

HAGAN MANOR ASSOCIATES

49379

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

AND CERTIFICATE

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HAGAN MANOR ASSOCIATES  
AMENDED AND RESTATED  
LIMITED PARTNERSHIP AGREEMENT  
AND CERTIFICATE

Preliminary Statement

This AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE of Hagan Manor Associates (the "Partnership") dated as of this 1st day of March, 1984, by and among The Wenscott Group, a Rhode Island general partnership with its principal offices at 10 Meadow View Boulevard, North Providence, Rhode Island ("Wenscott"), John E. Anzivino, Robert F. Roberti and Joseph L. Iantosco, all individuals whose addresses are set forth on Schedule A hereto, as General Partners, and those persons whose names and addresses are set forth on Schedule A hereto, as Limited Partners.

The Partnership was originally formed as a limited partnership under the Uniform Limited Partnership Act of the State of Rhode Island pursuant to an Agreement of Limited Partnership dated August 22, 1983 among Wenscott as a general partner and John E. Anzivino, Robert F. Roberti and Joseph L. Iantosco, as both general and limited partners, and the Certificate of Limited Partnership of the Partnership was filed with The Secretary of State of Rhode Island on September 16, 1983. The purpose of this Amended and Restated Limited Partnership Agreement is to amend and restate the Agreement of Limited Partnership of the Partnership dated August 22, 1983 in its entirety, to provide for the withdrawal of John E. Anzivino, Robert F. Roberti and Joseph L. Iantosco as limited partners and the conversion of the Partnership interests of such persons into general partner interests, and to admit the persons identified on Schedule A hereto as Limited Partners, so that from and after the date hereof the Partners of the Partnership shall be the Persons designated on Schedule A.

In consideration of the mutual covenants herein contained and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance upon the representations and warranties herein set forth, the parties hereto do hereby agree as follows:

ARTICLE I

Defined Terms

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

Section 1.1. "Accountants" means Laventhol & Horwath or such other firm of independent public certified accountants which is one of the so-called "Big Eight", as may be engaged by the General Partners with the Consent of the Limited Partners.

Section 1.2. "Admission Date" means March 1, 1984, the date as of which Limited Partners were first admitted to the Partnership in accordance with Section 4.2 hereof.

Section 1.3. "Affiliate" means, as to any named Partner or Partners (or as to every Partner if none are specifically named) (i) any such Partner or member of his Immediate Family; (ii) the legal representative, successor or assignee of, or any trustee of a trust for the benefit of, any such Partner or member of his Immediate Family; (iii) any Entity of which a majority of the voting interests is owned by any one or more of the Persons referred to in any of the preceding clauses; (iv) any officer, director, trustee, employee, stockholder (10% or more) or partner of any Person referred to in any of the preceding clauses; and (v) any Person directly or indirectly controlling, or under direct or indirect common control with, any Person referred to in any of the preceding clauses. For purposes of this Section 1.3, each partner of Wenscott from time to time shall be deemed to be a Partner of the Partnership.

Section 1.4. "Agreement" means this Amended and Restated Limited Partnership Agreement, including Schedule A hereto, as it may be further amended from time to time.

Section 1.5. "Annual Contributions Contract" means the agreement dated December 2, 1983 between HUD and RIHMFC pursuant to which HUD has agreed to provide RIHMFC annual contributions of \$596,563 in respect of the Project.

Section 1.6. "Breakeven Performance" means a twelve (12) consecutive month period in which the Partnership shall have experienced a period of six (6) consecutive full calendar months of operation during which the rental income of the Project (excluding pre-paid rent but including releases from real estate tax and/or insurance reserves) shall have exceeded the Project Expenses except for depreciation and fees payable to the General Partners pursuant to Section 6.13 (such rental income and Project Expenses to be calculated on an accrual basis).

Section 1.7. "Capital Contribution" means the total value of cash and other consideration contributed and agreed to be contributed to the Partnership by each Partner as shown in Schedule A. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to such Partnership Interest of such then Partner.

Section 1.8. "Capital Transaction" means any transaction the proceeds of which are not includable in determining Cash Flow including, without implied limitation, the sale or other disposition of all or substantially all of the assets of the Partnership and any refinancing of the Mortgage but excluding the payment of Capital Contributions by the Partners.

Section 1.9. "Cash Flow" means the profits or losses of the Partnership from and after Permanent Loan Commencement (as said profits and losses are determined in accordance with Section 10.1.E), but subject to any applicable RIHMFC requirements and further subject to the following:

A. Depreciation of buildings, improvements and personal property and amortization of any financing fee shall not be considered as a deduction;

B. Mortgage amortization shall be considered as a deduction;

C. If the General Partners so determine, a reasonable reserve shall be deducted to provide for working capital needs, for improvements or replacements or for any other contingencies of the Partnership, and Cash Flow shall be increased to the extent in any year the General Partners shall determine that funds previously credited to a reserve exceed the amount required therefor;

D. Any amounts paid for capital expenditures shall be considered as a deduction, unless paid from any reserve for improvements or replacements or unless funds therefor have been provided through insurance;

E. The proceeds of any Mortgage refinancing, and any gain or loss from any sale, exchange, eminent domain taking, damage or destruction (whether insured or uninsured), or other disposition of all or any substantial part of the Project (other than the proceeds of any business or rental interruption insurance) shall not be included in Cash Flow;

F. Any rent or interest subsidy payments and the proceeds of any business or rental interruption insurance shall be included in Cash Flow; and

G. The fees set forth in Section 6.13, and interest payable thereon, shall not be considered as a deduction.

Cash Flow shall be determined separately for each fiscal year or portion thereof, and shall not be cumulative.

Section 1.10. "Class Contribution" means the aggregate Capital Contributions of all the members of a particular class of Partners (i.e., the General Partners or the Limited Partners).

Section 1.11. "Code" means the Internal Revenue Code of 1954, as amended from time to time, or any succeeding law of similar import.

Section 1.12. "Commitments" means and includes the commitment of RIHMFC to make the Construction Loan and the Permanent Loan, the Construction Loan Agreement, the Construction Contract, the Annual Contributions Contract, any other instrument or agreement delivered by or to RIHMFC, including the Section 8 Commitment and, after the Completion Date, the Section 8 Contract and any other document relating to the Project by or to which the Partnership is bound or is a party.

Section 1.13. "Completion Date" means the date upon which all of the following have occurred: appropriate authorities have issued a certificate of occupancy with respect to all apartment units of the Project; the supervising architect of RIHMFC has certified that construction of the Project has been substantially completed; and the Partnership has entered into the Section 8 Contract with RIHMFC.

Section 1.14. "Consent of the Limited Partners" means the prior written consent or approval of Limited Partners whose paid-in Capital Contributions represent at least 67% of the aggregate of all Limited Partners' paid-in Capital Contributions, but excluding entirely from such calculation any Capital Contributions of a General Partner in his capacity as a Limited Partner.

Section 1.15. "Construction Contract" means the construction contract dated December 6, 1983 between the Partnership and the Contractor pursuant to which the Project is to be constructed for a maximum price of \$2,641,464.

Section 1.16. "Construction Loan" means the indebtedness of the Partnership to RIHMFC on account of amounts advanced by RIHMFC to the Partnership pursuant to the terms of the Construction Loan Agreement; such term includes the promissory note evidencing said indebtedness and the Mortgage.

Section 1.17. "Construction Loan Agreement" means the agreement dated December 6, 1983 between the Partnership and RIHMFC providing for a loan to finance construction of the Project, as such agreement may hereafter from time to time be amended.

Section 1.18. "Contractor" means Housing Systems, Inc., a Rhode Island corporation.

Section 1.19. "Development Expenses" means any amounts required to be paid by the Partnership (either directly or in reimbursement of the General Partners) to complete the financing, development and construction of the Project, and to cause Final Endorsement to occur, including without implied limitation the following costs and expenses: (i) all costs incurred under the architecture contract and Construction Contract for the Project; (ii) all costs incurred in connection with acquiring the land on which the Project is situated; (iii) real estate taxes, insurance and Construction Loan interest for the period through Final Endorsement; (iv) all costs relating to the application for, processing and closing of the Mortgage at or prior to Final Endorsement (including without limitation all commitment and financing fees); (v) all costs of initial rent-up and operation of the Project allocable to the period through Final Endorsement; (vi) all costs attributable to the organization and syndication of the Partnership; (vii) all legal and accounting fees attributable to the development and financing of the Project; (viii) all payments to escrow and reserve accounts which regulations of HUD or RIHMFC require during or with respect to the Development Period; (ix) the Management Fee payable by the Partnership under Article XII and all fees payable under Section 6.13; and (x) all other development costs and expenses of the Project.

Section 1.20. "Development Funds" means (i) the aggregate of all Partners' Capital Contributions; (ii) the proceeds of the Mortgage (as the principal amount thereof may hereafter be increased or decreased) available to pay Development Expenses; and (iii) any revenues of the Project allocable to the Development Period.

Section 1.21. "Development Period" means the period beginning on the date on which construction commenced and ending on the date of Final Endorsement.

Section 1.22. "Entity" means any general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative or association.

Section 1.23. "Final Endorsement" means the date the amount of the Permanent Loan and the amount of the payment to amortize principal and interest with respect to that indebtedness has been determined by RIHMFC.

Section 1.24. "Event of Bankruptcy" means, as to any Person, the filing of a petition for relief as debtor or bankrupt under the federal Bankruptcy Reform Act of 1978 or like provision of law; insolvency of such Person as finally determined by a court proceeding; filing by such Person, or another in respect of such Person, of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial portion of his assets; or commencement of any proceeding relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction; unless, with respect to any of the foregoing, such event of bankruptcy is susceptible to cure and is cured (and all proceedings dismissed with prejudice) within 90 days.

Section 1.25. "General Partner" means any Person designated as a General Partner on Schedule A or any Person who becomes a General Partner as provided herein, in his capacity as such, and if there be more than one General Partner at any time, the singular shall include every such Person.

Section 1.26. "HUD" means the Department of Housing and Urban Development of the United States of America.

Section 1.27. "Immediate Family" means, with respect to any Person, his spouse, parents, parents-in-law, descendants, nephews, nieces, brothers, sisters, brothers-in-law, sisters-in-law, children-in-law and grandchildren-in-law.

Section 1.28. "Initial 95% Occupancy Date" means the last day of any month during which the Partnership shall have received at least 95% of the RIHMFC-approved potential rental income from the Project as most recently determined by RIHMFC, which income shall have been received from (i) bona fide tenants who have executed RIHMFC-approved leases and who have occupied dwelling units in the Project under such leases, and (ii) payments by RIHMFC made pursuant to the Section 8 Contract.

Section 1.29. "Installment" means a portion of the Limited Partner Capital Contribution paid or payable to the Partnership as set forth in Section 5.1.

Section 1.30. "Lender" means Rhode Island Housing and Mortgage Finance Corporation and such other institution(s) as becomes holder(s) of the Mortgage.

Section 1.31. "Limited Partner" or "Limited Partners" means any or all of those Persons designated in Schedule A as Limited Partners or any Person who becomes a Substitute Limited Partner as provided herein, in each such Person's capacity as a Limited Partner of the Partnership.

Section 1.32. "Management Agent" means Promac, Inc., a Rhode Island corporation, or such other Person who, in accordance with the provisions of Article XII, acts as the managing and rental agent for the Project.

Section 1.33. "Management Fee" means the management fee described in Article XII.

Section 1.34. "Managing General Partner" means Wenscott or such other Person as may be designated as the Managing General Partner pursuant to Section 4.1.

Section 1.35. "Mortgage" means the instrument securing the indebtedness of the Partnership to RIHMFC, including the Construction Loan and the Permanent Loan as applicable; where the context admits, "Mortgage" shall mean and include the promissory note evidencing said indebtedness and all other documentation related thereto. The Mortgage grants to the RIHMFC a first-position security interest in the Project.

Section 1.36. "Negative Basis" means, as to a Partner and a point in time, the amount, if any, by which (1) the sum of the aggregate losses and distributions allocated prior to such point in time to such Partner exceeds (2) the sum of the aggregate profits allocated prior to such point in time to such Partner plus such Partner's paid-in Capital Contribution.

Section 1.37. "Partner" means any General Partner or Limited Partner.

Section 1.38. "Partnership" means the limited partnership created and continued by this Agreement, as from time to time constituted.

Section 1.39. "Partnership Interest" means that percent of the profits, losses and distributions of the Partnership to which each Partner is entitled under the provisions of Article X hereof at the time of calculation.

Section 1.40. "Permanent Loan" means the indebtedness of the Partnership to RIHMFC upon Permanent Loan Commencement; such term includes the promissory note evidencing said indebtedness and the Mortgage, all as provided in the Construction Loan Agreement.

Section 1.41. "Permanent Loan Commencement" means the first date on which all of the following have occurred: (i) the Completion Date, (ii) Final Endorsement, and (iii) amortization of the amounts advanced to the Partnership under the Construction Loan Agreement has commenced.

Section 1.42. "Person" means any individual or Entity.

Section 1.43. "Positive Basis" means, as to a Partner and a point in time, the amount, if any, by which (1) the sum of the aggregate profits allocated prior to such point in time to such Partner and such Partner's paid-in Capital Contribution exceeds (2) the sum of the aggregate losses and distributions allocated prior to such point in time to such Partner.

Section 1.44. "Project" or "Property" means the real property located at Hagan, Russo, Alaska and Mendon Streets in North Providence, Rhode Island, as more fully described in the Mortgage, together with (i) the eighty (80) unit apartment building complex for elderly persons and other improvements on or to be constructed or made upon such property pursuant to the Commitments, and (ii) all furnishings, equipment and personal property covered by the Mortgage.

Section 1.45. "Project Expenses" means all of the costs and expenses of ownership and operation of the Project, including, without limitation, taxes, capital improvements, payments of principal (if amortization of the Mortgage has commenced) and interest on the Mortgage (without forbearance), the cost of operations, maintenance and repairs, the Management Fee, legal and accounting fees, and the funding of any reserves required to be maintained. Project Expenses shall be determined on an accrual basis and shall include a pro rata portion of the annual amount (as estimated by the General Partners) of those seasonal expenses (such as utilities and maintenance expenses) which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation. Expenses of property taxes and insurance shall be adjusted, if necessary, to reflect such costs if based on the full value of the Project after completion of construction.

Section 1.46. "Regulatory Agreement" means the agreement dated December 6, 1983 between the Partnership and RIHMFC governing certain aspects of the Partnership's business, including distributions to the Partners.

Section 1.47. "Residual Receipts Notes" means the non-interest bearing promissory notes of the Partnership issued pursuant to Section 6.11 hereof representing indebtedness to the General Partners in respect of construction and other expenses

incurred prior to Permanent Loan Commencement and not secured by any liens or other charges upon the property of the Partnership, which notes shall be so repayable only as provided in Article X.

Section 1.48. "Retirement" (including the verb form "Retire" and the adjective form "Retiring") means, as to a General Partner, the occurrence of death, adjudication of insanity or incompetence, Event of Bankruptcy, dissolution, liquidation, or voluntary or involuntary withdrawal or retirement from the Partnership for any reason, including whenever a General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement.

Section 1.49. "RIHMFC" means the Rhode Island Housing and Mortgage Finance Corporation.

Section 1.50. "RIHMFC Fiscal Year" means the twelve (12) month period established by RIHMFC beginning on the date the Partnership enters into the Section 8 Contract (and each anniversary thereof).

Section 1.51. "Schedule A" means the schedule annexed hereto and marked as Schedule A, identifying the General and Limited Partners and stating their Capital Contributions, as amended from time to time.

Section 1.52. "Section 8 Commitment" means the Agreement to Enter into Housing Assistance Payments Contract dated December 2, 1983, between the Partnership and RIHMFC providing for rental assistance payments for eighty (80) rental apartment units in the Project in the minimum initial amount of \$596,563 annually for a term (including renewal terms) of twenty-five (25) years pursuant to Section 8 of the United States Housing Act of 1937, as amended.

Section 1.53. "Section 8 Contract" means the Housing Assistance Payments Contract to be entered into by RIHMFC and the Partnership pursuant to the Section 8 Commitment.

Section 1.54. "State" means the State of Rhode Island.

Section 1.55. "Subordinated Loans" means the loans made by the General Partners to the Partnership pursuant to Section 6.12 to fund operating expenses incurred after Permanent Loan Commencement which are not secured by a lien or other charge upon the property of the Partnership and which are repayable only as provided in Article X. Subordinated Loans shall bear interest at the prime rate of interest announced from time to time by Fleet National Bank of Rhode Island. The form and provisions of all Subordinated Loans shall conform to RIHMFC rules and

regulations and shall be payable only with the prior written approval of the Lender.

Section 1.56. "Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 8.3, or who acquires the interest of a Limited Partner pursuant to the provisions of Section 5.2 or 5.4.

Section 1.57. "Uniform Act" means the Uniform Limited Partnership Act as adopted by the State, as embodied in Chapter 13 of Title 7 of the General Laws of Rhode Island, as amended from time to time.

Section 1.58. "Unit" means a portion of the Limited Partner Class Contribution representing a Capital Contribution of Ninety-Six Thousand Two Hundred Fifty Dollars (\$96,250) (as such amount may be reduced pursuant to Section 5.3).

Section 1.59. "Yearly Preference Distribution" means, for any fiscal year, an amount equal to six percent (6%) of the Partnership's initial equity investment in the Project, as determined by RIHMFC pursuant to the Regulatory Agreement, reduced by any expenses paid by the Partnership in such year that are not recognized by RIHMFC in determining the maximum allowable distribution to Partners other than the fees described in Section 10.2.A(i) and (ii).

## ARTICLE II

### Continuation of Partnership; Name; Purpose; Term and Dissolution

#### Section 2.1. Continuation

The parties hereto agree to continue the limited partnership known as Hagan Manor Associates, pursuant to the provisions of this Agreement and the Uniform Act.

#### Section 2.2. Name and Office

The Partnership shall continue to be conducted under the name and style of Hagan Manor Associates. The principal office of the Partnership shall continue to be at 10 Meadow View Boulevard, North Providence, Rhode Island. The General Partners may at any time change the location of such principal office within the State and shall give due notice of any such change to the Limited Partners.

Section 2.3. Purpose

The purpose of the Partnership is to acquire, hold, invest in, construct, develop, improve, maintain, operate, lease and otherwise deal with the Project. The Partnership and the General Partners shall operate the Project in accordance with the Commitments, any applicable RIHMFC regulations and all other applicable governmental regulations. The General Partners shall use their best efforts to generate Cash Flow for distribution to the Partners at the maximum allowable level under applicable RIHMFC regulations. The Partnership shall not engage in any other business or activity.

Section 2.4. Term and Dissolution

The Partnership shall continue in full force and effect until December 31, 2034, except that the Partnership shall be dissolved and its assets liquidated prior to such date upon the happening of any of the following events:

- A. The sale or other disposition of all or substantially all of the assets of the Partnership;
- B. Any event as a result of which no General Partner remains, if the Partnership is not reconstituted pursuant to Section 7.3; or
- C. The election to dissolve the Partnership made in writing by the General Partners with the Consent of the Limited Partners and the approval of RIHMFC, if such approval is required.

Upon dissolution of the Partnership, the General Partners (or their trustee, receiver or successor) shall cause the cancellation of the Partnership's Certificate of Limited Partnership, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.3. Notwithstanding the foregoing, if, during liquidation, the General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the General Partners may, in order to avoid such loss, either defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (except Residual Receipt Notes and Subordinated Loans) or distribute the assets to the Partners in kind.

ARTICLE III

Mortgage, Refinancing and Disposition of Property

Section 3.1. Borrowing Authority. The Partnership shall borrow, subject to the terms of this Agreement, whatever amounts

may be authorized by RIHMFC for the acquisition, development and construction of the Project and to meet the expenses of operating the Project until Permanent Loan Commencement and shall secure the same by the Mortgage. The Mortgage shall provide that no Partner (either General or Limited) shall have any personal liability for the payment of all or any part of the Mortgage.

The General Partners are specifically authorized, except as otherwise provided in this Agreement, to execute such documents as they deem necessary or appropriate in connection with the acquisition, development and financing of the Project, including, without limiting the generality hereof, the Mortgage and the Commitments.

Section 3.2. Decrease, Increase, Refinancing of the Mortgage. The Partnership may decrease, increase or refinance the Mortgage and may make any required transfer or conveyance of Partnership assets for security or mortgage purposes; provided, however, that in the event of an increase in the principal amount of the Mortgage at or before Permanent Loan Commencement, an increase in rents is instituted (and, if required, RIHMFC shall have approved an increase in the maximum allowable rents for the apartments in the Project) and HUD shall have increased the Section 8 Commitment by an amount sufficient to cover the resulting increase in the amount the Partnership is required to pay for interest on, and amortization of, the principal of the Mortgage; and further provided, that after Permanent Loan Commencement any such decrease, increase or refinancing of the Mortgage, and any conveyance of any interest in Partnership assets as security for indebtedness, may be made only with the Consent of the Limited Partners unless such decrease, increase or refinancing of the Mortgage is required by RIHMFC (in which event the Consent of the Limited Partners shall not be required).

Section 3.3. Sale, Lease, Exchange of the Project. The Partnership may sell, lease, exchange or otherwise transfer or convey all or substantially all the assets of the Partnership only with the Consent of the Limited Partners. Notwithstanding the foregoing, no such Consent shall be required for the leasing of apartments to tenants in the normal course of operations or the leasing of all or substantially all the apartments to a public housing authority at rents satisfactory to RIHMFC as expressed in writing.

#### ARTICLE IV

##### Partners; Capital

##### Section 4.1. General Partners

The General Partners as of the date of this Agreement are Wenscott, John E. Anzivino, Robert F. Roberti and Joseph L.

Iantosco. The General Partners shall be bound by the Commitments. No additional General Partner shall be admitted to the Partnership unless he first agrees to be bound by this Agreement (and he assumes the obligations of a General Partner hereunder) and by the Commitments to the same extent and on the same terms as the then existing General Partners.

The Managing General Partner shall, except as otherwise provided in this Agreement, have the exclusive right and power to manage the Project and other business and affairs of the Partnership. In the event of the Retirement of Wenscott, a successor Managing General Partner shall be chosen by the unanimous consent of the remaining General Partners.

The General Partners hereby assign to the Partnership all of their right, title and interest in and to the Commitments, the Property and any other property of the Partnership; and the General Partners agree that their Capital Contributions shall be only the amounts set forth in Schedule A.

#### Section 4.2. Limited Partners

The General Partners warrant that, as of the date hereof, those Persons listed on Schedule A are the only Partners of the Partnership. After the date hereof the General Partners may admit additional Limited Partners only with the Consent of the Limited Partners. Each Limited Partner hereunder and any incoming (or Substitute) Limited Partner shall, as a condition of receiving any interest in the Partnership, agree to be bound by the terms and provisions of the Commitments and this Agreement and any other agreements required by RIHMFC to the same extent and on the same terms as the other Limited Partners. A Limited Partner may become a party hereto by signing a counterpart of this Agreement in such manner as the General Partners shall determine; and by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however, that no such counterpart shall be binding until it has been signed by the General Partners.

#### Section 4.3. Capital

The capital of the Partnership shall be the aggregate amount of the Capital Contributions of the Partners set forth on Schedule A, and the Capital Contribution of each Partner shall be as set forth on Schedule A. The original capital account of each Partner shall be the amount of his Capital Contribution. No interest shall be paid on the Capital Contribution of any

Partner. No Partner shall have the right to withdraw his Capital Contribution or to demand and receive property of the Partnership in return for his Capital Contribution other than cash, except as specifically provided in this Agreement.

Section 4.4. Liability of Limited Partners

No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership. A Limited Partner shall only be liable to pay his Capital Contribution as and when the same is due hereunder except as otherwise provided in the Uniform Act.

Section 4.5. Special Rights of Limited Partners

A. Subject to the provisions set forth in this Section 4.5, the Limited Partners by the Consent of the Limited Partners shall have the right:

- (i) to remove any or all of the General Partners for their failure or refusal to carry out their obligations under this Agreement, which failure or refusal would substantially and materially affect the Partnership, provided that the Limited Partners shall have delivered to the General Partners written notice of such failure or refusal and the General Partners shall not have cured such failure or refusal within thirty (30) days after the date of such notice or shall not have used their best efforts to effect such cure if such cure would take longer than thirty (30) days; and
- (ii) to require the sale of all or substantially all of the assets of the Partnership provided, however, that the General Partners must also agree;

provided, however, that no removal of a General Partner shall affect the vested rights (including, without limitation, the right to receive any fees, repayment of loans, allocable share of Cash Flow or other distributions, or profits and losses hereunder accrued up to the date of such removal) without its or his consent. The exercise of any rights provided for in subparagraphs (i) or (ii) of this paragraph shall each be subject to (a) a prior determination by a court of competent jurisdiction in an action brought by or on behalf of the Limited Partners (or an opinion of counsel for the Limited Partners selected with the Consent of the Limited Partners) that neither the grant nor exercise of the rights afforded by the provisions sought to be exercised under the circumstances then in question will be deemed

taking part in the control of the business of the Partnership so as to result in the loss of any Limited Partner's limited liability and (b) a ruling by the Internal Revenue Service (or an opinion of counsel for the Limited Partners selected with the Consent of the Limited Partners) that such rights (and the proposed exercise thereof) shall not result in the Partnership's not being considered a partnership for Federal income tax purposes.

B. Any General Partner removed pursuant to this Section 4.5 shall, upon such removal, become a limited partner with the same interest in the Partnership which he or it held prior to such removal but subject to the provisions of the last sentence of Section 7.4. The Limited Partners or any successor General Partner proposed by them shall have the option, but not the obligation, of acquiring the Partnership Interest of any removed General Partner upon payment of the agreed or fair market value of such interest. Any dispute as to such fair market value shall be submitted to a committee composed of three qualified real estate appraisers, one chosen by the removed General Partner, one chosen by the successor General Partner or the Limited Partners, as the case may be, and the third chosen by the two so chosen. The proceedings of such committee shall conform to the rules of the American Arbitration Association, as far as appropriate, and its decision shall be promptly rendered and shall be final and binding. The Partnership may offset against any payments to a General Partner so removed any damages suffered by the Partnership as a result of any material breach of the obligations of such General Partner hereunder.

C. No General Partner shall be removed without the prior written approval of RIHMFC.

#### Section 4.6. Meetings

Meetings of the Partnership may be called by the General Partners or by Limited Partners (other than a Limited Partner then in default under Section 5.2 in the payment of any Installment of a Capital Contribution) holding not less than twenty (20%) of the then outstanding Limited Partner Class Contribution, for any matters for which the Partners may vote as set forth in this Agreement. Upon receipt of a written request stating the purposes of the meeting, the General Partners shall within 10 days schedule a meeting for a convenient time not less than 15 nor more than 30 days after receipt of said request and give the Partners written notice of the meeting and the purpose thereof. No Limited Partner in default under Section 5.2 in the payment of any Installment of his Capital Contribution on the date of any meeting shall be entitled to vote at the meeting. All meetings shall be held in the State. At any such meeting Partners may vote by written proxy or in person.

ARTICLE V

Capital Contributions of Limited Partners

Section 5.1. Payments

A. Subject to the provisions of this Section 5.1 and Sections 5.3 and 5.4, Limited Partner Capital Contributions in eight (8) Units of Ninety-Six Thousand Two Hundred Fifty Dollars (\$96,250) each shall be paid in Installments as follows:

(1) Fifteen Thousand Six Hundred Twenty-Five Dollars (\$15,625) per Unit (the "First Installment") shall be payable at the time of admission of the Limited Partner to the Partnership;

(2) Twenty Thousand Six Hundred Twenty-Five Dollars (\$20,625) per Unit (the "Second Installment") shall be payable on the later of (i) January 15, 1985 or (ii) the Completion Date;

(3) Seventeen Thousand Five Hundred Dollars (\$17,500) per Unit (the "Third Installment") shall be payable on the later of (i) one year after the date payment of the Second Installment became due or (ii) Permanent Loan Commencement;

(4) Fifteen Thousand Dollars (\$15,000) per Unit (the "Fourth Installment") shall be payable on the later of (i) one year after the date the Third Installment became due or (ii) the Initial 95% Occupancy Date;

(5) Thirteen Thousand Seven Hundred Fifty Dollars (\$13,750) per Unit (the "Fifth Installment") shall be payable on the later of (i) one year after the date payment of the Fourth Installment became due or (ii) thirty (30) days after the Partnership shall have achieved Breakeven Performance (the twelve month period for determining Breakeven Performance commencing on the date payment of the Fourth Installment became due); and

(6) Thirteen Thousand Seven Hundred Fifty Dollars (\$13,750) per Unit (the "Final Installment") shall be payable on the later of (i) one year after the date payment of the Fifth Installment became due, or (ii) thirty (30) days after the Partnership shall have achieved Breakeven Performance (the twelve month period for determining Breakeven Performance commencing on the date payment of the Fifth Installment became due);

provided, however, that the General Partners shall give the Limited Partners not less than twenty-one (21) days' written notice of the due date of each Installment subsequent to the First Installment.

B. The obligation of each Limited Partner to pay each Installment of his Capital Contribution is conditioned upon delivery by the General Partners of a written certificate (the "Certificate") stating that (i) all the conditions to such Installment have been satisfied, (ii) all representations and warranties of the General Partners contained in this Agreement (including without limitation Section 6.7) are true and correct, and (iii) as to the General Partners or any of their Affiliates, no default has occurred and is continuing under this Agreement or the Commitments. The Certificate for the First Installment shall be delivered on the date of admission of the Limited Partners, and a Certificate for each subsequent Installment shall be dated and delivered to the Limited Partners not less than ten (10) days nor more than thirty (30) days prior to the due date for such Installment. The Certificate for the Second Installment shall be accompanied by the documents evidencing completion of the Project described in the definition of "Completion Date" and the Certificate for the Third Installment by documents evidencing Permanent Loan Commencement.

In addition to the other conditions to the obligations of the Limited Partners to make the Second, Third, Fourth, Fifth and Final Installments, the Limited Partners' obligations to make such Installments shall be subject to their receipt from the General Partners of a certificate that as of the due date of each such Installment the Partnership has no outstanding obligations to pay operating expenses of the Project other than normal trade obligations (such obligations having been determined using accrual basis accounting); provided, however, that if the General Partners are unable to deliver such certificate, but have made provision for the payment of any operating expenses then outstanding which is approved by a majority in interest of the Limited Partners (which approval shall not be unreasonably withheld), this condition shall be deemed to have been satisfied.

C. If, as of the date when any Installment subsequent to the First Installment would otherwise be due, any statement required to be made in the Certificate cannot be truthfully made, the General Partners shall notify the Limited Partners of the reason why such statement would be untrue if made and the Limited Partners shall not be required to pay such Installment; provided, however, that if within one (1) year after such date conditions have become such that the statement can truthfully be made, and the General Partners shall not otherwise be in default hereunder, and the Limited Partners shall not have lost any material part of the projected economic and tax benefits related to the

Project, then the Limited Partners shall pay such Installment to the Partnership thirty (30) days after delivery by the General Partners of the Certificate together with an explanation of the manner in which any statement which could not previously be made had become true and correct.

D. The obligation of the Limited Partners to pay the First Installment is subject, in addition to the conditions specified above, to their receipt of a favorable opinion of counsel for the Partnership as to the matters set forth in clauses (1), (4), (5), (6), (7), (8), (10), (11) and (13) of Section 6.7 and their receipt of a favorable opinion by special counsel to the Limited Partners with respect to the tax status of the Partnership for Federal income tax purposes.

#### Section 5.2. Defaults

A. In the event any Limited Partner (the "Defaulting Limited Partner") fails to pay any Installment of his Capital Contribution when due and such failure has not been cured by the Defaulting Limited Partner within fifteen (15) days after written notice of such failure to pay, he shall be deemed to be in default hereunder. Any Installment not paid by the date payment is due shall bear interest until paid at the "prime" rate announced from time to time by Fleet National Bank of Rhode Island.

B. Upon the occurrence of such default, the Managing General Partner shall give notice of such default to all Partners ("Default Notice") specifying the nature of the default and the aggregate amount of the Capital Contribution theretofore paid-in by the Defaulting Limited Partner. The nondefaulting Limited Partners shall have the option to purchase, for a price hereinafter specified, the Defaulting Limited Partner's entire interest as a Limited Partner, including all profits or losses and distributions attributable to such interest. Such option may be exercised by a Limited Partner (the "Purchasing Limited Partner") by giving to the Partnership, within fifteen (15) days of the mailing of the Default Notice, notice of his desire to purchase all or part of the Defaulting Limited Partner's interest as a Limited Partner (the "Purchase Notice"), specifying the percentage which the Purchasing Limited Partner desires to purchase.

C. In the event the total of the percentages of the Defaulting Limited Partner's interest which the Purchasing Limited Partners desire to purchase is equal to or less than 100%, each Purchasing Limited Partner shall be allowed to purchase the percentage specified in his Purchase Notice. The General Partners may then purchase any part of such interest which is not so purchased by Purchasing Limited Partners.

D. In the event the total of the percentages of the Defaulting Limited Partner's interest which Purchasing Limited Partners desire to purchase is greater than 100%, and they are unable to agree as to the apportionment thereof, each shall be entitled to purchase a percentage which equals the percentage of the total Capital Contributions of all Purchasing Limited Partners represented by the Capital Contribution of such Purchasing Limited Partner. Each Purchasing Limited Partner and/or any purchasing General Partner shall become a Substitute Limited Partner to the extent of the interest which he purchases hereunder.

E. The purchase price to be paid to the Defaulting Limited Partner pursuant to this Section 5.2 shall be an amount equal to ten percent (10%) of the paid-in Capital Contribution of the Defaulting Limited Partner, less the reasonable expenses incurred by the General Partners in arranging for such purchase, for which the General Partners shall be reimbursed from the purchase price, in an amount not to exceed Two Hundred Dollars (\$200). Each Purchasing Limited Partner or Purchasing General Partner shall also (i) pay to the Partnership his pro rata share of the Installment as to which the default occurred and (ii) assume his pro rata share of all other obligations of the Defaulting Limited Partner, if any, to the Partnership including, without implied limitation, any subsequent Installment. Upon such payments and assumption, all rights of the Defaulting Limited Partner with respect to his interest in the Partnership shall terminate without further action on his part. Each Purchasing Partner shall execute and deliver such documents as may be necessary to carry out the provisions of this Section 5.2.

F. The obligations of the Defaulting Limited Partner to the Partnership hereunder shall not be extinguished by the transfer of his interest, but only by, and to the extent of, the paid-in Capital Contributions made in his place by the Purchasing Partners. If the option to purchase the Defaulting Limited Partner's entire interest is not exercised within the time provided, unless and until such default shall be cured, any distributions pursuant to Article X hereof in respect of the remaining interest, if any, of the Defaulting Limited Partner shall be applied first to interest, payable to the Partnership, on the defaulted amount at the maximum legal rate (or, if no maximum applies, at 20% per annum), and then to the defaulted amount, and the profits and losses in respect thereof shall be allocated to the General Partners. After such distributions equal the defaulted amount, together with such interest, the remaining Partnership Interest of the Defaulting Limited Partner shall be deemed to have been acquired by the General Partners (if at such time there is more than one General Partner, in the ratio of their Capital Contributions to the General Partner Class

Contribution). Exercise of the options provided by this Section 5.2 shall be suspended during any period in which exercise hereof would cause a termination of the Partnership for federal tax purposes.

G. Whether or not any of the options provided by this Section 5.2 are exercised, the Defaulting Limited Partner shall have no right to receive distributions or be credited with profits or losses in respect of his Partnership Interest, but any successor to his interest shall receive the benefits of the same.

H. As an alternative to commencing the procedure above provided in this Section 5.2, or in the event that any or all of the interest of a Defaulting Limited Partner remains unpurchased after following such procedure, the General Partners may pursue any and all available legal remedies against the Defaulting Limited Partner in order to collect the amount owing from him to the Partnership.

#### Section 5.3. Adjustment to Amount of Contribution

A. If at the date of Permanent Loan Commencement the principal amount of the Mortgage is less than \$3,200,000, the amount of the Capital Contribution of each Limited Partner shall be reduced by the same percentage as the percentage by which the principal amount of the Mortgage at the date of the Permanent Loan Commencement is less than \$3,200,000, and the amount of such reduction in Capital Contributions shall be allocated pro rata among the Third, Fourth, Fifth and Final Installments; provided, however, that any reduction in the Mortgage resulting from the application of the Financing Adjustment Factor ("FAF") shall not cause a reduction in Capital Contributions.

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

#### Section 5.4. Repurchase Obligation

A. Failure to Complete. If:

- (i) there shall be a construction stoppage on the Project which shall continue for a period of one (1) year and which results in a termination or cancellation of any of the Commitments, or
- (ii) Permanent Loan Commencement shall not have occurred before December 31, 1985 (or prior to any later date fixed with the Consent of the Limited Partners and the RIHMFC), or

(iii) prior to Permanent Loan Commencement:

- (a) a mortgagee shall commence foreclosure proceedings under any Mortgage, or
- (b) any one of the Commitments shall have terminated and each one of such Commitments has not been reinstated or replaced within sixty (60) days with terms equally favorable or more favorable to the Limited Partners or with terms approved by Consent of the Limited Partners, or
- (c) RIHMFC shall irrevocably refuse to make any further advances under the Mortgage and such decision has not been reversed (or RIHMFC has not been replaced as Lender) within sixty (60) days, or
- (d) HUD shall have terminated the Annual Contributions Contract or withdrawn or reduced the amounts payable thereunder (without regard to amounts attributable to the FAF), or the RIHMFC shall have terminated the Section 8 Commitment or withdrawn or reduced the amounts payable thereunder (without regard to amounts attributable to the FAF), and any such action shall not have been reversed within one hundred twenty (120) days,

then the General Partners shall offer to purchase the Partnership interest of each of the Limited Partners pursuant to the following procedure.

B. Notice and Repurchase. Upon the occurrence of any event described in the preceding paragraph and the passage of any cure period specified therein, the General Partners shall, within fifteen (15) days, send to each Limited Partner written notice of such event and of the General Partners' obligation to purchase the interest of any Limited Partner hereunder, describing the circumstances giving rise to such obligation. Any Limited Partner desiring to sell his interest to the General Partners shall send notice thereof to the Partnership within thirty (30) days after the mailing date of the General Partners' notice. The General Partners shall within thirty (30) days thereafter purchase such Limited Partner's interest for a cash purchase price equal to such Limited Partner's paid-in Capital Contribution (without interest) less the aggregate amount of cash distributions, if any, paid to such Limited Partner pursuant to

this Agreement. Upon the Limited Partner's receipt of such payment, the General Partners shall become Substitute Limited Partners with respect to such Limited Partner's interest acquired hereunder, the interest of such Limited Partner shall terminate and such Limited Partner shall have no further obligation to the Partnership.

C. RIHMFC Disapproval. If RIHMFC shall disapprove any Limited Partner within one hundred twenty (120) days of his admission to the Partnership, then such Limited Partner shall, effective as of such time (or such other time as may be specified by RIHMFC in its disapproval), cease to be a Limited Partner and the General Partners shall purchase his interest in the Partnership for a cash price equal to the amount of his paid-in Capital Contribution (without interest) less the aggregate amount of cash distributions theretofore received by such Limited Partner pursuant to this Agreement. Upon such purchase, the General Partners shall become Substitute Limited Partners with respect to such Limited Partner's interest acquired hereunder, and such Limited Partner shall have no further obligation to the Partnership. Payment of such purchase price shall be made within ten (10) days of the effective date of the disapproved Limited Partner's ceasing to be a limited partner of the Partnership.

Section 5.5. Limitation on Purchases by Corporate General Partner

Notwithstanding any other provisions of this Agreement, no corporate General Partner hereunder or Affiliate thereof shall acquire a Limited Partner's interest if such acquisition would, in the opinion of tax counsel to the Partnership, selected by Consent of the Limited Partners, jeopardize the status of the Partnership as a partnership under the Code. In those cases where a corporate General Partner is obligated to purchase a Limited Partner's interest hereunder, it shall arrange for such purchase to be made by another Person, but said General Partner shall remain liable for the purchase price of such interest. In those cases where an option is granted to a corporate General Partner hereunder, it may designate another Person to be optionee.

ARTICLE VI

Rights, Powers and Duties of General Partners

Section 6.1. Rights and Powers of General Partners

Subject to all other provisions of this Agreement including (but not limited to) Article III, the General Partners for, in the name and on behalf of the Partnership are hereby authorized to do the following in furtherance of the purposes of the Partnership:

- (1) To acquire by purchase, lease or otherwise any real or personal property.
- (2) To construct, operate, maintain, finance and improve, and to own, sell, convey, assign, mortgage or lease any real or personal property.
- (3) To borrow money and issue evidences of indebtedness and to secure the same by mortgage, pledge or other lien on the Project or any other assets of the Partnership provided, however, that no lender who makes a nonrecourse loan to the Partnership shall have or acquire, at any time as a result of making the loan, any direct or indirect interest in the profits, capital or property of the Partnership other than as a secured creditor.
- (4) To prepay in whole or in part, refinance or modify the Mortgage or any other mortgages affecting the Project and in connection therewith to execute any modifications of the Mortgage or any such other mortgages on the Project.
- (5) To employ a management company, including (subject to the limitations expressed in Article XII) an Affiliate of a General Partner, to manage the Project and to pay reasonable compensation for such services.
- (6) To execute a note and mortgage or deed of trust in order to secure a loan from the Lender, to execute all Commitments required by such Lender in connection with the Mortgage and the acquisition, construction, development, improvement, maintenance and operation of the Project, or otherwise required by such Lender in connection with the Project.
- (7) To execute contracts with RIHMFC to make apartments available for publicly-subsidized rent supplement programs.
- (8) To execute leases of some or all of the apartment units of the Project to a public housing authority and/or to a non-profit corporation, cooperative or other non-profit Entity.
- (9) To enter into any kind of activity and to perform and carry out contracts of any kind which may be lawfully carried on or performed by a partnership under the laws of the State.
- (10) To file all certificates and documents required by the laws of the State.

Section 6.2. Restrictions on Authority

Notwithstanding the provisions of Section 6.1 or of any other section of this Agreement, neither the Managing General Partner nor any other General Partner shall have authority to perform any act in violation of applicable law or RIHMFC regulations, or any agreement between the Partnership and RIHMFC. Neither shall they have any authority to do any of the following acts without the Consent of the Limited Partners:

- (1) To borrow in excess of \$10,000 in the aggregate at any one time outstanding on the general credit of the Partnership, except borrowings (i) secured by the Mortgage, (ii) evidenced by Residual Receipts Notes or (iii) constituting Subordinated Loans payable to the General Partners, all as specifically permitted hereunder.
- (2) To borrow from the Partnership, commingle Partnership funds with funds of any other Person or lend Partnership funds to an Affiliate.
- (3) To become personally liable on, or in respect of, or to guarantee, the Mortgage.
- (4) Following the Completion Date, to construct any new capital improvements or replace any existing capital improvements in the Project which would cost in excess of \$10,000 in a single Partnership fiscal year or which would substantially alter the character or use of the Project, exclusive of (a) replacements and remodeling in the ordinary course of business and (b) construction to replace losses which is paid for from insurance proceeds.
- (5) To acquire any real property on behalf or in the name of the Partnership in addition to the Project.
- (6) To do any act required to be approved or ratified by all Limited Partners under the Uniform Act.
- (7) To refinance, sell or convey the Project or any substantial part thereof, except that the General Partners may increase the amount of the Mortgage prior to Permanent Loan Commencement as provided in Section 3.2.

Section 6.3. Personal Services; Compensation

No General Partner or Affiliate shall receive any salary or fees from the Partnership except as provided in Sections 6.13, 10.2 or Article XII. Except as provided in Section 6.14, any Partner may engage independently or with others in other business

ventures of every nature and description including the ownership, operation, management, syndication and development of real estate; neither the Partnership nor any Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Section 6.4. Business Management and Control and Delegation of General Partner Authority

Subject to the provisions of Section 6.5, the General Partners shall manage the business and affairs of the Partnership. No Limited Partner (except one who may also be a General Partner and then only in his capacity as General Partner) shall participate in or have any control over the Partnership business or have any authority or right to act for or bind the Partnership, except as required by law. The General Partners may employ such brokers, agents or attorneys (including Affiliates) as they may deem necessary or advisable.

Section 6.5. General Partner Authority

Each General Partner hereby delegates all of his powers and duties hereunder to the Managing General Partner. Every contract, deed, mortgage, lease and other instrument executed by the Managing General Partner shall be conclusive evidence in favor of every Person relying thereon or claiming thereunder that at the time of the delivery thereof (a) this Partnership was in existence, (b) this Agreement had not been amended in any manner so as to restrict the delegation of authority to the Managing General Partner pursuant to this Section 6.5 (except as shown in certificates or other instruments duly filed in the office of the Secretary of State of the State) and (c) the execution and delivery of such instrument was duly authorized by the General Partners. Any Person dealing with the Partnership or the Managing General Partner may always rely on a certificate signed by the Managing General Partner hereunder:

- (1) As to who are the General Partners, Managing General Partner or Limited Partners hereunder;
- (2) As to the existence or nonexistence of any fact which constitutes a condition precedent to acts by the General Partners or in any other manner germane to the affairs of this Partnership;
- (3) As to who is authorized to execute and deliver any instrument or document of the Partnership;
- (4) As to the authenticity of any copy of this Agreement and amendments hereto; or

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

Section 6.6. Duties and Obligations

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

B. The General Partners shall use their best efforts to operate the Project so as to generate Cash Flow at a level which will permit payment to the Partners of distributions of the maximum amounts permissible under the Regulatory Agreement and regulations of RIHMFC, and, if necessary, to obtain approvals and implementation of appropriate adjustments in the rent schedule of the Project.

C. The General Partners shall obtain and keep in force, during the term of the Partnership, fire and extended coverage, workmen's compensation and public liability insurance in favor of the Partnership with such companies and in such amounts as shall be satisfactory to RIHMFC and in accordance with sound business practice.

D. Each obligation of the General Partners hereunder shall be the joint and several obligation of each General Partner if there shall be more than one. The obligations of the General Partners set forth in this Agreement shall survive any Retirement of a General Partner from the Partnership other than a voluntary Retirement permitted by specific Consent of the Limited Partners, as provided in Section 7.1.

Section 6.7. Representations and Warranties

The General Partners hereby represent and warrant to each of the Limited Partners that, as of the date hereof, the following are true and will be true on the due date for each Installment of the Capital Contributions of the Limited Partners:

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

(2) Construction on the Project is being completed (and as of the Completion Date will have been completed) in conformity with all agreements hereunder and the Commitments.

(3) All payments and expenses required to be made or incurred in order to achieve Final Endorsement, in order to complete construction in conformity with the Commitments and in order to satisfy all requirements under the Commitments and/or which form the basis for determining the principal sum of the Mortgage, including, without implied limitation, interest during construction and any escrow payments, will be paid or provided for utilizing only (a) the funds available from the Mortgage, (b) the Capital Contributions of the Partners, (c) the net rental income, if any, earned by the Project prior to Permanent Loan Commencement, and (d) funds furnished by the General Partners pursuant to Section 6.11.

(4) No event or proceeding is pending or threatened or has occurred which would (a) materially adversely affect the Partnership or its properties, or (b) materially adversely affect the ability of the General Partners or any of their Affiliates to perform their respective obligations hereunder or under any other agreement with respect to the Project or (c) prevent the completion of construction in conformity with the Commitments, other than legal proceedings which have been bonded against in such manner as to stay the effect of the proceedings. This subparagraph shall be deemed to include without limitation the following: (x) legal actions or proceedings before any court, commission, administrative body or other governmental authority having jurisdiction over the zoning applicable to the Project; (y) labor disputes; and (z) acts of any governmental authority.

(5) No material default (or event which, with the giving of notice or the passage of time or both, would constitute such default) has occurred and is continuing under any of the Commitments, and the same are in full force and effect.

(6) No Partner has any personal liability with respect to the Mortgage.

(7) There is no violation by the Partnership or the General Partners of any zoning, environmental or similar regulation applicable to the Project; all necessary building and other applicable permits have been obtained to permit the construction of the Project; and the Partnership has complied with all applicable municipal and other laws, ordinances and regulations relating to construction and use of the Project.

(8) The Partnership owns the entire fee simple interest in the Project, subject to no material liens, charges or encumbrances other than those which are both permitted by the Commitments and noted or excepted in the title insurance policy for the Project.

(9) As of the due date of the First Installment, no part of the Project is occupied or ready for occupancy.

(10) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken pertaining to the Partnership or the Project by each Affiliate which is a corporation have been or will be duly authorized by all necessary corporate or other action and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the charter or by-laws of such Affiliate or any agreement by which such Affiliate or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree.

(11) The land portion of the Project was not, on or after June 30, 1976, occupied by a "certified historic structure" and is not located in a "registered historic district", as such terms are defined in Section 191(d) of the Code.

(12) No Event of Bankruptcy has occurred with respect to any General Partner.

(13) Wenscott is a general partnership validly existing and in good standing in the State with full power to enter into and consummate this Agreement; the execution and delivery of this Agreement and the consummation of all transactions contemplated herein to be performed by it have been duly authorized by all necessary action and will not result in a breach or violation of, or a default in any material respect under, the Agreement of General Partnership of Wenscott or any agreement by which it or any of its Affiliates or any of its properties is bound or any law, administrative regulation or court decree; no filing has been made by or in respect of it or any of its partners under any federal bankruptcy or state bankruptcy or insolvency law and neither it nor any of its partners has committed any act of bankruptcy as defined in the federal Bankruptcy Reform Act of 1978.

Section 6.8. Liability on the Mortgage

None of the General Partners shall at any time become personally liable for the payment of any portion of the Mortgage, and the General Partners shall not permit any other Partner to become personally liable for the payment of any portion of the Mortgage.

Section 6.9. Indemnification of the General Partners

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

Section 6.10. Indemnification of Limited Partners

The General Partners shall indemnify promptly and hold harmless the Partnership and the Limited Partners from and against any and all losses, damages and liabilities which the Partnership and the Limited Partners may incur by reason of (i) a General Partner's acts of wilful misconduct or gross negligence, (ii) breach by a General Partner of its fiduciary duty or (iii) damages arising from any wilful misrepresentation or breach of warranty.

Section 6.11. Obligation to Complete Construction; Residual Receipts Notes

The General Partners shall cause the Project to be constructed and completed in accordance with the Commitments. In the event the proceeds of the Construction Loan, the Capital Contributions of the Partners (to the extent of Installments then due) and the available net rental income of the Project generated prior to Permanent Loan Commencement are insufficient to (i) complete construction of the Project in accordance with the Commitments, (ii) meet all development and other fees and expenses, including escrow payments, required to complete construction of the Project and (iii) pay all costs and expenses incident to the ownership and operation of the Project accrued through Permanent Loan Commencement, the General Partners shall lend to the Partnership all funds necessary to pay the foregoing. Any such advances shall bear no interest and may be repaid from future proceeds of the Permanent Loan to the extent permitted by the Commitments or from future Installments. To the extent that such loans are not so repaid, the Partnership shall issue Residual Receipts Notes therefor which shall be repayable only as provided in Article X.

Nothing in this Agreement shall modify the obligation of the Contractor to complete the Project for the price provided for in the Construction Contract with the Partnership.

Section 6.12. Operating Deficits; Subordinated Loans

The General Partners shall advance funds to the Partnership to meet deficits in operating income accrued after Permanent Loan Commencement and prior to December 31 of the year in which the Final Installment is due, provided that the General Partners shall not be obligated to advance more than \$30,000 in the aggregate for such purpose. The General Partners may, but shall not be obligated to, advance funds in excess of \$30,000 or beyond the foregoing time period. All such loans shall be Subordinated Loans, repayable in accordance with the provisions of Article X.

Section 6.13. Certain Payments to the General Partners

For the services to be performed by the General Partners to the Partnership, the Managing General Partner shall be paid the following fees (to be divided among the General Partners as they may agree):

A. a start-up fee for commencing the day-to-day operations of the Partnership and in reimbursement of costs and expenses incurred in connection therewith, of Twenty-Five Thousand Dollars (\$25,000) payable on March 31, 1984;

B. a construction supervisory fee for supervising the construction and development of the Project from inception to the completion of construction (including securing governmental approvals, making all contractual arrangements for the construction of the Project with the Project architect and the Contractor), in the amount of Two Hundred Forty-Eight Thousand Four Hundred Dollars (\$248,400) which will have been earned as of August 31, 1984, the anticipated Completion Date, but shall be paid, together with interest on the unpaid portion of such fee from such date, at the rate of 15% per annum, in installments over a five-year period according to the following schedule:

| <u>Payment Date</u> | <u>Payment</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------|----------------|------------------|-----------------|
| March 31, 1984      | 9,315          | --               | 9,315           |
| February 28, 1985   | 37,260         | --               | 37,260          |
| February 28, 1986   | 37,260         | --               | 37,260          |
| February 28, 1987   | 91,150         | 63,400           | 27,750          |
| February 28, 1988   | 100,000        | 85,000           | 15,000          |
| February 28, 1989   | 100,000        | 100,000          | --              |

C. an incentive development fee in an amount equal to the excess of Development Funds over Development Expenses, which fee shall be determined as of Final Endorsement and shall be paid on February 28, 1986;

D. A noncompetition fee for agreeing in accordance with Section 6.14 that no General Partner and no Affiliate of a General Partner shall construct, develop, own, operate or manage a new Section 8 housing project within a radius of three (3) miles of the Project for a period of three (3) years after the Admission Date, of Fifty Thousand Dollars (\$50,000), which shall be paid in installments according to the following schedule:

| <u>Payment Date</u> | <u>Amount of Payment</u> |
|---------------------|--------------------------|
| March 31, 1984      | \$12,500                 |
| February 28, 1985   | \$15,000                 |
| February 28, 1986   | \$15,000                 |
| February 28, 1987   | \$ 7,500;                |

E. a rent-up fee for supervising the initial rental of the apartment units in the Project of Forty Thousand Dollars (\$40,000) which shall be paid in two installments of Ten Thousand Dollars (\$10,000) and Thirty Thousand Dollars (\$30,000) on October 1, 1984 and February 28, 1985, respectively;

F. a salary, as a guaranteed payment, of Eighty-Six Thousand Dollars (\$86,000) for managing the day-to-day operations of the Partnership and the Project from and after the Completion Date until December 31, 1989, including, but not limited to, preparation and submission of reports to relevant government agencies, supervision of communications with federal, state and other agencies, community relations, the Partnership's compliance with all contractual obligations, and the Partnership's payment of all financial obligations, payable as follows:

| <u>Term of Payment</u> | <u>Payment</u> |
|------------------------|----------------|
| October 1, 1984        | \$ 6,000       |
| February 28, 1985      | \$24,000       |
| February 28, 1986      | \$24,000       |
| February 28, 1987      | \$12,000       |
| February 28, 1988      | \$10,000       |
| February 28, 1989      | \$10,000; and  |

G. a repurchase guarantee fee for the General Partners' agreement that they will acquire the interests of the Limited

Partners under the circumstances specified in Section 5.4, in the amount of Twenty-Four Thousand Dollars (\$24,000), which fee shall be paid in two installments of Twenty Thousand Dollars (\$20,000) and Four Thousand Dollars (\$4,000) on March 31, 1984 and February 28, 1985, respectively.

Payments by the Partnership to the General Partner provided under this Section 6.13 shall be payable without regard to the income of the Partnership. Such payments, however, shall be made solely out of the Capital Contributions of the Limited Partners made pursuant to Section 5.1 and shall be deferred or reduced to the extent the Capital Contributions of the Limited Partners are insufficient to permit timely and/or full payment or to the extent required by the Commitments.

Section 6.14. Noncompetition

Each of the General Partners agrees that neither a General Partner nor an Affiliate of a General Partner shall construct, develop, own, operate or manage a new Section 8 housing project within a radius of three (3) miles of the Project for a period of three (3) years after the Admission Date.

ARTICLE VII

Retirement of a General Partner; New General Partners

Section 7.1. Retirement

No General Partner shall Retire from the Partnership (other than by reason of dissolution, death, Event of Bankruptcy or adjudication of incompetence or insanity) or sell, assign or encumber his or its Partnership Interest without the Consent of the Limited Partners. In the event of any purported Retirement by a General Partner in violation of this Section 7.1, such General Partner, in addition to being subject to any and all other remedies which may be pursued by the Partnership or the Partners, shall forfeit to the remaining General Partners or, if there is none, to the Limited Partners his or its entire interest in the Partnership and all unpaid fees from and indebtedness owed by the Partnership and shall remain liable for all his obligations under this Agreement. Such transfer shall occur automatically upon such Retirement without further action by such Retiring General Partner.

Section 7.2. Obligation to Continue

Upon the Retirement of a General Partner, the remaining General Partner(s) shall have the right and obligation to continue the business of the Partnership employing its assets and name, all as contemplated by the Uniform Act. Within thirty

(30) days after they obtain knowledge of the Retirement of a General Partner, the remaining General Partner(s) shall notify the Limited Partners of such Retirement.

Section 7.3. Retirement of All General Partners

If, following the Retirement of a General Partner, there is no remaining General Partner, Limited Partners representing eighty percent (80%) in interest of the Limited Partner Class Contribution may elect to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Section 2.4 by selecting a successor General Partner. If the Limited Partners elect to reconstitute the Partnership pursuant to this Section 7.3 and admit the designated successor General Partner, the relationship among the then Partners shall be governed by this Agreement. Each Limited Partner who does not desire to participate in such reconstituted Partnership shall be paid with a non-recourse note of the reconstituted Partnership with a term of ten (10) years, bearing interest at nine percent (9%) per annum, and in a principal amount equal to the fair market value of his Partnership Interest, as determined by the Partners, or in case of failure to agree, as determined by a committee of three qualified appraisers, one of which shall be selected by the remaining Partners, one selected by the non-continuing Partner(s), and the third selected by the other two. Such principal and interest shall be payable in quarterly installments.

Section 7.4. Interest of General Partner after Permitted Retirement

A. In the event of the Retirement of a General Partner not in violation of Section 7.1, the Retiring General Partner hereby covenants and agrees to transfer to the remaining General Partner(s), or to a successor General Partner selected in accordance with Section 7.3, as the case may be, such portion of the Retiring General Partner's interest as such remaining or successor General Partner(s) may designate, such transfer to be made in consideration of the payment by the transferee of the fair market value of such interest as determined by agreement between the Retiring General Partner (or his legal representative) and the transferee or, in absence of such an agreement, by a committee of three qualified real estate appraisers, one selected by the Retiring General Partner (or his legal representative), one selected by the transferee, and a third selected by the other two. The portion of the Retiring General Partner's interest designated to be transferred in accordance with the provisions of this Section 7.4 shall be sufficient to ensure the continued treatment of the Partnership as a partnership under the Code, and, for the purposes of Article X hereof, shall be deemed to be effective as of the date of

Retirement, but the Partnership shall not make any distributions to the designated transferee until the transfer has been made. Any holder of any portion of the interest of a Retiring General Partner which is not designated to be transferred to the remaining or successor General Partner(s) pursuant to the provisions of this Section 7.4 shall become a limited partner but (i) with the same share of the profits, losses and distributions to which such interest was entitled when held as a general partner interest and (ii) shall not participate in the votes or Consents of the Limited Partners hereunder.

Section 7.5. Admission of Individuals as General Partners under Certain Circumstances

In the event that a successor corporate General Partner is the sole General Partner of the Partnership, and it at any time fails to meet all prerequisites to the granting of an advance ruling under Internal Revenue Service Revenue Procedure 72-13, an individual acceptable to a majority in interest of the Limited Partners shall be admitted, automatically and without further action by them or any other Partner, as an additional General Partner. Simultaneously with such admission, the successor corporate General Partner shall be deemed to have assigned to such additional General Partner, automatically and without further action, a not less than one percent interest (or such greater percentage as may be required, in the opinion of the Accountants, to assure the partnership status of the Partnership for Federal income tax purposes) in profits, losses and distributions of the Partnership, in consideration of \$1.00 and any other consideration which may be agreed. Each such additional General Partner shall remain a General Partner until RIHMFC shall object thereto in writing or until such time as, in the opinion of the Accountants, the Partnership would continue to be treated as a partnership for Federal income tax purposes notwithstanding such Retirement, and may then Retire without the Consent of the Limited Partners upon reassignment of the entire Partnership interest to the remaining General Partner.

ARTICLE VIII

Transferability of Limited Partner Interests

Section 8.1. Consent of General Partners Required for Assignment

A. Except as permitted by this Section 8.1 or by operation of law (including the laws of descent and distribution), a Limited Partner may not assign all or any part of his interest in the Partnership without the written consent of the General Partners, the giving or withholding of which is exclusively within their discretion.

B. A Limited Partner may, by written instrument, designate any one or more of his Immediate Family to become the assignee or assignees of his interest immediately upon his death. Any such designation must be filed with the General Partners during such Limited Partner's lifetime. Such designation may be revoked at any time or a new designation made and filed with the General Partners. If a designation is accepted by the General Partners, which acceptance is exclusively within their discretion, such acceptance shall constitute their permission for such transfer to take place upon the death of the designating Limited Partner. In the absence of such acceptance, such designation shall be void. If a designee is accepted by the General Partners and is living at the time of the assignor's death and such designation is valid under applicable law, the designee shall become an assignee of such Limited Partner (with the same rights as would any inter vivos assignee) immediately upon the assignor's death, without any action on the part of the legal representatives of the assignor Limited Partner; and the estate of such deceased Limited Partner shall have no interest whatsoever in the Partnership. Notwithstanding any other provisions of this Section 8.1, the Partnership need not recognize such designated assignee or assignees until (i) duly notified in writing of the death of the assignor Limited Partner and (ii) furnished with an opinion of counsel acceptable to the General Partners to the effect that such designation is valid under the applicable laws of descent and distribution.

C. A Limited Partner may also transfer his interest in the Partnership to a member of his Immediate Family or to a trust for the benefit of all or some of the members of his Immediate Family without the approval of any Partners, and such transferee shall be an assignee of such Limited Partner's interest in the Partnership.

#### Section 8.2. Restrictions

A. No sale or exchange of any Limited Partner interest may be made if such sale or exchange would violate Section 14.1.

B. In no event shall all or any part of a Limited Partner interest be assigned or transferred to a minor (other than to a member of a Limited Partner's Immediate Family by reason of death) or to an incompetent.

C. The General Partners may, in addition to any other requirement they may impose, require as a condition of sale, transfer, exchange or other disposition of any interest in the Partnership, that the transferor (i) assume all costs incurred by the Partnership in connection therewith and (ii) furnish it with an opinion of counsel satisfactory to counsel to the

Partnership that such sale, transfer, exchange or other disposition complies with applicable Federal and state securities laws.

D. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 8.2 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 8.3. Substitute Limited Partner

A. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners may, however, in their sole discretion, permit an assignee to become a Substitute Limited Partner without the consent or approval of any Limited Partners. The consent of the General Partners to an assignment of a Limited Partner interest under Section 8.1 shall not, in and of itself, constitute permission under this Section 8.3.

B. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all the provisions of this Agreement and all agreements required by RIHMFC, and shall pay the Partnership's reasonable legal fees and filing costs in connection with his substitution as a Limited Partner.

Section 8.4. Assignees

A. Upon the death or incapacity of any Limited Partner who has not filed a valid designation under Section 8.1, his legal representative shall have the same status as an assignee of the Limited Partner. The death of a Limited Partner shall not dissolve the Partnership.

B. An assignee of a Limited Partner who does not become a Substitute Limited Partner as provided in Section 8.3 shall have the right to receive the share of profits, losses and distributions of the Partnership to which the assigning Limited Partner would have been entitled if no such assignment had been made by such Limited Partner.

C. Any Limited Partner who shall assign all his interest in the Partnership shall cease to be a Limited Partner of the Partnership and shall no longer have any rights or privileges of a Limited Partner.

D. In the event of any assignment of a Limited Partner interest, there shall be filed with the Partnership an executed and acknowledged assignment and the written acceptance by the

assignee of all the terms and provisions of this Agreement; if such assignment and acceptance are not so filed, the Partnership need not recognize such assignment for any purpose.

E. Every assignee of a Limited Partner interest who desires to make a further assignment of his interest shall be subject to all the provisions of this Article VIII to the same extent and in the same manner as a Limited Partner.

## ARTICLE IX

### Borrowings

#### Section 9.1. Borrowings

All Partnership borrowings shall be subject to the terms of this Agreement, including, but not limited to, the restrictions of Section 6.2. To the extent borrowings are permitted, they may be made from any source, including Partners and Affiliates. If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or increase his share of the profits, losses or distributions of the Partnership.

The Partnership may issue Residual Receipts Notes or Subordinated Loan Notes to evidence loans made by the General Partners to the Partnership pursuant to the obligations of the General Partners under Sections 6.11 and 6.12. Any such loan from a General Partner shall be an obligation of the Partnership to such Partner only if it constitutes a Subordinated Loan or is represented by a Residual Receipts Note.

## ARTICLE X

### Profits and Losses; Distributions; Capital Accounts

#### Section 10.1. Profits, Losses and Tax Credits

A. All profits, losses and tax credits incurred or accrued on or after the Admission Date, other than those arising from a Capital Transaction, shall be allocated ninety-nine percent (99%) to the Limited Partners and one percent (1%) to the General Partners.

B. All profits and losses arising after the Admission Date (and prior to liquidation of the Partnership) from a Capital Transaction shall be shared by the Partners as follows:

As to profits:

First, to each Partner, an amount of profits equal to the amount of his Negative Basis, if any; provided, however, that, if less than the entire amount of the distributable cash and/or property arising from the Capital Transaction in question shall have been distributed to the Partners as of the date of the allocation, then, in determining the Negative Basis of each Partner, the amount charged to his capital account on account of distribution of the proceeds of such Capital Transaction shall not exceed the sum of the amount so distributed and to be distributed to him as a result of such Capital Transaction.

Second, the balance, if any, of such profits, 50% to the Limited Partners and 50% to the General Partners.

As to losses:

First, to each Partner, an amount of losses equal to the amount of his Positive Basis, if any; provided, however, that if less than the entire amount of the distributable cash and/or property arising from the Capital Transaction in question shall have been distributed to the Partners as of the date of the allocation, then, in determining the Positive Basis of each Partner, the amount charged to his capital account on account of distribution of the proceeds of such Capital Transaction shall not exceed the sum of the amount so distributed and to be distributed to him as a result of such Capital Transaction.

Second, the balance, if any, of such losses, 50% to the Limited Partners and 50% to the General Partners.

C. All profits and losses shared by the Limited Partners shall be shared by each Limited Partner in the ratio which his paid-in Capital Contribution bears to the Limited Partners paid-in Class Contribution. All profits and losses shared by the General Partners, if more than one, shall be shared by each General Partner in the ratio which his Capital Contribution bears to the General Partners Class Contribution.

D. All profits and losses shared by the Partners shall be credited or charged, as the case may be, to their capital accounts.

E. The terms "profits" and "losses" as used in this Agreement shall mean taxable income or loss as determined in accordance with the accounting method followed by the Partnership for Federal income tax purposes exclusive of any adjustments made pursuant to Section 13.6.

Section 10.2. Cash Distributions Prior to Dissolution

A. Cash Flow

1. The Cash Flow for each fiscal year shall be applied first to repayment of any outstanding Subordinated Loans. Any remaining Cash Flow for the fiscal year (the "Remaining Cash Flow"), up to an amount which equals the Yearly Preference Distribution for such fiscal year, shall be distributed in the following order of priority:

- (i) First, to the payment of a fee to Gaudreau & Company, Inc. at the rate of One Thousand Dollars (\$1,000) per annum, for ongoing accounting and administrative services to the Partnership;
- (ii) Second, to the payment of an incentive Management Fee to the Managing General Partner at the rate of Five Thousand Dollars (\$5,000) per annum;
- (iii) Third, any balance, ninety-nine (99%) to the Limited Partners and one percent (1%) to the General Partners.

2. Any balance of Remaining Cash Flow for the fiscal year shall be deemed to constitute Remaining Cash Flow with respect to the earliest prior fiscal year or years for which the Remaining Cash Flow (including any prior deemed distributions) was not at least equal to the Yearly Preference Distribution for such fiscal year or years, up to an amount for each such year sufficient to cause the aggregate distributions of Remaining Cash Flow for such year or years to be equal to the Yearly Preference Distribution. Such Remaining Cash Flow for each such prior fiscal year or years shall be distributed in the order of priority set forth above, except that any previous distributions (including any prior deemed distributions) with respect to such prior year or years shall be taken into account.

3. If and to the extent the aggregate distributions of Cash Flow shall have been sufficient, both to repay all outstanding Subordinated Loans and to make a distribution with respect to each fiscal year of the Partnership in an amount equal to the Yearly Preference Distribution for such year, any balance of Cash Flow shall be applied first to repayment of any outstanding Residual Receipt Notes and the balance in the manner set forth in clause (iii) above.

B. Distributions of other than Cash Flow

Prior to dissolution, if the General Partners shall determine from time to time that cash is available for

distribution from a Capital Transaction, such cash shall be applied or distributed as follows:

(i) First, to discharge the debts and obligations of the Partnership other than those referred to below in this Section 10.2.B;

(ii) Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partners and the Accountants;

(iii) Third, to the repayment of outstanding Subordinated Loans;

(iv) Fourth, to repay all Partners, Limited and General, their paid-in Capital Contributions minus any prior distributions made to them under this Section 10.2.B(iv). Such repayment shall be allocated to each Partner in accordance with each Partner's pro rata share of the total Capital Contributions of all Limited Partners and General Partners;

(v) Fifth, if and to the extent the aggregate distributions of Remaining Cash Flow under Section 10.2.A.1 shall not have been sufficient to make a distribution with respect to each fiscal year of the Partnership in an amount at least equal to the Yearly Preference Distribution for such year, an amount equal to the shortfall shall be distributed in the manner and priorities specified in Section 10.2.A.1.

(vi) Sixth, to the repayment of outstanding Residual Receipts Notes; and

(vii) Seventh, the balance 50% to the Limited Partners and 50% to the General Partners.

C. All distributions to the Limited Partners shall be shared by each Limited Partner in the ratio of his paid-in Capital Contribution to the paid-in Limited Partner Class Contribution. All distributions to the General Partners, if more than one, shall be shared by each General Partner in the ratio which his Capital Contribution bears to the General Partner Class Contribution.

### Section 10.3. Distributions Upon Dissolution

Upon dissolution, any assets which are to be distributed in kind shall be appraised at their fair market value by an appraiser selected by the then president of the Real Estate Board encompassing the area where the Project is located. Any

unrealized profit or loss revealed by such appraisal, and any profit or loss realized by reason of a sale in contemplation of liquidation, shall be shared by the Partners as provided in Section 10.1.B, except that unrealized profit or loss on liquidating distributions in kind shall not be taken into account in determining the Negative Basis or Positive Basis of any Partner for purposes of allocating realized profits among them. The proceeds of liquidation shall be distributed in the order and manner provided in Section 10.2.B.

If any assets of the Partnership are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled.

Section 10.4. Repayment of Subordinated Loans and Residual Receipts Notes

Subordinated Loans and Residual Receipts Notes shall be repaid only as provided in Sections 10.2 and 10.3.

ARTICLE XI

Sale of the Project

If at any time the Partnership or any Partner shall receive a bona fide offer from a Person who is not an Affiliate to purchase all or substantially all of the Partnership assets (the "Purchase Offer"), the General Partners shall promptly deliver a copy of the Purchase Offer to each of the Limited Partners. If Limited Partners who represent the Consent of the Limited Partners consent in writing to the Partnership's acceptance of the Purchase Offer within thirty (30) days after receipt of notice of such offer, the General Partners shall accept such Purchase Offer on behalf of the Partnership, unless any General or Limited Partner or Partners (the "Continuing Partners") desire to reject such Purchase Offer. Any Continuing Partners shall send written notice to the Limited Partners and any General Partner who is not a Continuing Partner (the "Selling Partners") not more than fifteen (15) days after such Limited Partners' notice of consent. Such written notice of the Continuing Partners shall constitute the agreement of the Continuing Partners to purchase from the Selling Partners their Interests at a price equal to the net cash proceeds which would be distributed to the Selling Partners as a result of a sale of the Partnership assets pursuant to the Purchase Offer and the dissolution of the Partnership pursuant to Section 10.3. The Continuing Partners shall specify the date (which shall be not more than forty-five (45) days from the date of such notice) upon which they shall purchase the Interests of the Selling Partners.

At the closing of the Continuing Partners' purchase of the interests of the Selling Partners, the Continuing Partners shall pay the price of such interests in cash or on such terms as were contained in the Purchase Offer, as the Continuing Partners shall elect, and the Selling Partners shall transfer to the Continuing Partners their entire Interests. Any such sale shall be subject to the approval of RIHMFC.

## ARTICLE XII

### Management Agent

#### Section 12.1. Management Agent For the Project.

A. The General Partners shall have overall responsibility for managing the Project. The Partnership may engage Promac, Inc., a Rhode Island corporation, to act as the Management Agent for the Project. In consideration of its management services, the Management Agent shall receive a Management Fee paid by the Partnership to the Management Agent on a monthly basis for management services in accordance with a management contract approved by RIHMFC, or when the Project is not subject to RIHMFC regulation, in accordance with a reasonable and competitive fee arrangement.

B. If

(i) at any time after the Completion Date the Project shall be subject to a substantial building code violation which shall not have been cured within six (6) months after notice from the applicable governmental agency or department, or

(ii) the Partnership shall not have distributed to the Limited Partners an amount at least equal to the Yearly Preference Distribution pursuant to Section 10.2.A.1 and 10.2.A.2 during each of any two (2) consecutive RIHMFC Fiscal Years starting with the year following the year in which Permanent Loan Commencement occurs (unless such failure resulted from general financial and economic conditions beyond the reasonable control of the Management Agent or a material change in the regulations of RIHMFC that is applicable to the Partnership), or

(iii) the Partnership shall not have distributed to the Limited Partners an amount at least equal to the Yearly Preference Distribution pursuant to Section 10.2.A.1 and 10.2.A.2 during each of any three (3) consecutive RIHMFC Fiscal Years starting with the year in which Permanent Loan Commencement occurs (unless (x) the General Partners shall have certified in writing to the Limited Partners the

reasons for such failure, which reasons were beyond the reasonable control of the Management Agent, and (y) either (aa) the Limited Partners (acting by Consent of the Limited Partners) shall have accepted such certificate, or (bb) if the Limited Partners (acting by Consent of the Limited Partners) shall not have accepted such certificate, an MAI-approved real estate appraiser jointly selected by the General Partners and the Limited Partners (or three such appraisers, one each appointed by the General Partners and the Limited Partners and the third selected by the other two, if the General Partners and the Limited Partners cannot agree on an MAI appraiser), shall have concluded in writing that the reasons cited by the General Partners in such certificate were beyond the reasonable control of the Management Agent,

then by Consent of the Limited Partners, subject to RIHMFC approval (if required), the management agreement shall forthwith be terminated and the General Partners shall appoint a new Management Agent which shall not be an Affiliate of a General Partner unless the Limited Partners (by Consent of the Limited Partners) consent to such appointment.

C. The General Partners shall have the duty to manage the Project during any period when there is no Management Agent. The Partnership shall not enter into any management arrangement unless such arrangement is terminable upon the occurrence of the events described in this Article XII.

### ARTICLE XIII

#### Books and Records; Accounting; Tax Elections, Etc.

##### Section 13.1. Books and Records

The books and records of the Partnership shall be maintained at the principal office of the Partnership and shall be available for examination there by any Partner, or his duly authorized representatives, at any and all reasonable times. The Partnership may maintain such books and records and may provide such financial or other statements, including those required from time to time by RIHMFC, FHA or any other governmental agency, as the General Partners in their exclusive discretion deem advisable.

##### Section 13.2. Bank Accounts

The bank accounts of the Partnership shall be maintained with such financial institutions as the Managing General Partner shall determine. Withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the Managing General Partner may determine. All deposits

(including security deposits and other funds required to be escrowed by RIHMFC) and other funds not needed in the operation of the business shall be deposited, to the extent permitted by applicable RIHMFC and Mortgage requirements, in interest bearing accounts or invested in United States Government or municipal obligations maturing within one year.

Section 13.3. Accountants

The Accountants shall prepare, for execution by the General Partners, all tax returns of the Partnership and all financial statements of the Partnership. The Accountants shall certify all annual financial statements and financial reports to the Partners in accordance with generally accepted accounting principles consistently applied.

Section 13.4. Certain Expenses

The Partnership shall treat as an expense for Federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of the Project or improvements thereto which may, under the Federal income tax law, be considered as expenses.

Section 13.5. Depreciation and Elections

With respect to all depreciable assets the Partnership shall elect to use, so far as permitted by the provisions of the Code, accelerated depreciation methods. However, on the advice of the Accountants, the Partnership may change to another method of depreciation if such other method is, in the opinion of the Accountants, more advantageous to the Limited Partners.

Subject to the provisions of Section 13.6, all other elections required or permitted to be made by the Partnership under the Code shall be made by the Managing General Partner in such manner as will, in the opinion of the Accountants, be most advantageous to the Limited Partners.

Section 13.6. Special Basis Adjustments

In the event of a transfer of all or any part of a Limited Partner's Interest for a consideration in excess of the adjusted basis for such Interest for Federal income tax purposes, the Partnership shall elect, pursuant to Section 754 of the Code, to adjust the basis of the Partnership property; provided, however, that in the event of the death of a Partner, such adjustment shall be made only if the Managing General Partner determines such election to be advantageous to the successor in interest to the deceased Partner. Notwithstanding anything contained in Article X hereof, any adjustments made pursuant to

said Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership all information necessary to give effect to such election.

Section 13.7. Fiscal Year; Accounting Method

The fiscal and tax year of the Partnership shall be the calendar year, notwithstanding the fact that the Section 8 Contract requires that the Partnership provide an audit of its financial records for the RIHMFC Fiscal Year. The books of the Partnership shall be kept on an accrual basis.

Section 13.8. Information to Partners

A. Within seventy-five (75) days after the end of each fiscal year, the General Partners shall deliver to all persons who were Partners at any time during the fiscal year all necessary tax information for the preparation of their Federal, state and local tax returns. Within one hundred twenty (120) days after the end of each RIHMFC Fiscal Year the General Partners shall deliver to all such Partners:

(i) a financial report of the Partnership for the prior RIHMFC Fiscal Year including a balance sheet, a profit and loss statement, a statement of Partners' equity, and a statement of changes in financial position, all prepared in accordance with generally accepted accounting principles consistently applied and certified as of the end of the RIHMFC Fiscal Year by the Accountants;

(ii) a certification by the General Partners that (a) all Mortgage payments and taxes and insurance payments with respect to the Project are current as of the date of the financial report, (b) to the best of the knowledge of the General Partners, there is no default under the Commitments, the management agreement with the Management Agent or this Agreement, or if there be any default, a description thereof, and (c) to the best of the knowledge of the General Partners, there is no building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Project or, if there be any violation, a description thereof;

(iii) that information specified in Section 13.8.C below;

(iv) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliate, including the nature of the transaction and the payments involved (including accrued cash or other payments); and

(v) a Cash Flow statement.

With respect to any distribution to a Limited Partner, the descriptive statement called for in item (iv) above shall separately identify distributions from (a) Cash Flow from operations during the period, (b) Cash Flow from operations during a prior period which had been held as reserves, (c) proceeds from Capital Transactions, (d) lease payments on net leases with builders and sellers, (e) reserves from the gross proceeds of the offering originally obtained from the Limited Partners, (f) borrowed monies, (g) loans or contributions from the Limited Partners, and (h) transactions outside of the ordinary course of business with a description thereof. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i), (ii), (iii) or (iv) above, the General Partners shall furnish such information within thirty (30) days of receipt of such request.

B. On or before each January 31 and July 31 prior to the Completion Date the General Partners shall send to all Partners a report of the construction activity for the preceding semi-annual period giving (i) the percentage of completion, (ii) the anticipated completion date, (iii) a report as to cost overruns, if any, and (iv) the then current rental status, all with the purpose of reasonably informing the Partners of construction and rental progress.

C. After the Completion Date the General Partners shall send to all Partners, on or before July 31 in each year, a report which shall state (i) the then occupancy level of the Project, (ii) if there are any operating deficits or anticipated operating deficits, the manner in which such deficits will be funded and (iii) such other matters as shall be material to the operation of the Partnership.

D. Prior to November 1 of each year, the General Partners shall send to all Partners an estimate of each Partner's share of the profits or losses of the Partnership for Federal income tax purposes for the current fiscal year.

E. Within 15 days after the end of any calendar quarter during which

(i) there is material default by the Partnership under the Commitments or in payment of any Mortgage, taxes, interest or other obligation on secured or unsecured debt,

(ii) any reserve has been reduced or terminated by application of funds therein for purposes materially different from those for which such reserve was established,

(iii) the General Partners have received any notice of a material fact which may substantially affect further distributions, or

(iv) any Partner has pledged or collateralized his interest in the Partnership (other than the fees payable to the Managing General Partner under Section 6.13 and Section 10.2.A.ii,

the General Partners shall send all Partners a detailed report of such event.

#### ARTICLE XIV

##### General Provisions

##### Section 14.1. Restrictions by Reason of Section 708 of the Code

Notwithstanding any other provisions of this Agreement, no sale or exchange of any Partner's interest in the Partnership may be made if the interest sought to be sold or exchanged, when added to the total of all other interests in the Partnership sold or exchanged within the period of twelve consecutive months prior to the proposed date of sale or exchange, could, in the opinion of tax counsel to the Partnership, result in the termination of the Partnership under Section 708 of the Code, but this Section 14.1 shall have no application to the repurchase of a Limited Partner's interest under Section 5.4 or Article XI. Any sale, exchange or other transfer in contravention of any of the provisions of this Section 14.1. shall be void ab initio and ineffectual, and shall not bind or be recognized by the Partnership.

##### Section 14.2. Appointment of General Partners as Attorneys-in-Fact

Each Partner (including a Substitute or additional Partner) hereby irrevocably appoints, and empowers to act alone each of The Wenscott Group (and each partner of The Wenscott Group) John E. Anzivino, Robert F. Roberti and Joseph L. Iantosco as his attorney-in-fact to amend Schedule A and to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including without limitation, business certificates, Certificates of Limited Partnership and amendments thereto and restatements thereof and documents required by RIHMFC.

The foregoing powers of attorney are coupled with an interest in that each Partner will be relying upon the power of

the General Partners to act as contemplated by this Agreement in making such filings and taking other actions on behalf of the Partners. The foregoing powers of attorney shall survive the assignment by any Partner of the whole or any part of his interest hereunder.

Section 14.3. Amendments to Schedule A and Certificate of Limited Partnership

Within 120 days after the end of any fiscal year in which the Limited Partners shall have received any distributions under Article X hereof, the General Partners shall file as they deem appropriate an amendment to the Certificate of Limited Partnership reducing by the amount of his allocable share of such distribution the amount of Capital Contribution of each Limited Partner as stated in the last previous amendment to the Certificate of Limited Partnership. However, Schedule A shall not be amended on account of any such distribution.

Upon any change in the composition of the Partnership, Schedule A and the Certificate of Limited Partnership shall be amended by the Partners to reflect the then current composition of the Partnership.

Section 14.4. Notices

Any notice, election, consent or other communication ("Notice") called for under this Agreement shall be in writing and shall be deemed adequately given if sent by registered or certified mail, postage prepaid, to the party for whom such Notice is intended at his last address of record on the Partnership books.

Section 14.5. Word Meanings

The words such as "herein," "hereinafter," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural, the plural shall include the singular and the use of any gender shall include all genders.

Section 14.6. Binding Effect

The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Section 14.7. Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 14.8. Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by a General Partner.

Section 14.9. Financing Regulations

A. So long as the Commitments are in effect, (a) each of the provisions of this Agreement shall be subject to, and the General Partners covenant to act in accordance with, the Commitments, (b) the Commitments, as amended or supplemented, shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns to the extent expressly provided therein, (c) upon any dissolution of the Partnership or any transfer of the Project, no title or right to the possession and control of the Project and no right to collect the rent therefrom shall pass to any Person who is not, or does not become, bound by the Commitments and other RIHMFC documents in a manner satisfactory to RIHMFC, (d) no amendment of the Commitments specified above shall become effective without the prior written consent of RIHMFC, and (e) the affairs of the Partnership shall be subject to RIHMFC regulation and no action shall be taken which would require the consent or approval of RIHMFC unless the same is first obtained.

B. Any conveyance or transfer of title to all or any portion of the Project required or permitted under this Agreement shall in all respects be subject to all conditions, approvals and other requirements of RIHMFC and any other regulations applicable thereto.

Section 14.10. Separability of Provisions

Each provision of this Agreement shall be considered separable and (a) if for any reason any provision is determined to be invalid, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (b) if for any reason any provision would cause the Limited Partners to be bound by the obligations of the Partnership (other than the rules and regulations of RIHMFC) such provision or provisions shall be deemed void and of no effect.

Section 14.11. Section Titles

Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 14.12. Amendment Procedure

A. Except as provided in Section 14.12B, this Agreement may not be amended by the General Partners except with the Consent of the Limited Partners except that none of the following amendments shall be adopted without the written approval of all Limited Partners:

(1) The term of the Partnership set forth in Section 2.4 shall not be extended;

(2) This Section 14.12 shall not be amended;

(3) This Agreement shall not be modified or amended in such manner as to increase the amount of Capital Contributions payable by the Limited Partners or to accelerate the date for payment of any Installment of said Capital Contributions or otherwise to increase the liability of the Limited Partners or to make any change in Article X which would adversely affect any Limited Partner.

B. The General Partners may, based upon advice of the Accountants and counsel to the Partnership, amend Article X of this Agreement in order to cause its provisions to comply with the income tax regulations promulgated by the United States Treasury Department for Section 704(b) of the Code relating to the allocations of profits and losses among partners.

Section 14.13. Time of Admission

Each Limited Partner shall be deemed to have been admitted to the Partnership as of the first day of the month during which he is admitted for all purposes of this Agreement, including Article X.

WITNESS the execution hereof under seal as of the date first above written.

GENERAL PARTNERS:

The Wenscott Group,  
General Partner

By John E. Anzivino  
Partner

John E. Anzivino  
John E. Anzivino, General Partner

Robert F. Roberti  
Robert F. Roberti, General Partner

Joseph L. Iantosco  
Joseph L. Iantosco, General Partner



STATE OF RHODE ISLAND )  
 ) SS.  
COUNTY OF PROVIDENCE )

BEFORE ME, the undersigned Notary Public in and for said County and State personally appeared John E. Anzivino, who acknowledged that he did sign the foregoing instrument individually and in said capacity as Attorney-in-Fact for the Limited Partners and that the same is his free act and deed.

WITNESS my hand and official seal this 29th day of March, 1984.

James A. O'Leary  
Notary Public  
My Commission Expires:

STATE OF RHODE ISLAND )  
 ) SS.  
COUNTY OF PROVIDENCE )

BEFORE ME, the undersigned Notary Public in and for said County and State personally appeared Robert F. Roberti, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed.

WITNESS my hand and official seal this 29th day of March, 1984.

James A. O'Leary  
Notary Public  
My Commission Expires: 6/30/86

STATE OF RHODE ISLAND )  
 ) SS.  
COUNTY OF RHODE ISLAND )

BEFORE ME, the undersigned Notary Public in and for said County and State personally appeared Joseph L. Iantosco who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed.

WITNESS my hand and official seal this 29th day of March, 1984.

James A. O'Leary  
Notary Public  
My Commission Expires: 6-30-86

Hagan Manor Associates  
(a Rhode Island Limited Partnership)

Limited Partner Signature Page

The undersigned hereby executes under seal this Amended and Restated Limited Partnership Agreement of Hagan Manor Associates (the "Agreement") and hereby adopts and agrees to be bound by all of the provisions thereof, and by so doing shall, upon acceptance by the Managing General Partner, become a Limited Partner with a total capital contribution of \$ 96,250.00.

Arthur P. Solomon  
Limited Partner

COMMONWEALTH OF MASSACHUSETTS

) ss.

COUNTY OF SUFFOLK )

On this 28 day of March, 1984, before me, the undersigned Notary Public, personally appeared Arthur P. Solomon, known to me to be the person whose name is subscribed to the within instrument, who, being duly sworn, acknowledged that it was his free act and deed and that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

William B. Conway  
Notary Public  
My commission expires: 6-16-89

ACCEPTED:

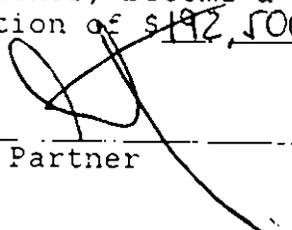
The Wenscott Group,  
Managing General Partner

By John E. Luzzino  
General Partner

Hagan Manor Associates  
(a Rhode Island Limited Partnership)

Limited Partner Signature Page

The undersigned hereby executes under seal this Amended and Restated Limited Partnership Agreement of Hagan Manor Associates (the "Agreement") and hereby adopts and agrees to be bound by all of the provisions thereof, and by so doing shall, upon acceptance by the Managing General Partner, become a Limited Partner with a total capital contribution of \$192,500.00.

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

COMMONWEALTH OF Massachusetts  
COUNTY OF Suffolk ) ss.

On this 26th day of March, 1984, before me, the undersigned Notary Public, personally appeared Arthur M. Sibley known to me to be the person whose name is subscribed to the within instrument, who, being duly sworn, acknowledged that it was his free act and deed and that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

John F. Richardson  
Notary Public  
My commission expires: 1/18/91

ACCEPTED:

The Wenscott Group,  
Managing General Partner

By John E. Luzzi  
General Partner

Hagan Manor Associates  
(a Rhode Island Limited Partnership)

Limited Partner Signature Page

The undersigned hereby executes under seal this Amended and Restated Limited Partnership Agreement of Hagan Manor Associates (the "Agreement") and hereby adopts and agrees to be bound by all of the provisions thereof, and by so doing shall, upon acceptance by the Managing General Partner, become a Limited Partner with a total capital contribution of \$ 96,250.

Ray A. Radloff  
Limited Partner

COMMONWEALTH OF MA )  
COUNTY OF Suffolk ) ss.

On this 27 day of March, 1984, before me, the undersigned Notary Public, personally appeared Robert A. Radloff, known to me to be the person whose name is subscribed to the within instrument, who, being duly sworn, acknowledged that it was his free act and deed and that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Melissa J Browne  
Notary Public  
My commission expires 9-23-88

ACCEPTED:

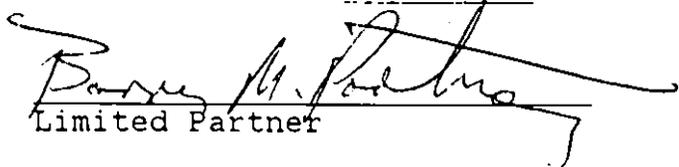
The Wenscott Group,  
Managing General Partner

By John E. Gujrin  
General Partner

Hagan Manor Associates  
(a Rhode Island Limited Partnership)

Limited Partner Signature Page

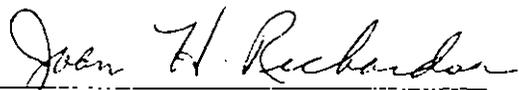
The undersigned hereby executes under seal this Amended and Restated Limited Partnership Agreement of Hagan Manor Associates (the "Agreement") and hereby adopts and agrees to be bound by all of the provisions thereof, and by so doing shall, upon acceptance by the Managing General Partner, become a Limited Partner with a total capital contribution of \$80,208.33.

  
Barry M. Palma  
Limited Partner

COMMONWEALTH OF Massachusetts  
COUNTY OF Suffolk ) ss.

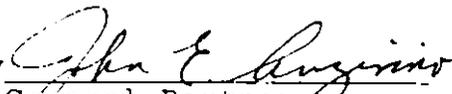
On this 25th day of March, 1984, before me, the undersigned Notary Public, personally appeared Barry M. Palma, known to me to be the person whose name is subscribed to the within instrument, who, being duly sworn, acknowledged that it was his free act and deed and that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
Joan H. Richardson  
Notary Public  
My commission expires: 1/18/91

ACCEPTED:

The Wenscott Group,  
Managing General Partner

By   
General Partner



Hagan Manor Associates  
(a Rhode Island Limited Partnership)

Limited Partner Signature Page

The undersigned hereby executes under seal this Amended and Restated Limited Partnership Agreement of Hagan Manor Associates (the "Agreement") and hereby adopts and agrees to be bound by all of the provisions thereof, and by so doing shall, upon acceptance by the Managing General Partner, become a Limited Partner with a total capital contribution of \$ 48,125.

C. Alida Humann  
Limited Partner

COMMONWEALTH OF Massachusetts  
COUNTY OF Suffolk ) ss.

On this 28<sup>th</sup> day of March, 1984, before me, the undersigned Notary Public, personally appeared C. Alida Humann known to me to be the person whose name is subscribed to the within instrument, who, being duly sworn, acknowledged that it was his free act and deed and that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robin W. Katz  
Notary Public  
My commission expires May 6, 1988

ACCEPTED:

The Wenscott Group,  
Managing General Partner

By John E. Ruzic  
General Partner

Hagan Manor Associates  
(a Rhode Island Limited Partnership)

Limited Partner Signature Page

The undersigned hereby executes under seal this Amended and Restated Limited Partnership Agreement of Hagan Manor Associates (the "Agreement") and hereby adopts and agrees to be bound by all of the provisions thereof, and by so doing shall, upon acceptance by the Managing General Partner, become a Limited Partner with a total capital contribution of \$80,208.34.

Michael M. Davis  
Limited Partner

COMMONWEALTH OF Massachusetts  
COUNTY OF Suffolk ) ss.  
)

On this 28<sup>th</sup> day of March, 1984, before me, the undersigned Notary Public, personally appeared Michael M. Davis known to me to be the person whose name is subscribed to the within instrument, who, being duly sworn, acknowledged that it was his free act and deed and that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Mark Heen  
Notary Public  
My commission expires: Jan. 4, 1991

ACCEPTED:

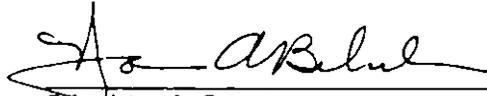
The Wenscott Group,  
Managing General Partner

By John E. Cuzzisino  
General Partner

Hagan Manor Associates  
(a Rhode Island Limited Partnership)

Limited Partner Signature Page

The undersigned hereby executes under seal this Amended and Restated Limited Partnership Agreement of Hagan Manor Associates (the "Agreement") and hereby adopts and agrees to be bound by all of the provisions thereof, and by so doing shall, upon acceptance by the Managing General Partner, become a Limited Partner with a total capital contribution of \$ ~~64,166.67~~ .80, 208.33 714B

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

COMMONWEALTH OF Massachusetts  
COUNTY OF Suffolk ) ss.

On this 28<sup>th</sup> day of March, 1984, before me, the undersigned Notary Public, personally appeared Norman A. Belul, known to me to be the person whose name is subscribed to the within instrument, who, being duly sworn, acknowledged that it was his free act and deed and that he executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public  
My commission expires: 1/18/91

ACCEPTED:

The Wenscott Group,  
Managing General Partner

By John E. Luzzini  
General Partner

Schedule A  
to  
Amended and Restated  
Limited Partnership Agreement  
of  
Hagan Manor Associates

| <u>Names and Addresses<br/>of General Partners</u>  | <u>Capital<br/>Contribution</u> |
|---|---------------------------------|
| The Wenscott Group<br>10 Meadow View Boulevard<br>North Providence,<br>Rhode Island 02904 | 266                             |
| John E. Anzivino<br>10 Meadow View Boulevard<br>North Providence,<br>Rhode Island 02904   | 38                              |
| Joseph L. Iantosco<br>8 Wenscott Lane<br>North Providence,<br>Rhode Island 02904          | 38                              |
| Robert F. Roberti<br>12 Meadow View Boulevard<br>North Providence,<br>Rhode Island 02904  | 38                              |
| Total General Partner<br>Capital Contribution   | <u>\$380</u>                    |

| <u>Names and Addresses<br/>of Limited Partners</u>                          | <u>Initial<br/>Capital<br/>Contribution</u> | <u>Total<br/>Capital<br/>Contribution</u> |
|---|---|---|
| Norman A. Bikales<br>Old County Road<br>Lincoln,<br>Massachusetts 01773     | \$13,020.83                                 | \$ 80,208.33                              |
| Michael M. Davis<br>47 Chatham Road<br>Newton,<br>Massachusetts 02161       | \$13,020.84                                 | \$ 80,208.34                              |
| Akiba C. Hermann<br>95 Dudley Road<br>Newton Center,<br>Massachusetts 02159 | \$ 7,812.50                                 | \$ 48,125.00                              |

| <u>Names and Addresses<br/>of Limited Partners</u>                            | <u>Initial<br/>Capital<br/>Contribution</u> | <u>Total<br/>Capital<br/>Contribution</u> |
|---|---|---|
| Paul J. Montle<br>49 Margin Street<br>Cohasset,<br>Massachusetts 02025-1866   | \$15,625.00                                 | \$ 96,250.00                              |
| Barry M. Portnoy<br>1 Shuman Road<br>Marblehead,<br>Massachusetts 01945       | \$13,020.83                                 | \$ 80,208.33                              |
| Robert A. Radloff<br>75 Revere Street<br>Boston,<br>Massachusetts 02114       | \$15,625.00                                 | \$ 96,250.00                              |
| Arthur P. Solomon<br>529 Boylston Street<br>Brookline,<br>Massachusetts 02146 | \$15,625.00                                 | \$ 96,250.00                              |
| Arthur M. Sibley<br>85 Ledgeways<br>Wellesley Hills,<br>Massachusetts 02181   | \$31,250.00                                 | \$192,500.00                              |
| Total Limited Partner<br>Capital Contribution                                 | <u>\$125,000.00</u>                         | <u>\$770,000.00</u>                       |

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