

DEERFIELD COMMON ASSOCIATES, L.P.

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

THIS AGREEMENT OF LIMITED PARTNERSHIP made as of the 15<sup>th</sup> day of November, 1989, by and between ANTONIO F. PACHECO, JR., 11 Lincoln Drive, North Smithfield, Rhode Island ("AFP") and DONNA E. PACHECO, 11 Lincoln Drive, North Smithfield, Rhode Island ("DEP").

WITNESSETH:

1. Formation. The parties hereto do hereby agree to establish a limited partnership known as Deerfield Common Associates, L.P. pursuant to the provisions of Chapter 13 of Title 7 ("Act") of the General Laws of Rhode Island, as amended.
2. Name and Office. The business of the partnership shall be conducted under the name DEERFIELD COMMON ASSOCIATES, L.P. (the "Partnership"). The principal office of the Partnership required by the Act shall be at 11 Lincoln Drive, North Smithfield, Rhode Island, but the General Partner may at any time change the location of such principal office within the State of Rhode Island by giving due notice of such change to the Limited Partners and to the office of the Secretary of State of Rhode Island. The agent for service of process at that office shall be Antonio F. Pacheco.
3. Term. The Partnership shall commence on the date of the filing for record of the Certificate of Limited Partnership in the office of the Secretary of State of the State of Rhode Island, and shall continue until December 31, 2044 unless sooner terminated as hereinafter provided.

4. Purpose. The purpose of the Partnership shall be (i) to acquire various parcels of real estate with or without improvements located in Rhode Island; (ii) to construct, to own and to operate thereon a residential apartment complex (the "Project"), financed by a nonrecourse mortgage ("Mortgage") to be obtained from a financing institution authorized to do business in Rhode Island for construction purposes and from the United States Farmers Home Administration ("FmHA") for permanent financing purposes (either or both "Mortgagee"); (iii) to own, operate and manage the Project; (iv) to borrow such funds (the Mortgage and/or other funds [subject to FmHA regulations]), as are necessary and required to complete construction of the Project; and (v) to admit additional limited partners should the Partners deem such action desirable.

5. (a) Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is authorized to:

5.1 purchase certain parcels of real estate with or without improvements located in Rhode Island;

5.2 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;

5.3 construct, renovate, relocate, rehabilitate, operate, maintain, finance, improve, and 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;

5.4 borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and to secure the same by mortgage, pledge or other lien on the Project or any other assets of the Partnership, provided that such borrowing complies with the regulations promulgated by Mortgagee;

5.5 prepay in whole or in part, refinance, recast, increase, modify or extend any mortgage affecting the Project, provided, Mortgagee delivers written approval;

5.6 enter into, perform and carry out contracts of any kind in connection with, or incident to the accomplishment of the purposes of the Partnership, specifically including, but not limited to, the execution and delivery of a Regulatory Agreement, Mortgage Note, Mortgage Deed, and all other agreements, certificates, instruments or documents required by Mortgagee in connection with the purchase, maintenance and operation of the Project or otherwise required by such institutions in connection with the Project;

5.7 enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State of Rhode Island, so long as said acts or contracts are not prohibited by FmHA.

(b) Approvals For Authorized Acts. All actions within the purposes of the Partnership shall be approved in the following manner, and all documents and/or agreements in furtherance thereof shall be executed in the following manner: by the General Partner. The Limited Partner shall not participate in any votes except in a manner as expressly granted to it under the Act or this Agreement.

6. Capital Contributions of the General Partner and Limited Partner. (a) The capital contribution of the General Partner and the Limited Partner to the Partnership capital and their respective participation in partnership profits and losses are as follows:

	<u>Partner's Name</u>	<u>Contribution</u>	<u>Percentage Interest</u>
AFP	(General Partner)	\$ 5.00	5%
DEP	(Limited Partner)	\$95.00	95%

(b) The Partners agree that they shall contribute or arrange for such additional capital as may be required to accomplish the purposes of the Partnership.

(c) The Partners shall have the right to admit any number of new partners that all Partners agree to in compliance with FmHA rules and/or regulations.

7. Income, Losses and Cash Proceeds. The net income of the Partnership, and any net losses shall be borne by, each of the partners in the respective proportions set forth in Section 6 hereof. The term "net income" and "net losses" as used herein shall mean the income and losses of the Partnership from the

operation and management of the Partnership's property after all operation expenses incurred in connection with the Partnership business and all interest on all Partnership mortgages and other indebtedness have been paid or provided for, and after making an allowance for amortization or depreciation of the cost of any property of the Partnership.

8. Distribution of Available Net Income/Distribution of Other Income. As used in this Agreement, the term "available net income" for any year shall mean the excess, if any, of (a) net income of the Partnership for such year (adjusted to eliminate deductions for depreciation and other non-cash items), over (b) all amounts paid or accrued in such year on account of the principal and interest on mortgages and other indebtedness and expenses of operation of the Partnership. Subject to any applicable regulations of FmHA, the available net income of the Partnership for each fiscal year shall be distributed to the partners within a reasonable time after the end of such year; provided, however, that the amount of the available net income of the Partnership which may be so distributed for any fiscal year shall not exceed the maximum amount (if any) allowed by FmHA. All distributions shall be in the proportions described in paragraph 6(a).

9. Losses of Limited Partner. Notwithstanding anything to the contrary herein contained, the liability of the Limited Partner for payment of any losses of the Partnership shall in no event exceed his, her or its contribution to the capital of the Partnership. For purposes of Partnership accounting, however,

all Partnership losses shall be charged against the capital accounts of the General and Limited Partner in the ratios set forth in paragraph 6, and shall a negative balance appear in the capital account of a Partner, such negative balance shall be offset by any future net income of the Partnership allocable to said Partner.

10. Advances.

10.1 If any Partner shall advance any monies to the Partnership in excess of his, her or its agreed capital contribution to the Partnership expressly provided for herein, the amount of any such advance shall not be an increase of its capital contribution or entitle it to any increase in its share of the distributions of the Partnership, nor subject to any greater portion of any losses which it may sustain; but the amount of any such advances shall be a debt due from the Partnership to such partner under the terms of Section 10.2 hereof.

10.2 The General Partner may loan to the Partnership, from time to time, such amounts as may be required for the purpose of accomplishing the purposes of the Partnership in such amounts and on such terms as agreed to by all the Partners. All such loans made by the General Partner pursuant to the provisions of this Section shall be repaid to the General Partner, with interest, before any distribution pursuant to the terms of any other provision of this Agreement; the interest rate shall be the Fleet National Bank so-called "prime rate" as the same is adjusted from time to time.

10.3 Notwithstanding any other provisions hereof, the General Partner agrees that all expenses documented in an acceptable manner shall be divided equally between them, said expenses to include past and future expenses. Said expenses may be treated as additional capital contributions or as advances as the General Partner mutually agree in writing.

11. Books and Records; Method of Accounting and Tax Elections.

11.1 At all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept full and true books of account, in which shall be entered fully and accurately each transaction of the Partnership.

11.2 All of said books of account shall at all times be maintained at the principal office of the Partnership or at any other location agreed to by the General Partner and shall be open to the inspection and examination of the partners or their representatives during reasonable business hours. Such books shall be kept on the basis of an annual accounting period beginning on January 1 of each year on the accrual basis.

11.3 Annual statements showing the Partnership profits and losses for the fiscal year and indicating the share of profit or loss of each Partner for income tax purposes shall be prepared by the accountants of the Partnership and distributed within a reasonable time after the close of each fiscal year.

12. Bank Accounts. All funds of the Partnership are to be deposited in the Partnership name in such bank account or accounts as shall be designated by the General Partner. With-

drawals from any such bank account or accounts shall be made only in the regular course of the Partnership business and shall be made upon such signature or signatures as the General Partner may designate.

13. Management and Powers. The management and control of the Partnership business shall be exercised, and all decisions to be made by the Partnership shall in all cases be made as set forth in Section 5(b) of this Agreement. The Limited Partner may not exercise any voice or control in the management of the Partnership business or bind the Partnership in any way whatsoever except as is allowed by the Act.

14. Rights and Duties of Partners.

14.1 The General Partner shall devote to the Partnership such time and render such services as may be required for the efficient conduct of the business of the Partnership.

14.2 It is expressly understood that the General and Limited Partner may engage in any other business or investment, including the ownership of, or investment in, real estate and the operation and management of real estate, and neither the Partnership nor any of the partners hereof shall have any rights in and to said businesses or investments, or the income or profits derived therefrom.

14.3 The General Partner may employ, on behalf of the Partnership, such persons, firms or corporations as he, in his sole judgment, shall deem advisable in the operation and management of the business of the Partnership, including without limitation, such managing agents, accountants, attorneys,

engineers, appraisers and experts, on such terms and for such compensation as the General Partner in his discretion shall determine. The fact that the General Partner is employed by the Partnership or directly or indirectly interested in or connected with any person, firm, or corporation employed by the Partnership to render or perform a service or from which or to whom the Partnership may buy, sell or lease merchandise or services or other property, including real property, shall not prohibit the General Partner from employing such person, firm or corporation or from dealing with him or it, and neither the Partnership nor the partners thereof shall have any rights in or to any income or profits derived therefrom.

14.4 The General Partner shall not be liable, responsible or accountable in damages or otherwise to any of the partners for any acts performed by it within the scope of the authority conferred on the General Partner by this Agreement or for its failure or refusal to perform any acts except those expressly required by the terms of this Agreement.

14.5 Except as otherwise expressly provided in this Agreement, no partner shall have the right to demand the return of his, her or its contribution to the capital of the Partnership or any part thereof, until the Partnership has been dissolved and terminated, and no partner shall have the right to demand or receive property other than cash in return for his, her or its contribution. Each partner expressly waives the right (if any) to bring an action in any court for partition of any real property owned by the Partnership.

15. Restrictions on Authority - FARMERS HOME ADMINISTRATION REQUIREMENTS.

15.1 The Partners shall be bound by the terms of any FmHA regulations regarding a Regulatory Agreement, Mortgage Note, Mortgage Deed and any other agreements, instruments or documents of the Partnership, but shall not be personally liable for the payment of all or any part of the indebtedness secured by any such insured Mortgage Note. Any incoming partner shall, as a condition of receiving any interest in the Partnership property, agree to be so bound by the terms of any FmHA regulations as stated above and required in connection with any loan to the same extent and on the same terms as the other partners. Upon any dissolution of the Partnership, or any transfer of the property, no title or right to the possession and control of the property and no right to collect the rents therefrom shall pass to any person or entity who is not, or does not become, bound by any outstanding and applicable FmHA regulations regarding the Project in a manner satisfactory to FmHA and any agreements entered into pursuant to such regulations shall be binding upon and shall govern the rights and obligations of the partners, and their respective successors and assigns so long as a FmHA issued Promissory Note is outstanding and unpaid.

15.2 There shall be no addition, deletion and/or substitution of a General Partner or General Partners to this Partnership without first obtaining the written consent and approval of FmHA.

15.3 For the duration of the Farmers Home Administration position as mortgagee of the Project, notwithstanding any other

provisions of this Agreement, the Project shall not be sold without first obtaining the written consent and approval of FmHA.

15.4 So long as the Partnership has a loan made or insured by the United States of America acting through FmHA, the Partners will not change the membership by either admission or withdrawal of any partner(s) nor permit the General Partner to maintain less than five percent financial interest in the Partnership nor cause or permit voluntary dissolution of the Partnership nor cause or permit any transfer or encumbrance of title to the Partnership real estate or any part thereof or interest therein by sale, mortgage, lease or otherwise nor alter, amend or repeal the Limited Partnership Agreement without the written consent of FmHA.

16. Death, Bankruptcy; Dissolution of a Sole General Partner.

In the event of the death, dissolution or bankruptcy of a General Partner, as a result of which there is no remaining General Partner, the business of the Partnership shall be dissolved unless it shall be continued by a substitute General Partner (approved by FmHA) selected by the remaining Limited Partner to replace the General Partner. In the event that a substitute General Partner is not obtained, the Partnership shall be dissolved on the 90th day after the occurrence of such event of death, dissolution or bankruptcy.

17. Transferability of General and Limited Partnership Interest.

17.1 No General Partner shall retire or withdraw from the Partnership or transfer, sell, alienate, assign, encumber or

otherwise dispose of all or any part of its interest in the Partnership, whether voluntary, involuntary or by operation of law, or at judicial sale or otherwise, or admit additional or successor General Partner without first obtaining the written consent of FmHA and of the Limited Partner. A Limited Partner may sell or assign its limited partnership interest or portion thereof only as permitted by this Section 17.

17.2 A Limited Partner shall not have the right to substitute an assignee or transferee as a Limited Partner in its place. The General Partner shall, however, have the right to permit such assignee or transferee to become a Substitute Limited Partner in compliance with FmHA rules and regulations. Any such approved assignee or transferee shall, as a condition of becoming a Substitute Limited Partner, agree to be bound by the provisions of this Agreement, and shall also agree to accept such other terms and conditions as the General Partner in his sole discretion may require. Each Substitute Limited Partner shall execute instruments as shall be required by the General Partner to signify its agreement to be bound by all provisions of this Agreement as last amended. Provided, however, nothing herein contained shall prevent the Limited Partner from assigning, transferring or bequeathing his interest as a Limited Partner to a member of his immediate family who is not a minor nor legally incompetent.

17.3 The General Partner is hereby individually constituted the attorney-in-fact of the Limited Partner to execute, acknowledge and deliver such instruments as may be necessary or

appropriate to carry out the provisions of this Section 17, including amendments to the Limited Partnership Certificate required by the Act, business certificates and the like.

17.4 An assignee of the interest of a Limited Partner who does not become a Substitute Limited Partner as provided aforesaid and who desires to make a further assignment of its interest shall be subject to all the provisions of this Section 17 to the same extent and in the same manner as a Limited Partner desiring to make an assignment of his interest.

18. Termination of Partnership. The Partnership shall terminate at the expiration of the term hereof, as set forth in Section 16 hereof, upon the sale of the whole of the real estate owned by the Partnership, or upon the unanimous consent of the General and Limited Partner, provided FmHA approval shall be obtained if the Project financing is FmHA issued and is to continue in existence.

19. Gain, Loss and Distribution on Dissolution.

Upon any dissolution or termination of the Partnership:

19.1 The General Partner shall prepare or cause to be prepared a statement setting forth the assets and liabilities of the Partnership as of the date of dissolution, and such statement shall be furnished to all the partners.

19.2 The assets of the Partnership shall be liquidated as promptly as possible, but in an orderly and businesslike manner so as not to involve undue loss.

19.3 For tax purposes, any gain realized, or loss incurred, by the Partnership upon the sale of its assets, shall be credited

or charged to the partners (Limited and General), without priority, in the respective proportions set forth in Section 6 hereof.

19.4 The proceeds of sale and other assets of the Partnership shall be applied and distributed as follows, and in the following order or priority:

19.4.1 To the payment of all the mortgages, debts and liabilities of the Partnership (other than any loans or advances that may have been made by the partners to the Partnership) and the expenses of liquidation;

19.4.2 To the setting up of any reserves which the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership. Said reserves may, in the discretion of the General Partner, be paid over to an escrowee for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies, and at the expiration of such period as the General Partner shall deem advisable, to distribute the balance thereafter remaining in the manner hereinafter provided;

19.4.3 To the repayment of any loans or advances that may have been made by the partners to the Partnership but if the amount available for such repayment shall be insufficient, then pro rata on account thereof;

19.4.4 To the return of the amount of the capital contribution made by the partners;

19.4.5 To the partners (Limited and General) without priority, in accordance with Section 8.

19.5 In the event of a liquidating distribution of the Partnership's property in kind, the fair market value of such property shall be determined by averaging the appraisals of two appraisers selected from the membership of the Greater Providence Real Estate Board or any other comparable body mutually agreed to by the partners, and each partner shall receive an undivided interest in such property equal to the portion of the proceeds to which it would be entitled under Sections 19.4.3 through 19.4.6 if such property were sold.

20. Further Assurances. Each party to this Agreement agrees to execute, acknowledge, deliver, file, record and publish such further certificates, amendments of certificates, instruments and documents, and to do all such further acts and things, as may be required by law, or as may, in the opinion of the General Partner, be necessary or advisable to carry out the intents and purposes of this Agreement under the provisions hereof.

21. Notices. Unless otherwise specified in this Agreement, all notices, demands, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder shall be in writing and shall be given by mailing the same by certified first-class mail, postage prepaid, to the partners at the addresses herein set forth and to the Partnership at its principal office. Notices given in compliance with the provisions of this Section 21 shall be deemed given when placed in the mails.

22. Applicable Law. This Agreement is made in the State of Rhode Island pursuant to the provisions of the laws of such State affecting partnerships, and shall be construed accordingly.

23. Captions. All section titles or captions contained in this Agreement and the table of contents, if any, are for convenience only and shall not be deemed a part of this Agreement.

24. Variations in Pronouns; Singular or Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons or entity or entities may require. The singular shall include the plural where the context requires.

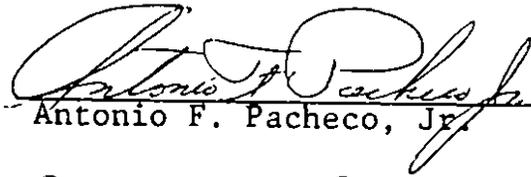
25. Terms. The term "person" shall include individuals, firms, corporations, trustees, fiduciaries, and all other entities.

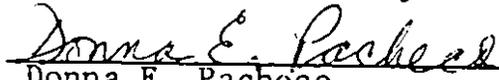
26. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns and shall inure to the benefit of the parties hereof, and except as otherwise provided herein, their respective heirs, successors and assigns.

27. Amendments. This Agreement and Certificate of Limited Partnership may be amended at any time (upon prior approval of FmHA) by the unanimous consent of all partners (Limited and General).

28. Miscellaneous Provisions. In the event of any conflict between the terms of this Limited Partnership Agreement and the Regulatory Agreement, the Regulatory Agreement shall take precedence.

IN WITNESS WHEREOF, the parties hereto have set their duly authorized signatures as of the day and year first above written.

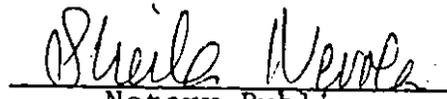
  
Antonio F. Pacheco, Jr.

  
Donna E. Pacheco

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In W. SMITHFIELD on the 15TH day of November, 1989, before me personally appeared Donna E. Pacheco, to me known and known by me to be the person executing the foregoing Agreement and Certificate and acknowledged said execution as her free act and deed.

  
Notary Public

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In N. SMITHFIELD on the 15TH day of November, 1989, before me personally appeared Antonio F. Pacheco, Jr., to me known and known by me to be the person executing the foregoing Agreement and Certificate and acknowledged said execution as his free act and deed.

  
Notary Public

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