partners of such Bankruptcy, death, dissolution or adjudication of incompetence, and (ii) make such amendments of this Agreement and execute and file for recordation such amendments or documents or other instruments as are necessary to reflect the termination of such General Partner.

10.03 Removal of DeConcilis.

(A) CHP-XCI shall have the right to remove DeConcilis as General Partner for any of the following reasons:

(1) Any actual fraud, willful misconduct, gross negligence or the breach of fiduciary duty in the performance of his duties and obligations as General Partner;

(2) He shall have failed in any material respect to meet his obligations, representations, warrants and covenants under this Agreement or violated in any other material respect any other provision of this Agreement or any provisions of the Act.

(3) He shall have violated in any material respect any provision of any document or agreement with HUD, GNMA, RIHMFC, or the Mortgagee or applicable to the Project, or any HUD or RIHMFC regulation which has a substantial adverse effect on the Partnership; or

(4) He shall have taken any action or caused any change with respect to the operation of the Partnership as would (i) cause the termination of the Partnership for Federal income tax purposes, (ii) cause the Partnership to be treated for Federal income tax purposes as an association taxable as a corporation, or (iii) violate any Federal or state securities laws.

(B) Upon receipt of Notice from CHP-XCI seeking the removal of DeConcilis pursuant to paragraph (A) above,

and specifying the cause for such removal, DeConcilis shall have the right within 30 calendar days of the day of receipt of such Notice to cure the alleged default. Should such cure not be so made, DeConcilis shall cease to have the rights previously conferred as General Partner as to the operation of the Partnership business, and the powers and authorities conferred on him as General Partner under this Agreement shall terminate. The election to remove DeConcilis under this Article 10.04 shall not limit or restrict the availability and use of any other remedy which the Limited Partners or any other Partner might have with respect to such General Partner in connection with his undertakings and responsibilities under this Agreement.

10.04 Interest of a Deceased, Removed, etc. General Partner.

(A) Upon the involuntary withdrawal of DeConcilis due to his Bankruptcy, death, dissolution or adjudication of incompetence pursuant to Article 10.02, or removal of DeConcilis pursuant to Article 10.03, he or his successor or legal representative shall have 60 days to appoint a successor General Partner which meets the requirements set forth in Article 10.05. Such successor General Partner shall receive from DeConcilis (i) a 1% Interest, (ii) all of his rights to the Incentive Management Fee pursuant to Article 6.04, and (iii) such portion of his rights to Net Cash Flow pursuant to Article 6.04 and Capital Proceeds pursuant to Article 6.05 as he or his successor or legal representative shall determine.

(B) If a successor General Partner is not appointed in accordance with Article 10.04(A), the other General Partner, or if there is none at the time in question then CHP-XCI, shall within 60 days appoint a successor General Partner which meets the requirements set forth in Article 10.05. Such successor General Partner shall receive from DeConcilis (i) a 1% Interest, (ii) all of his right to the Incentive Management Fee pursuant to Article 6.04, (iii) his rights to Net Cash Flow pursuant to Article 6.04 after December 31, 1982, and (iv) a 10% right to receive his Capital Proceeds pursuant to Article 6.05.

(C) Any Interest of DeConcilis which is not transferred to a successor General Partner pursuant to Articles 10.04(A) or (B) shall be retained by such him, or his successor or legal representative as the Interest of a Substitute Limited Partner. Notwithstanding the foregoing, DeConcilis shall be paid the fees pursuant to Article 7.15 and shall be repaid any unpaid Construction Completion Advances and Operating Deficit Advances in the manner set forth in this Agreement.

10.05 Successor or Additional General Partner. A Person shall be admitted as a General Partner only if the following terms and conditions are satisfied:

(A) The admission of such Person shall have been Consented to by the General Partners and CHP-XCI, which Consent shall not be unreasonably withheld, and, if required, by RIHMFC and HUD;

(B) The Person shall have accepted and agreed to be bound by all the terms and provisions of this Agreement, by executing a counterpart thereof and such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner;

(C) This Agreement evidencing the admission of such Person as a General Partner shall have been filed for recordation;

(D) If the Person is a corporation, it shall have provided the Partnership with evidence satisfactory to counsel for the Partnership of its authority to become a General Partner and to be bound by this Agreement;

(E) Such Person, either alone or in conjunction with its agents, has the necessary experience to act as General Partner; and

(F) Counsel for the Partnership shall have rendered an opinion that the admission of the Person is in conformity with the Act and that none of the actions taken in connection with the admission of the Person will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a partnership for Federal income tax purposes.

ARTICLE XI

DISSOLUTION AND LIQUIDATION

11.01 Term and Dissolution. The Partnership commenced on September 28, 1979 and shall continue until December 31, 2025 unless its term is extended by the Consent of all Partners, or until dissolution occurs prior to that date for any one of the following reasons:

(A) An election to dissolve the Partnership is made in writing by CHP-XCI;

(B) The sale, exchange or other disposition of the Project or all or substantially all of the other property of the Partnership;

(C) Subject to the provisions of Article 10.05, the retirement, withdrawal, Bankruptcy, dissolution, death, disability or legal incapacity of a General Partner who is the sole General Partner; or

(D) Any other event causing dissolution of the Partnership under the Act.

11.02 Liquidation of Partnership Assets.

(A) In the event of dissolution and final termination of the Partnership, a full accounting of the assets and liabilities shall be taken, the assets shall be liquidated, and the Capital Proceeds thereof shall be applied in the manner set forth in Article 6.05.

(B) The Liquidator shall file all certificates and notices of the dissolution of the Partnership required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Partnership's assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Partnership property would cause undue loss to the Partners, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Partnership to Persons other than the Partners. Upon the complete liquidation and distribution of the Partnership assets, the Partners shall cease to be Partners of the Partnership, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Partnership.

(C) Upon the dissolution of the Partnership pursuant to Article 11.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership. Promptly following the complete liquidation and distribution of the Partnership's assets, the Accountants shall prepare, and the Liquidator shall furnish to each Partner, a statement showing the manner in which the Partnership's assets were liquidated and distributed.

ARTICLE XII

AMENDMENTS

12.01 Proposal and Adoption.

(A) Subject to the provisions of Article 12.03, amendments to the Agreement may be proposed and adopted only in accordance with this Article 12.01.

(B) Amendments to this Agreement may be proposed as follows:

(1) By a General Partner, which shall give Notice to the Limited Partner(s) containing (i) the text of such amendment, (ii) a statement of the purpose of such amendment, and (iii) an opinion of counsel obtained by such General Partner to the effect that such amendment is permitted by the Act, will not impair the limited liability of the Limited Partners and will not adversely affect the classification of the Partnership as a partnership for Federal income tax purposes; or

(2) By CHP-XCI, which shall submit to the General Partners (i) the text of such proposed amendment, (ii) a statement of the purpose of such amendment, and (iii) an opinion of counsel obtained by such Limited Partner, which counsel shall not have been disapproved by the General Partners, to the effect that such amendment is permitted by the Act, will not impair the limited liability to the Limited Partner(s), and will not adversely affect the classification of the Partnership as a partnership for Federal income tax purposes.

(C) The General Partners shall, within 20 days after receipt of any proposal under Article 12.01(B), give Notice to all Partners of such proposed amendment, such statement of purpose and such opinion of counsel, together with the view, if any, of the General Partners with respect to such proposed amendment.

(D) Amendments to this Agreement shall be adopted if, subject to the provisions of Articles 12.03 and 13.02, such amendment shall have been Consented to by the General Partners and 51% in Interest of the Limited Partner(s) and any Partner whose approval is required by Article 12.02.

(E) The General Partners shall within a reasonable time after the adoption of any amendment to this Agreement make any official filings or publications required or desirable to reflect such amendment, including a Certificate.

12.02 Limitations on Amendments. Notwithstanding the provisions of Article 12.01, no amendment to this Agreement may:

(A) Add to, detract from or otherwise modify the purposes of the Partnership without the consent of all the Partners;

(B) Enlarge the obligations of any Partner under this Agreement or convert the Interest of any Limited Partner into the Interest of a General Partner or modify the

limited liability of any Limited Partner without the Consent of such Partner;

(C) Modify the order provided in Article VI for allocations of profits and losses and distributions of Net Cash Flow and Capital Proceeds without the Consent of each Partner adversely affected by such modification; or

(D) Amend this Article XII without the Consent of all Partners.

12.03 Admission or Withdrawal of Partners. This Agreement shall be amended by the General Partners to affect the provisions of Articles 9.03 and 10.01 through 10.04 notwithstanding Article 12.01, as follows:

(A) If this Agreement shall be amended as a result of adding or substituting a Limited Partner, the amendment to this Agreement shall be signed by the General Partners and by the Person to be substituted or added and, if a Limited Partner is to be substituted, by the assigning Limited Partner or its attorney-in-fact;

(B) If this Agreement shall be amended to reflect the withdrawal of a General Partner and the business of the Partnership is continued, such amendment shall be signed by the remaining or successor General Partner(s).

ARTICLE XIII

CONSENTS, VOTING AND MEETINGS

13.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the Consenting Partner and received by the General Partners at or prior to the doing of the act or thing for which the Consent is solicited.

13.02 Limitations on Requirements for Consents. Notwithstanding the provisions of Article 12.01(D), unless counsel for the Partnership shall have delivered an opinion required by Article 12.01(B)(2), an amendment to this Agreement shall be adopted pursuant to Article 12.01(D) only with the Consent of each General Partner, CHP-XCI and any Partner whose approval may be required by Article 12.02.

13.03 Submissions to Limited Partners. The General Partners shall give the Limited Partner(s) Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of the

Limited Partners. Such Notice shall include any information required by the relevant provision or by law.

ARTICLE XIV

RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

14.01 Management of the Partnership. The Limited Partner(s) shall not take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, the Limited Partner(s) shall have no power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. The Limited Partner(s) shall have no power or authority with respect to the Partnership except insofar as the Consent of the Limited Partner(s) shall be expressly required and except as otherwise expressly provided in this Agreement.

14.02 Limitation on Liability. The liability of each Limited Partner shall be limited to his Capital Contribution as and when it is payable under the provisions of this Agreement. No Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations, of the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership. No Limited Partner shall be obligated to make loans to the Partnership.

ARTICLE XV

MISCELLANEOUS

15.01 Other Activities. Except as provided in Article 7.05, any of the Partners or their Affiliates may engage in, or possess an interest in, other business ventures of every nature and description, independently or with others, including, without limitation, real estate business ventures, whether or not such other enterprises shall be in competition with any activities of the Partnership; and neither the Partnership nor the other Partners shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived therefrom.

15.02 Validity. If any provision of this Agreement, or application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Agreement shall not be affected thereby.

15.03 Applicable Law. This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of Rhode Island.

15.04 Binding Agreement. This Agreement shall be binding upon the parties hereto, their heirs, executors, personal representatives, successors and assigns.

15.05 Waiver of Action for Partition. Each of the parties hereto irrevocably waives during the term of the Partnership any right that it may have to maintain any action for partition with respect to any property of the Partnership.

15.06 Headings. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

15.07 Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa.

15.08 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

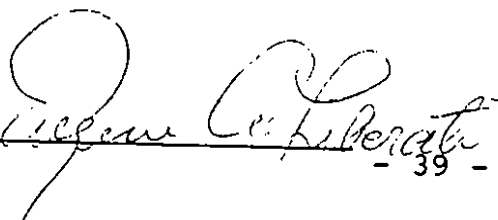
15.09 Survival of Representations. All representations and warranties herein shall survive the dissolution and final liquidation of the Partnership, except to the extent that a representation or warranty expressly provides otherwise.

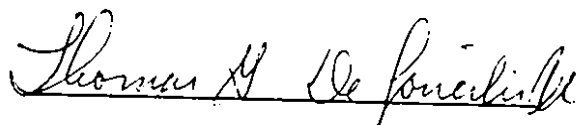
15.10 Entire Agreement. This Agreement contains the entire understanding between the Partners and supersedes all prior written or oral agreements between them respecting the within subject matter, unless otherwise provided herein. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Partners hereto relating to the subject matter of this Partnership Agreement which are not fully expressed herein. Notwithstanding the foregoing, this Agreement does not supersede paragraphs IV(A), IV(B), IV(D), IV(E), V(B) and V(E) of a certain letter agreement, dated January 9, 1980, between CRI and DeConcilis except where inconsistent herewith.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

THOMAS G. DECONCILIS, JR.,
As General Partner and
Initial Limited Partner

Witness:


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C.R.H.C., INCORPORATED, As
General Partner

Attest: William P. Proctor

By: [Signature]

CAPITAL HOUSING PARTNERS-
XCI, As Limited Partner

Witness: Mary W. Menzies

By: [Signature]

O. AHLBORG & SONS, INC.,
As Initial Limited Partner

Attest: Eugene C. Liberato

By: Richard W. Ahlberg, Pres.

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence, in said County, on the 7th day of
MARCH, 1980, before me personally appeared Thomas G.
DeConcilis, Jr., who swore that the statements contained herein
are true to the best of his knowledge and belief and he acknowl-
edged said instrument by him executed as General Partner to be
his free act and deed.

Eugene C. Liberato
Notary Public

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence, in said County, on the 4th day of MARCH, 1980, before me personally appeared Richard W. Ahlborg, President of O. Ahlborg & Sons, Inc., who, being first duly sworn, on oath did say that the statements contained herein are true to the best of his knowledge and belief that he acknowledged said instrument executed in his said capacity as President of O. Ahlborg & Sons, Inc. the Initial Limited Partner herein to be his free act and deed and the free act and deed of said corporation as such Initial Limited Partner.


Notary Public

STATE OF MARYLAND

COUNTY OF MONTGOMERY

In Rockville, in said County, on the 14th day of March, 1980, before me personally appeared Martin C. Schwartzberg, President of C.H.R.C. Incorporated, who, being first duly sworn, on oath did say that the statements contained herein are true to the best of his knowledge and belief that he acknowledged said instrument executed in his said capacity as President of C.R.H.C. Incorporated, the General Partner herein to be his free act and deed and the free act and deed of said corporation as such General Partner.

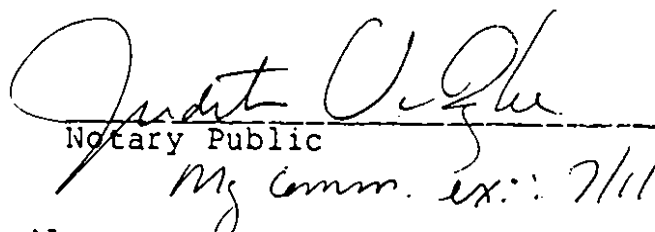

Notary Public

My Comm. ex.: 7/1/82

STATE OF MARYLAND

COUNTY OF MONTGOMERY

In Rockville, in said County, on the 14th day of March, 1980, before me personally appeared Martin C. Schwartzberg, President of C.R.I., Inc., who, being first duly sworn, on oath did say that the statements contained herein are true to the best of his knowledge and belief that he acknowledged said instrument executed in his said capacity as President of C.R.I., Inc. the Managing General Partner of Capital Housing Partners - XCI, the Limited Partner herein to be his free act and deed and the free act and deed of said Limited Partnership as such Initial Limited Partner.


Notary Public

My Comm. ex.: 7/1/82

PROJECT DESCRIPTION

METES AND BOUNDS DESCRIPTION
LOT NOS. 517, 522, 523, 532, 533 & 543
ASSESSOR'S PLAT 63
PROVIDENCE, RHODE ISLAND

Beginning at a granite bound set in the southwesterly line of Curtis Street, on the range of the northwesterly line of Anderson Street and two hundred sixty-four and 2/100 (264.20') feet northwesterly from the northwesterly line of Bosworth Street;

thence southeasterly, in the southwesterly line of Curtis Street, a distance of one hundred fifteen and 00/100 (115.00') feet to a point;

thence turning an interior angle of $90^{\circ}-00'-00''$ and running southwesterly, bounding southeasterly by land now or formerly of Laura Beland, a distance of ninety and 00/100 (90.00') feet to a point;

thence turning an interior angle of $270^{\circ}-00'-00''$ and running southeasterly, bounding northeasterly by land of said Beland, a distance of thirty-seven and 50/100 (37.50') feet to a point;

thence turning an interior angle of $90^{\circ}-00'-00''$ and running southwesterly, bounding southeasterly by land now or formerly of Alan G. Brosofsky, a distance of fifty-three and 17/100 (53.17') feet to a point;

thence turning an interior angle of $270^{\circ}-00'-00''$ and running southeasterly, bounding northeasterly by land of said Brosofsky, a distance of one hundred eleven and 05/100 (111.05') feet to a point in the northwesterly line of Bosworth Street;

thence turning an interior angle of $89^{\circ}-44'-30''$ and running southwesterly, in the northwesterly line of Bosworth Street, a distance of one hundred six and 33/100 (106.33') feet to the point of intersection with the northeasterly line of Aleppo Street;

thence turning an interior angle of $90^{\circ}-15'-30''$ and running northwesterly, in the northeasterly line of Aleppo Street, a distance

of four hundred eight and 08/100 (408.08') feet to a granite bound set;

thence turning an interior angle of $90^{\circ}-00'-00''$ and running northeasterly, bounding northwesterly by land now or formerly of Providence Lodge No. 3, Fraternal Order of Police, a distance of one hundred twenty-nine and 50/100 (129.50') feet to a granite bound set;

thence turning an interior angle of $90^{\circ}-00'-00''$ and running southeasterly, bounding northeasterly by land now or formerly of Providence Health Centers, Inc., a distance of one hundred forty-five and 00/100 (145.00') feet to a granite bound set;

thence turning an interior angle of $270^{\circ}-00'-00''$ and running northeasterly, bounding northwesterly by land of said Providence Health Centers, Inc., a distance of one hundred twenty and 00/100 (120.00') feet to the point and place of beginning, the last line forming an interior angle of $90^{\circ}-00'-00''$ with the line first described and containing 65,234 square feet, which is 1.497 acres.

The above described property is subject to an easement granted to Providence Health Centers, Incorporated and recorded in the Land Evidence Records of the City Clerk of the City of Providence in Book 1169 on page 742 as follows: "a perpetual right, privilege and easement of Providence Tax Assessor's Plat 63, Lot 524 (December 31, 1971), adjoining and parallel to the boundary of Lot 525, of sufficient width for the installation and maintenance of an underground sewer line from the area of Lot numbers 512, 513, 514 and 515 and portions of Lot Nos. 516, 523 and 524 to the sewerline on Aleppo Street, so-called".

REPURCHASE AGREEMENT

THIS AGREEMENT is made as of the 1st day of February, 1980, between THOMAS G. DECONCILIS, JR., an individual residing in the State of Rhode Island ("DeConcilis") and CAPITAL HOUSING PARTNERS-XCI, a District of Columbia limited partnership ("CHP-XCI").

WHEREAS, CHP-XCI has been admitted as a limited partner to CURTIS ARMS ASSOCIATES (the "Partnership"), a Rhode Island limited partnership formed for the purpose of developing, constructing, owning, maintaining, and operating a multi-family housing project (the "Project") intended for rental to elderly and handicapped persons of low- and moderate-income, located in Providence, Providence County, Rhode Island;

WHEREAS, CHP-XCI has been admitted to the Partnership pursuant to an Agreement and First Amended Certificate of Limited Partnership (the "Partnership Agreement"); and

WHEREAS, the parties hereto desire to provide for the acquisition of the Interest of CHP-XCI in the Partnership by DeConcilis and the withdrawal of CHP-XCI from the Partnership under certain circumstances;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged the parties hereto, intending to be legally bound hereby, agree as follows:

1. Repurchase Obligation. If Final Endorsement or execution of the HAP Contract has not occurred by October 1, 1981, or if foreclosure proceedings shall have commenced against the Project prior to Final Endorsement, then, upon the election of CHP-XCI, DeConcilis shall acquire the entire Interest of CHP-XCI in the Partnership by making payment to it, in cash, of an amount equal to (i) the aggregate paid-in portion of its Capital Contributions to the Partnership, plus (ii) the amount of the Repurchase Fee paid pursuant to Section 2 below, plus (iii) the amount required to pay any federal income taxes, including, without limitation, any capital gain tax and any ordinary income tax resulting from any recapture or excess depreciation, resulting from such repurchase, as such sum is computed by certified public accountants for CHP-XCI based upon the assumption that CHP-XCI would pay federal income taxes for each year it was a partner of the Partnership at the rate of 50% of taxable income for each such year, less (iv) the amount equal to 50% of any losses previously allocated to CHP-XCI on the federal income tax returns of the Partnership. The election of CHP-XCI to have

its Partnership Interest repurchased shall be made upon the earlier of (i) November 1, 1981, or (ii) 90 days after it has received notice of the termination of the HAP Contract or of the commencement of foreclosure proceedings against the Project. Concurrently with such payment and as a condition precedent to such payment, CHP-XCI shall withdraw from the Partnership and shall have no further rights or obligations under the Partnership Agreement.

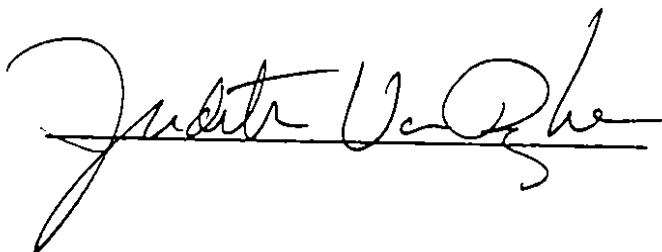
2. Repurchase Fee. Subject to the terms and conditions of the Partnership Agreement, CHP-XCI shall pay DeConcilis the aggregate amount of \$68,000 for undertaking the obligations pursuant to Section 1 above. Such Repurchase Fee shall be payable at the time of the Capital Contribution by CHP-XCI to the Partnership pursuant to Article 5.02(C)(2) of the Partnership Agreement.

3. Defined Terms. Except as provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

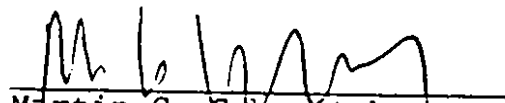
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

WITNESS:

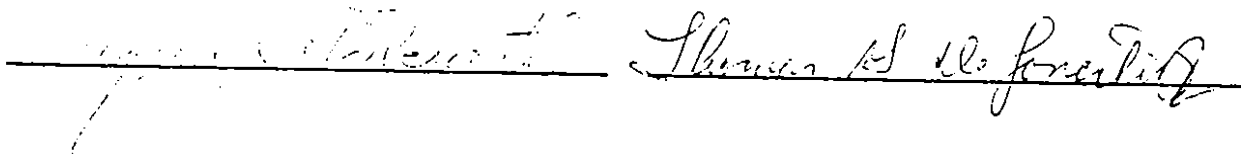
CAPITAL HOUSING PARTNERS-XCI
By: C.R.I., Inc., its Managing
General Partner



By:


Martin C. Schwartzberg,
President

THOMAS G. DECONCILIS, JR.



DEVELOPMENT SERVICES AGREEMENT

THIS AGREEMENT is made as of the 28th day of September, 1979, between CURTIS ARMS ASSOCIATES, a Rhode Island limited partnership (the "Partnership") and THOMAS G. DECONCILS, JR., an individual residing in the State of Rhode Island ("DeConcilis").

WHEREAS, the Partnership has been formed for the purpose of owning, developing, constructing, maintaining, and operating a multi-family housing project intended for rental to elderly and handicapped persons of low- and moderate-income, located in Providence, Providence County, Rhode Island (the "Project");

WHEREAS, CAPITAL HOUSING PARTNERS-XCI ("CHP-XCI"), a District of Columbia limited partnership, is the limited partner of the Partnership pursuant to a certain Agreement and First Amended Certificate of Limited Partnership (the "Partnership Agreement"); and

WHEREAS, the Partnership desires that DeConcilis provide certain services with respect to overseeing the development of the Project for the Partnership until all development and construction work is completed;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Appointment. The Partnership hereby appoints DeConcilis to render services in overseeing the development of the Project for the Partnership as herein contemplated.

2. Authority. Subject to the provisions of the Partnership Agreement, Deconcilis shall have the authority and the obligation to --

(a) oversee, monitor and direct the General Contractor with respect to the construction of the Project in accord with the terms and conditions of the Construction Contract;

(b) act on behalf of the Partnership in its relations with the Mortgagee and RIHMFC with respect to all matters relating to the mortgage financing and construction of the Project; and

(c) act on behalf of the Partnership with respect to zoning, building code, occupancy permits, and all other local government matters concerning the Project.

3. Development Fee. For services performed and to be performed under this Development Services Agreement and subject to the terms and conditions of the Partnership Agreement, the Partnership shall pay DeConcilis a \$140,000 Development Fee, \$270,000 Initial Development Fee, and \$125,000 of interest on the Initial Development Fee at the times set forth in Article 7.15 of the Partnership Agreement.

4. Defined Terms. Except as provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

WITNESS:

CURTIS ARMS ASSOCIATES

[Signature]

By: Thomas G. DeConcilis, Jr.

THOMAS G. DECONCILIS, JR.

[Signature]

Thomas G. DeConcilis, Jr.

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made as of the 1st day of February, 1980, between CURTIS ARMS ASSOCIATES, a Rhode Island limited partnership (the "Partnership") and THOMAS G. DECONCILIS, JR., an individual residing in the State of Rhode Island ("DeConcilis").

WHEREAS, the Partnership has been formed for the purpose of owning, developing, constructing, maintaining, and operating a multi-family housing project (the "Project") intended for rental to elderly and handicapped and persons of low- and moderate-income, located in Providence, Providence County, Rhode Island (the "Project");

WHEREAS, CAPITAL HOUSING PARTNERS-XCI ("CHP-XCI"), a District of Columbia limited partnership, is a limited partner of the Partnership pursuant to an Agreement and First Amended Certificate of Limited Partnership (the "Partnership Agreement"); and

WHEREAS, the Partnership desires that DeConcilis provide certain management services with respect to the business and operation of the Project;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Appointment. The Partnership hereby appoints DeConcilis to render services in managing the Partnership pursuant to the Partnership Agreement.

2. Authority. Subject to the provisions of the Partnership Agreement, Deconcilis shall have the authority and the obligation to --

(a) administer, manage and direct the business of the Partnership; evaluate and make recommendations as to any proposed sale, refinancing or other disposition of the Project; assist in effecting any such sale, refinancing or other disposition; and take such further action as they may deem necessary or desirable to further the interest of the Partnership;

(b) monitor the day-to-day operations of the Project and make recommendations with respect thereto;

(c) investigate and make recommendations with respect to the selection and conduct of relations with consultants

and technical advisors (including, without limitation, accountants, architects, engineers and other similar advisors, attorneys, real estate and mortgage loan brokers and dealers, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents, banks, builders and developers) and persons acting in any other capacity, in connection with the Partnership or the Project;

(d) maintain the books and records of the Partnership in accordance with sound federal income tax accounting principles, including information relating to the sale by the General Partners or any affiliate of goods or services to the Partnership;

(e) be responsible for the safekeeping and use of all funds and assets of the Partnership, including the maintenance of bank accounts;

(f) furnish the Limited Partners of the Partnership, prior to March 1 of every year, with reports of the accounts of the Partnership, including all tax information regarding the Partnership and its operation during the prior fiscal year, which are reasonably necessary for the preparation of the tax returns of the Partners; and

(g) furnish the Limited Partners of the Partnership, prior to May 1 of every year, with a report of the Partnership's accountants containing certified financial statements.

3. Management Fee. For services performed and to be performed under this Management Services Agreement and subject to the terms and conditions of the Partnership Agreement, the Partnership shall pay DeConcilis a \$115,200 Management Fee at the times set forth in Article 7.15 of the Partnership Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

CURTIS ARMS ASSOCIATES

WITNESS:

[Signature]

By:

Thomas G. DeConcilis, Jr. *Gen. Part*

THOMAS G. DECONCILIS, JR.

[Signature]

Thomas G. DeConcilis, Jr.

INITIAL RENTAL PERIOD SERVICES AGREEMENT

THIS AGREEMENT is made as of the 1st day of February, 1980, between CURTIS ARMS ASSOCIATES, a Rhode Island limited partnership (the "Partnership") and THOMAS G. DECONCILIS, JR., an individual residing in the State of Rhode Island ("DeConcilis").

WHEREAS, the Partnership has been formed for the purpose of owning, developing, constructing, maintaining, and operating a multi-family housing project intended for rental to elderly and handicapped persons of low- and moderate-income located in Providence, Providence County, Rhode Island (the "Project");

WHEREAS, CAPITAL HOUSING PARTNERS-XCI ("CHP-XCI"), a District of Columbia limited partnership, is the limited partner of the Partnership pursuant to an Agreement and First Amended Certificate of Limited Partnership (the "Partnership Agreement"); and

WHEREAS, the Partnership desires to obtain the services of DeConcilis to render management consulting services to the Partnership;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Services. DeConcilis hereby agrees to develop, institute and review programs, policies and procedures with respect to (i) advertising, (ii) rental, (iii) the establishment of plans and programs which seek to achieve a desirable socio-economic mix through recruitment, screening, and selection of prospective tenants, (iv) the establishment of systems for processing applications, credit checks, move-in schedules, and other procedures as may be required to effectuate the orderly occupancy of the Project, (v) the establishment of criteria for the selection of the on-site management staff, (vi) training of on-site management staff, (vii) formulation of programs for owner, tenant, public and government relations, and (viii) investigating and making recommendations with respect to the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants, architects, engineers and other similar advisors, attorneys, real estate and mortgage loan brokers and dealers, depositaries, custodians, agents for collection, insurers, insurance agents, banks, builders and developers).

2. Rent-Up Fee. In consideration of the obligation of DeConcilis to perform the aforesaid services and subject to the terms and conditions of the Partnership Agreement, the Partnership agrees to pay DeConcilis a \$31,800 Rent-Up Fee at the time set forth in Article 7.15 of the Partnership Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

WITNESS:

CURTIS ARMS ASSOCIATES

Thomas G. DeConcilis, Jr.

By:

Thomas G. DeConcilis, Jr.

THOMAS G. DECONCILIS, JR.

Thomas G. DeConcilis, Jr.

Thomas G. DeConcilis, Jr.

REPURCHASE OPTION EXAMPLES

<u>Assumptions</u>	<u>Ex. 1</u>	<u>Ex. 2</u>	<u>Ex. 3</u>	<u>Ex. 4</u>
(1) CHP-XCI and CRHC Capital Contributions and Repurchase Fee:	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
(2) Net Cash Flow and Capital Proceeds to CHP-XCI and CRHC:	\$ 0	\$ 200,000	\$ 0	\$ 200,000
(3) 90% of Project appraised value:	\$4,000,000	\$4,000,000	\$5,000,000	\$5,000,000
(4) Partnership debts, including mortgage loan:	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
(5) Net Cash Flow and Capital Proceeds to DeConcilis:	\$ 0	\$ 200,000	\$ 0	\$ 200,000
(6) Construction Completion Advances:	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000

Example #1(a) Greater of --

(i)	\$750,000	
(ii)	- 0	
	<u>\$750,000</u>	\$750,000

(b) or --

(i)	\$4,000,000	
(ii)	-2,500,000	
(iii)	- 750,000	
(iv)	- 160,000	
	<u>\$ 590,000</u>	\$ 590,000 x 45% = \$265,500

Repurchase Price = \$750,000

Example #2

(a) Greater of --

(i)	\$750,000	
(ii)	<u>-200,000</u>	
	\$550,000 \$550,000

(b) or --

(i)	\$4,000,000	
(ii)	<u>-2,500,000</u>	
(iii)	- 550,000	
(iv)	<u>- 100,000</u>	
	\$ 790,000	x 45% \$355,500

Repurchase Price = \$550,000

Example #3

(a) Greater of --

(i)	\$750,000	
(ii)	<u>- 0</u>	
	\$750,000 \$750,000

(b) or --

(i)	\$5,000,000	
(ii)	<u>-2,500,000</u>	
(iii)	- 750,000	
(iv)	<u>- 160,000</u>	
	\$1,590,000	x 45% \$715,500

Repurchase Price = \$750,000

Example #4

(a) Greater of --

(i)	\$750,000	
(ii)	<u>-200,000</u>	
	\$550,000 \$550,000

(b) or --

(i)	\$5,000,000	
(ii)	-2,500,000	
(iii)	- 550,000	
(iv)	- 160,000	
	<u>\$1,790,000</u>	x 45% \$805,000

Repurchase Price = \$805,000

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