

SECOND AMENDED AND RESTATED LIMITED PARTNER-
SHIP AGREEMENT AND CERTIFICATE
OF MEDINA ASSOCIATES

MEDINA ASSOCIATES
SECOND AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

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MEDINA ASSOCIATES
SECOND AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

AGREEMENT OF AMENDMENT, dated this *10th* day of *MARCH*, 1980 by and among Mast Construction, Inc. ("Mast"), a Rhode Island corporation, as the Managing General Partner; Muslim Brothers Development Corporation ("Muslim"), a Rhode Island corporation, as a General Partner; Sound Associates, a Rhode Island Limited Partnership, as Class A Limited Partner and Waverly Associates ("Waverly"), a Rhode Island limited partnership, as the Investor Limited Partner.

Preliminary Statement

Medina Associates was formed as a limited partnership under the laws of the State of Rhode Island (the "Partnership") pursuant to a Limited Partnership Agreement and Certificate of Limited Partnership dated August 13, 1979, by and among Mast, as an original General Partner, and Muslim, as an original General and the original Limited Partner. The Certificate of Limited Partnership was filed in the office of the Secretary of State of Rhode Island on August 14, 1979.

The First Amended Certificate and Agreement of Limited Partnership of Medina Associates, dated as of September 11, 1979, was filed in the Office of the Secretary of the State of Rhode Island on September 13, 1979. Pursuant to that Amendment, Muslim withdrew as the Limited Partner, Waverly was admitted as the sole Investor Limited Partner and WFC Realty Co., Inc. ("WFC"), a Massachusetts corporation, was admitted as a General Partner of the Partnership.

The purposes of this Second Amended Agreement and Certificate are (i) to admit Sound as a Class A Limited Partner (ii) to enable WFC to withdraw from the Partnership as a General Partner, (iii) to permit Mast to become a Class B Limited Partner under circumstances hereinafter set forth, and (iv) to set out more fully the rights, obligations and duties of the Managing General Partner, the General Partners and the Limited Partners.

Now, therefore, it is hereby agreed that the Partnership Agreement and Certificate of Medina Associates as presently in effect shall be replaced in its entirety by the following Agreement and Certificate.

all other payments to such Partner or class not allowed as additions to the basis of Partnership property or deductions from Partnership gross income for federal income tax purposes.

"Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. 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 the Partnership interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 10.2.B.

"Certificate" means the Limited Partnership Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Secretary of the State of Rhode Island on August 14, 1979, and amended on September 13, 1979, as said Certificate is herein amended and may be further amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time and all published rules, rulings (including private rulings) and regulations thereunder at the time of reference thereto.

"Commitments" means the commitment given to the Partnership by the Industrial National Bank of Rhode Island to advance funds under the construction and permanent Mortgage. The term "Commitments" shall also include the Construction Contract, the Building Loan Agreement, the Agreement to enter into Housing Assistance Payments Contract between the Partnership and the Rhode Island Housing and Mortgage Finance Corporation ("RIHMFC"), and any other instrument delivered to or required by FHA and/or RIHMFC in connection with the Mortgage.

"Consent of the Limited Partner" means the written consent or approval of Waverly, which consent or approval shall be obtained prior to the taking of the Action for which it is required hereunder; provided, however, that with respect to any Consent required by the provisions of Sections

ARTICLE 1

Defined Terms

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

"Accountants" means Laventhol & Horwath (New York office) or such other firm of certified public accountants as may be engaged by the General Partners with the consent of the Limited Partners.

"Admission Date" means, as to each Investor Limited Partner, the date on which he is admitted to the Partnership.

"Affiliated Person" means any (i) General Partner other than Sound, (ii) member of the Immediate Family of any General Partner other than Sound, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) through (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly or, indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the owner of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

"Agreement" means this Second Amended and Restated Agreement and Certificate of Limited Partnership as it may be further amended from time to time.

"Building Loan Agreement" means the Building Loan Agreement between the Partnership and Industrial National Bank of Rhode Island and the Partnership, containing the terms and conditions upon which the proceeds of the Mortgage shall be disbursed by such lender to the Partnership.

"Capital Account" means, as to any Partner or class of Partners, the Capital Contribution actually made by such Partner or class, plus all income, gain or profits allocated to such Partner or class, and minus the sum of (i) all losses or deductions allocated to such Partner or class, (ii) all distributions to such Partner or class, and (iii)

6.1(2), 11.1, or 12.3, of Waverly, after receiving a notice pursuant to the provisions of Section 13.4 hereof requiring its consent or approval of any action under said Sections, does not respond within 60 days after having been given said notice, shall be deemed to have given its "approval" to such action within the meaning of this definition.

"Construction Completion Notes" means non-recourse, non-interest bearing promissory notes of the Partnership issued pursuant to Section 6.8 (on a form acceptable to FHA) and not secured by any liens or other charges upon the Property which notes will be payable only as permitted in Section 6.8 and/or Article X of this Agreement, and which by their terms provide that payments thereon may be made only as permitted by applicable FHA regulations.

"Construction Contract" means the construction contract (including all exhibits and attachments thereto and all FHA approved plans and specifications referred to therein) entered into between the Partnership and Mast as of September 11, 1979, as such contract may be modified from time to time with the consent of FHA pursuant to which the Project shall be constructed.

"Consultants" means Consultants, Incorporated, a Rhode Island corporation.

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

"Escrow Agent" means United States Trust Company, 40 Court Street, Boston, Massachusetts.

"Event of Bankruptcy" means as to a General Partner

(a) his or its admission in writing of his or its inability to pay his or its debts;

(b) his or its filing a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Act (as now or in the future amended) or an admission seeking the relief therein provided;

(c) his or its making a general assignment for the benefit of his or its creditors;

(d) his or its consenting to the appointment of a receiver for all or a substantial part of his or its property;

(e) his or its being adjudicated a bankrupt;

(f) The entry of a court order appointing a receiver or trustee for all or a substantial part of his or its property without his or its consent which order remains unstayed and in effect for more than 30 days;

(g) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of his or its property.

"FHA" means the Federal Housing Administration, a division of the United States Department of Housing and Urban Development, and also shall mean such department where the context requires.

"Final Endorsement" means the date upon which the credit instrument evidencing the permanent mortgage is finally endorsed for insurance by the Federal Housing Commissioner.

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

"Housing Assistance Payments Contract" means the contract providing for rent subsidy payments to the Partnership for 83 apartment units to be executed upon completion of the Project pursuant to and in accordance with the terms of the "Agreement to Enter Into Housing Assistance Payments Contract" executed by RIHMFC and the Partnership and approved by the Secretary of HUD.

"HUD" means the Secretary of the Department of Housing and Urban Development of the United States of America and his successors.

"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.

"Improvements" means the proposed apartment development and related facilities to be constructed on the Land as described in the Commitments with respect to the Project No. 016-35051-LDP-L8.

"Investor Service Fee" means the annual fee payable to Sound, the Investor Service Representative (prior to any distribution to the Partners), equal to \$2,000, prorated for any portion of a fiscal year. Such fee shall commence at the time Final Endorsement occurs and shall be deemed an operating expense of the Partnership for all purposes hereunder. Any portion of such fee not paid in any fiscal year shall be paid as provided in Section 10.2C.

"Investor Limited Partners" means each Person designated as an Investor Limited Partner in the Schedule or any Person who becomes an Investor Limited Partner as provided herein, including a Substitute Investor Limited Partner, in each such Person's capacity as an Investor Limited Partner. Whenever this Agreement provides for action or consent by a given percentage of Investor Limited Partners, such percentage shall be determined without considering any Investor Limited Partner who is an Affiliated Person.

"Land" means those parcels located in Providence, Rhode Island, referred to in FHA Form 2432 issued for the Project No. 016-35051-LDP-L8.

"Limited Partner" or "Limited Partners" shall mean and include the Investor Limited Partner and any other Person designated as a Limited Partner.

"MGP Administration Fee" means the annual fee payable to the Managing General Partners, out of the first available Cash Flow (prior to any distribution to the Partners and payment of the Investor Service Fee and to Sound equal to \$2,000, prorated for any portion of a fiscal year. Such fee shall commence at the time Final Endorsement occurs and shall be deemed an operating expense of the Partnership for all purposes hereunder. Any portion of such fee not paid in any fiscal year shall be paid as provided in Section 10.2C.

"Management Agent" means Meyer, Smith and Granity, the managing and rental agent for the Project.

"Management Fee" means the amount payable from time to time by the Partnership to the Management Agent on an annual basis for management services in accordance with a management contract approved by FHA, or when the Property is not

subject to FHA regulation, in accordance with a reasonable and competitive fee arrangement.

"Managing General Partner" means Mast until replaced by Sound as provided for in Article VII.

"Mortgage Loan" means the loan to the Partnership insured by the FHA on the Property to provide funds for the acquisition, development, construction and permanent financing of the Property and the loan as acquired by the Government National Mortgage Association, and, where the context admits, any mortgage or deed of trust on the Land and any related regulatory agreement, security agreement, modification agreement or financing statement, and the promissory note or other credit instrument evidencing the debt thereunder and any other instrument in connection with the Mortgage which is binding on the Partnership. In case the Mortgage Loan is replaced by any subsequent mortgage or mortgages, the term Mortgage Loan shall refer to any such subsequent mortgage or mortgage loans.

"Mortgage Lender" means the party making the Mortgage loan to the Partnership.

"Operating Guarantee Period" means the period beginning on Final Endorsement and ending on December 31 of the year in which the Fifth Installment becomes due and payable.

"Partner" means any General Partner or Limited Partner.

"Partnership" means the limited partnership governed by this Agreement as said limited partnership may from time to time be constituted and amended.

"Percentage Interest" means, as to a Partner, the percentage specified in the Schedule.

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

"Project" means the Land and the Improvements constructed or to be constructed thereon, including the dwelling units, known as Medina Village Apartments.

"Project Documents" means and includes the Mortgage, the Building Loan Agreement, the Commitments, the Regulatory Agreement, and all other documents related to the Property and signed by a General Partner.

"Project Expenses" means all the costs and expenses of any type incurred incident to the construction, development, equipping, financing, ownership and operation of the Property, including, without limitation, taxes, payments (after taking into account any forbearance) of principal (if amortization of the Mortgage has commenced) and interest on the Mortgage, the cost of operations, maintenance, repairs, capital improvements to the Property subsequent to Final Endorsement, and the funding (without forbearance) of any reserves, deposits, or escrow accounts required to be maintained by FHA. For the purposes of Sections 6.8 and 6.9, Project Expenses shall be determined on an accrual basis of accounting regardless of the basis upon which the books of the Partnership are kept for other purposes.

"Property" means the Land located in Providence, Rhode Island, as more fully described in the Project Documents in connection with FHA Project No. 016-35051-LDP-L8, together with all buildings and other Improvements on or to be constructed or made upon such Land.

"Regulatory Agreement" means the FHA Regulatory Agreement executed in connection with the Mortgage, effective on the date of the Initial Endorsement and setting forth (among other things) certain obligations of the Partnership to FHA and certain restrictions on the operation of the Partnership.

"Retirement" (including the verb form Retire and the adjectival forms Retired and Retiring) means, as to a General Partner, and shall be deemed to have occurred automatically upon, the occurrence of an Event of Bankruptcy, dissolution or Withdrawal from the Partnership for any reason.

"RIHMF" means the Rhode Island Housing and Mortgage Finance Corporation, an independent corporation organized and existing under the provisions of Title 42, Chapter 55 of the General Laws of Rhode Island, as amended, and its successors or assigns.

"Schedule" means the Schedule of Partners annexed hereto as Schedule A as amended from time to time and as so amended at the time of reference thereto.

"State" means the State of Rhode Island.

"Subordinated Loan" means loan or loans made by the Managing General Partners to the Partnership pursuant to Section 6.9 and which is or are non-recourse, repayable without interest and only as provided in Article X.

"Substantial Completion Date" means the date on which the Project is certified by the architect for the Project and FHA to be substantially complete.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 8.3.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Title 7, Chapter 13 of the General Laws of Rhode Island.

"Unit" means the Investor Limited Partner Class Contribution representing a Capital Contribution of \$600,000 reduced by 21.303% of the excess, if any, of \$2,816,500 over the face amount of the Mortgage at Final Endorsement as provided in Section 5.1 of the Agreement.

"Withdrawal" (including the verb form Withdraw and the adjectival forms Withdrawn and Withdrawing) means, as to a General Partner, any circumstances, whether voluntary or involuntary, by which such Person (i) ceases to be a General Partner in the Partnership, (ii) causes a dissolution or termination of the Partnership, (iii) sells, assigns, transfers or otherwise disposes of or encumbers all or any portion of its interest as a General Partner in the Partnership, (iv) the Managing General Partner shall have committed a material violation of Sections 5.3, 6.8 or 6.9 hereof.

ARTICLE II

Formation; Name; and Purpose

Section 2.1 Formation

The parties hereto hereby agree to continue the limited partnership known as Medina Associates, a limited partnership formed pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office

The Partnership shall continue to be conducted under the name and style of Medina Associates. The principal office of the Partnership shall be 596 Cranston Street, Providence, Rhode Island. The Managing General Partner may at any time change the location of such principal office and shall give due notice of any such change to the General Partners and to the Limited Partners.

Section 2.3 Purpose

The purpose of the Partnership is to acquire, construct, develop, improve, maintain, operate, lease, sell, dispose and otherwise deal with the Property in manner consistent with its status as a rental housing project under Section 221(d)(4) of the United States Housing Act of 1937, as amended, with rental assistance under Section 8 of said Act. Subject to the limitations on the obligation of the Managing General Partner set forth in Section 6.7 and elsewhere in this Agreement, the Managing General Partner shall use its best efforts to operate the Property in accordance with any applicable FHA and other governmental regulations, and shall take all steps necessary on a best efforts basis to discharge its obligation as Managing General Partner to the Partnership and the Partners. The Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts

In furtherance of its purposes, but subject to all other provisions of this Agreement including, but not limited to, Articles III and VI, the Partnership is hereby authorized:

(i) To acquire by purchase, lease or otherwise any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

(ii) To construct, operate, maintain, finance, improve, own, sell, convey, assign, mortgage or lease any real estate and any personal property necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

(iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and to secure the same by

mortgage, pledge or other lien on the Property or any other assets of the Partnership; provided, however, that the proceeds of such borrowings, except as otherwise permitted by Article X, shall not be used directly or indirectly to pay Subordinated Loans or Construction Completion Notes.

(iv) To borrow money on the general credit of the Partnership for the use in the Partnership business; provided, however, that the proceeds of such borrowings, except as otherwise permitted by Article X, shall not be used directly or indirectly to pay Subordinated Loans or Construction Completion Notes.

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

(vi) To employ a Management Agent, including an Affiliated Person, to manage the Property, and to pay reasonable compensation for such services.

(vii) To rent apartment units in the Project from time to time for periods of not less than 30 days or more than 3 years and to collect all rents and other income and to pay therefrom all Project Expenses.

(viii) To enter into, perform and carry out contracts of any kind, including contracts with Affiliated Persons, necessary to, in connection with or incidental to, the accomplishment of the purposes of the Partnership, specifically including, but not limited to, the execution and delivery of the Commitments, and all other agreements, certificates, instruments or documents required by HUD or RIHMFC in connection with the Commitments and the acquisition, construction, rehabilitation, development, improvement, maintenance and operation of the Property or otherwise required by such agencies in connection with the Property.

(ix) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as

said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Property, (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Property, and (3) agreements with respect to use by residents of the Project and their guests of the recreational facilities, if any, and to pay appropriate charges therefor; provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

Section 2.5 Term and Dissolution

The Partnership shall continue in full force and effect until December 31, 2022, except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

A. The sale or other disposition of all or substantially all the assets of the Partnership; or

B. The Retirement of a General Partner if no General Partner remains and the Partnership is not continued as provided in Section 7.2.

C. The election to dissolve the Partnership made in writing by the Managing General Partner with the Consent of all of the Partners.

Upon dissolution of the Partnership, the Managing General Partner (or its trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.3. Notwithstanding the foregoing, in the event such liquidating Managing General Partner shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, either (i) 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 (other than Subordinated Loans and Construction Completion Notes) or (ii) distribute the assets to the Partners in kind; provided, however, that the proceeds of any sale or other disposition of Partnership assets shall be distributed in the fiscal year of the Partnership in which the sale or other disposition occurs.

ARTICLE III

Mortgage and Regulatory Agreement

Refinancing and Disposition of Property

Section 3.1 Mortgage and Regulatory Agreement

The Partnership shall borrow whatever amounts may be required for the acquisition, development and construction of the Property and to meet the expenses of operating the Property and may secure the same by the Mortgage. The Mortgage shall provide that neither the Partnership nor any Partner shall have personal liability for the payment of all or any part of the Mortgage.

The Managing General Partner is specifically authorized to execute such documents as it deems necessary in connection with the acquisition, development, financing and operation of the Property, including, without limiting the generality hereof, the Mortgage and the Regulatory Agreement and other documents required by FHA in connection with the Mortgage.

The Partnership shall be bound by the terms of the Mortgage, Regulatory Agreement and any other documents required in connection therewith. The Regulatory Agreement shall be binding upon and shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns so long as an outstanding mortgage is insured or held by the FHA.

Section 3.2 Refinancing and Disposition of the Project

The Managing General Partner, on behalf of the Partnership, and with the approval of FHA and Sound, may decrease or increase the Mortgage at or before Final Endorsement to conform to reasonable changes in the Commitments provided, however, that in the event of an increase in the principal amount of the Mortgage the Consent of the Limited Partner shall be required unless (a) FHA and/or RIHMFC shall have approved an increase in the rents for the apartments in the

Project or other changes are made in the operations of the Project which, in either or both instances, shall provide a sufficient increase in gross rental income, to cover the resulting increase in the annual amount the Partnership is required to pay for interest and mortgage insurance premium, if any, on, and amortizations of the principal of, the Mortgage or (b) the total annual amount the Partnership is required to pay for interest and mortgage insurance premium, if any, on, and amortization of the principal of, the Mortgage does not exceed the total annual amount of such payments required to be made prior to the increase in the Mortgage. The Managing General Partner, on behalf of the Partnership, and with the approval of Sound may also refinance the Mortgage, including any required transfer or conveyance of Partnership assets for security or mortgage purposes, and sell, lease, exchange or otherwise transfer or convey all or substantially all of the assets of the Partnership; provided, however, that any such refinancing, sale, lease, exchange or other transfer, or conveyance and the terms thereof must receive the Consent of the Limited Partner, before such transaction shall be binding on the Partnership. The Managing General Partner shall give the Limited Partner at least 30 days written notice of any transaction described above which requires Consent of the Limited Partner.

ARTICLE IV

Partners; Capital

Section 4.1 General Partners

A. The General Partners of the Partnership are Muslim and Mast. Mast is the Managing General Partner. The Capital Contributions of the General Partners are set forth in the Schedule.

B. The Managing General Partner shall have the right to admit any Person as an additional or Substitute General Partner provided such admission receives the consent of all of the General Partners, the consent of the Limited Partner and, if required, the approval of FHA and RIHMFC.

Section 4.2 Delegation of Duties to Manager

Mast and Consultants hereby agree that Consultants shall continue to perform Mast's duties (i) to develop and supervise completions of construction of the Property, (ii) to supervise initial rent-up; and (iii) to administer the

affairs of the Partnership and manage the Property. In consideration, Consultants shall be entitled to receive certain payments under Sections 6.11, D, E, and F of this Agreement. Nothing herein shall result in Consultants being treated as a General Partner or release Mast of its primary responsibility as the Managing General Partner for the performance of such duties.

Section 4.3 Withdrawing General Partner

WFC hereby withdraws as a General Partner of the Partnership. The \$1 Capital Contribution, previously made to the Partnership by WFC shall be returned to WFC upon execution of this Agreement.

Section 4.4 Partnership Capital

The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and by the Limited Partners, as set forth in the Schedule.

No interest shall be paid on any Capital Contribution to the Partnership.

Section 4.5 Withdrawal of Capital

No partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2022. No Partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 4.6 Liability of Limited Partner

No Limited Partner shall be liable for any debts, liabilities, contracts, or obligations of the Partnership. A Limited Partner shall be liable only to make payments of his Capital Contribution as and when due hereunder. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contributions or lend any funds to the Partnership.

Section 4.7 Limited Partner

A. WAVERLY is the sole Investor Limited Partner of the Partnership. WAVERLY has agreed to contribute up to a total

of \$600,000 reduced by 21.30% of the excess, if any, of \$2,816,500 over the face amount of the Mortgage at Final Endorsement, to the capital of the Partnership pursuant to the provisions of Article V.

B. The Class A Limited Partner is Sound. Sound shall convert its interest into that of the Managing General Partner of the Partnership upon the withdrawal of Mast pursuant to Section 7.1.

C. Any Limited Partner shall, by his execution of this Agreement or as a result of being admitted to the Partnership as a Substitute Limited Partner pursuant to Article VIII and as a condition of receiving any interest in the Partnership property, agree to be bound by the terms and provisions of the Mortgage, Regulatory Agreement, Housing Assistance Payments Contract, the Agreement and any other documents required in connection therewith to the same extent and on the same terms as the Investor Limited Partners admitted pursuant to Section 4.6 hereof. Any Limited Partner shall also agree to accept such other terms and conditions set forth in writing to them at the time of admission as the Managing General Partner may reasonably determine.

ARTICLE V

Capital Contributions of the Investor Limited Partner

Section 5.1 Payments

Waverly made a Capital Contribution of \$140,000 upon admission on September 11, 1979. Waverly also shall make additional Capital Contributions totaling \$460,000 as follows:

(1) \$130,000 (the "Second Installment") shall be payable on the latest to occur of (i) February 15, 1981, (ii) the Substantial Completion Date, or (iii) Final Endorsement;

(2) \$150,000 (the "Third Installment") shall be payable on the latest to occur of (i) February 15, 1982, (ii) twelve months after the Substantial Completion Date, or (iii) Final Endorsement;

(3) \$90,000 (the "Fourth Installment") shall be payable on the latest to occur of (i) February 15, 1983, (ii) twenty-four months after the Substantial Completion Date, or (iii) Final Endorsement; and

(4) \$90,000 (the "Fifth Installment") shall be payable on the latest to occur of (i) February 15, 1984, (ii) thirty-six months after the Substantial Completion Date, or (iii) Final Endorsement.

Provided, however, the Second, Third, Fourth and Fifth Installments shall be reduced pro rata by an amount equal to 21.3% of the excess, if any, of \$2,816,500 over the face amount of the Mortgage at Final Endorsement in the event that (i) the Mortgage at Final Endorsement is less than the projected amount of \$2,816,500 and (ii) the FHA approved rental income for the Project is correspondingly reduced. The Installments shall not be increased in the event of a Mortgage increase.

Waverly will be obligated to execute a non-interest bearing promissory note to the Partnership evidencing its obligations to make payment of the Second through Fifth Installments of its Capital Contributions. The Managing General Partner shall hold such note and, on behalf of the Partnership, may assign that promissory note to secure the obligations of the Partnership or to secure borrowings of the Managing General Partners or Consultants; provided, however, such borrowings must arise and the proceeds must be used in connection with the development and/or operation of the Project and/or obligations of the Partnership including the subordinated promissory notes to be issued to Mast and Consultants pursuant to Section 6.11.

The obligation of the Investor Limited Partner to make each of the Installments of Capital Contribution hereunder is subject to the condition that the General Partners shall have delivered a written certificate (the "GP Certificate") (i) listing all preconditions, representations and warranties applicable to such Installment (including, without limitation, those set forth in Section 6.5 hereof), (ii) stating that all such preconditions, representations, warranties and agreements have been satisfied and are true and correct, and (iii) stating that, as to the Managing General Partner or any other Affiliated Person, no default has occurred and is continuing under the Agreement, or any of the Project Documents. The Managing General Partner shall give the Investor Limited Partner not less than 30 days advance written notice of the due date of the Second, Third, Fourth and Fifth Installments and shall deliver the GP Certificate to it not less than 30, nor more than 60, days prior to the due date for each such Installment.

If, as of the date when the GP Certificate for the Second, Third, Fourth, or Fifth Installments would otherwise be due hereunder, the General Partners (or their successors, heirs or assigns) are unable to make all of the representations and/or warranties contained in Section 6.5 hereof, as of the due date of such GP Certificate, or the General Partners (or its successors, heirs and assigns) or any Affiliated Person shall be in material default of any agreement contained herein or in material default under any of the Project Documents, the Investor Limited Partner shall not then be required to make such Installment or any future Installments of Capital Contribution; provided, however, that if at a later time the General Partners (i) have issued the GP Certificate in respect of the deferred Installment dated as of the deferred payment date, and (ii) have reasonably satisfied Source, as of the date of the deferred payment date, that (a) each of the representations and warranties contained in Section 6.5 hereof are true and correct and/or (b) they or their Affiliated Person, as the case may be, have cured the default with respect to any agreement contained herein or any of the Project Documents, then the Investor Limited Partner shall pay the amount of such Installment to the Partnership 30 days after notice from the General Partners specifying that each of the representations and warranties contained in Section 6.5 hereof are true and correct, or such breach has been cured or such agreement has been complied with, and the manner in which such breach was cured or such agreement complied with. If an Installment is deferred as provided herein, then each subsequent Installment shall be due no earlier than 90 days after the deferred payment date of the immediately preceding Installment. If all conditions precedent relating to the payment of a deferred Installment are not satisfied within 18 months from the date such Installment initially was due (disregarding all such conditions) under the provisions of this Section 5.1, then the Investor Limited Partner shall have no obligation to pay the amount of such Installment or any future Installments.

All payments to be made under this Paragraph 5.1 shall be made to the Escrow Agent. The Escrow Agent shall make all payments due the General Partners from the Partnership from such contributions to the General Partners pursuant to Section 6.11.

Section 5.2 Defaults

A. In the event the Investor Limited Partner fails to pay any Installment of its Capital Contribution on or prior

to the time therefor set forth in Section 5.1, it shall be deemed to be in default hereunder (the "Defaulting Limited Partner") and the amount of Installment defaulted upon will bear interest at the maximum legal rate until the date of payment. The obligation to pay interest will be the obligation of only the Defaulting Limited Partner, regardless of whether his interest in the Partnership is purchased pursuant to this Section 5.2. Upon the occurrence of such default, the Managing General Partner shall give notice of such default to all General Partners ("Default Notice") specifying the nature of the default and the aggregate amount of Capital Contributions theretofore contributed by the Defaulting Limited Partner. The General Partners shall have the option to purchase, for the price hereinafter specified, the Defaulting Limited Partner's entire interest as an Investor Limited Partner including all profits, losses and distributions attributable to such interest. Such option may be exercised by a General Partner (the "Purchasing General Partner") by mailing to the Partnership within 15 days of the mailing of the Default Notice written notice of his desire to purchase all or part of the Defaulting Limited Partner's interest as an Investor Limited Partner (the "Purchase Notice") specifying the percentage which the Purchasing General Partner desires to purchase. Whether or not this option is exercised, the Defaulting Limited Partner shall have no right to receive such profits, losses, and distributions, but any successor to his interest shall receive the benefits of the same.

In the event one or more Purchasing General Partners desire to purchase all or part of the Defaulting Limited Partner's interest as an Investor Limited Partner and the total of the percentages they desire to purchase (the "Total Percentage") is equal to or less than the total of such interest of the Defaulting Limited Partner, each Purchasing General Partner shall be allowed to purchase the percentage specified in the Purchase Notice on the terms listed below. If any part of such interest is not so purchased by Purchasing General Partners, the Managing General Partner may offer such portion to any person not then a Partner, on the terms and conditions hereinafter specified in this Section 5.2. Any purchaser of the interest of a Defaulting Limited Partner who, at the time of such purchase, is not a Partner of the Partnership shall become an assignee and, with the unanimous consent of the General Partners, a Substitute Investor Limited Partner.

In the event two or more Purchasing General Partners desire to purchase a Total Percentage greater than the

interest of the Defaulting Limited Partner, and they are unable to agree as to the apportionment thereof, they shall be entitled to purchase portions of such interest based on the ratio which the Percentage Interest of each Purchasing General Partner bears to the total Percentage Interest of all Purchasing General Partners. Any Purchasing General Partner shall become a Substitute Investor Limited Partner to the extent of any portion of any interest as an Investor Limited Partner which they, or any of them, may purchase hereunder.

The purchase price to be paid to the Defaulting Limited Partner pursuant to this Section 5.2 shall be an amount of cash equal to 75% of the paid-in Capital Contribution of the Defaulting Limited Partner less the sum of (i) the total amount of cash distributions, if any, theretofore made to the Defaulting Limited Partner under Article X of this Agreement, (ii) an amount equal to 50% of the amount of the net losses reported by the Partnership for Federal income tax purposes attributable to the interest of the Defaulting Limited Partner which have been or will be allocated to such interest and (iii) any expenses incurred by the purchaser of the interest in question in connection with such purchase. Each purchaser 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. Notwithstanding the foregoing, however, the obligations of the Defaulting Limited Partner to the Partnership hereunder shall not be extinguished by the existence of any such option, or by its exercise, but only by, and to the extent of, the Capital Contributions made in his place by the purchaser or purchasers of his interest hereunder. If such option shall not be fully exercised within the foregoing periods, unless and until such default shall be cured, any distributions pursuant to Article X hereof in respect of the interest of the Defaulting Limited Partner shall be applied first to interest on the defaulted amount at the maximum legal rate, second to the defaulted amount and the excess, if any, remaining then shall be distributed to the General Partners and the profits and losses in respect thereof shall be allocated to the General Partners.

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 Managing General Partner may proceed to pursue any and all available

legal remedies against the Defaulting Limited Partner in order to collect the amount owing from it to the Partnership.

B. Notwithstanding any other provisions of this Agreement, the profits or losses attributable to a Defaulting Limited Partner's entire interest as an Investor Limited Partner shall be prorated for federal income tax purposes between the Defaulting Limited Partner and the successor(s) to his interest on the basis of the number of days each has held such interest during the taxable year in accordance with the provisions of Section 706 of the Code. For purposes of the foregoing sentence, subject however to federal and state securities laws, the Defaulting Limited Partner will be deemed to have disposed of his interest on the day that his Capital Contribution as to which he is in default was due and the successor(s) shall be deemed to have acquired such interest on the next succeeding day.

Section 5.3 Repurchase Obligation of the Managing General Partner.

If (i) prior to Final Endorsement, the Mortgage Lender shall have given written notice of the exercise of its right to accelerate payment of the indebtedness under the Mortgage, or (ii) prior to Final Endorsement, any lien (other than the Mortgage) shall attach to the Property and shall not have been discharged (including the posting of an adequate bond) within 120 days after such lien shall have attached, (iii) construction of the Improvements shall have been permanently abandoned for a period of at least twelve (12) months, or (iv) the Housing Assistance Payments Contract has not been entered into by Final Endorsement or any default occurs on such contract prior to Final Endorsement (but only if notice of such default has been delivered to the Managing General Partner and such default has not been cured to the satisfaction of FHA and/or RIHMFC within 30 days or such longer period for cure as has been approved in writing by FHA); then, within 30 days after the occurrence of such event, the Managing General Partner shall send written notice of such event to the Investor Limited Partner and offer by the Managing General Partner to purchase the entire interest as an Investor Limited Partner of the Investor Limited Partner. If the Investor Limited Partner desires to sell its interest to the Managing General Partner, it shall send written notice thereof to the Partnership at any time within 60 days after its receipt of the notice from the Managing General Partner. The purchase shall be made by the Managing General

Partner within 30 days after the receipt of such Investor Limited Partner's notice. The purchase price shall be an amount in cash, without interest, equal to the paid-in Capital Contribution of the Investor Limited Partner less the total amount of cash distributions, if any, theretofore made to the Investor Limited Partner pursuant to Article X of this Agreement. Upon the sending of such notice, the interest as an Investor Limited Partner of the Investor Limited Partners shall terminate, and such Investor Limited Partner shall have no further obligations to pay any subsequent Installment(s) of its Capital Contribution. In the event of the purchase of the Investor Limited Partner's interest under this Section 5.3 by the Managing General Partner, the latter shall become a Substitute Investor Limited Partner to the extent of any interest as an Investor Limited Partner which it purchases under the provisions of this Section 5.3.

The General Partners hereby waive any defenses that they may have to their obligations under this Section 5.3 except those defenses attributable to acts or omissions of the selling Investor Limited Partner. The General Partners shall indemnify the selling Investor Limited Partner against any claims (other than for income taxes) of unrelated third parties made against the Investor Limited Partner by reason of the payments made to him hereunder.

ARTICLE VI

Rights, Powers and Duties of the General Partners

Section 6.1 Restriction on Authority

Notwithstanding any other provisions of this Agreement, the General Partners shall have no authority to perform any act in violation of (i) the National Housing Act, the United States Housing Act of 1937 or any other applicable law or regulations thereunder, (ii) any applicable regulations of FHA; or (iii) any agreement between the Partnership and FHA. The General Partners shall have no authority to borrow on the general credit of the Partnership until exhaustion of the General Partners' obligations under Sections 6.8 and 6.9. In addition, the General Partners shall not have any authority to do any of the following acts without the Consent of the Investor Limited Partner and the approval of FHA and/or RIHMFC, if required.

(1) following completion of construction of the Improvements, to construct any new capital improvements, or to replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Property, or

(2) to acquire any real property in addition to the Property, or

(3) to become personally liable on, or to guarantee the Mortgage or any other of the Project Documents, or

(4) to refinance (except as otherwise provided in Section 3.2), sell or convey the Property.

The General Partners do not have the authority, without the written consent of the Limited Partner, except as otherwise expressly provided in this Agreement, to do any act required to be approved or ratified by limited partners under the Uniform Act.

Anything to the contrary notwithstanding, the General Partners with the consent of Sound may agree with the FHA and the Mortgage Lender for deferment and/or reduction of principal, interest and/or replacement reserve payments under the Mortgage and Regulatory Agreement.

Section 6.2 Personal Services

No Affiliated Person shall receive any compensation for services rendered to the Partnership in connection with the construction of the Improvements and the initial rent-up of the Property, except (i) pursuant to the Construction Contract or the FHA approved management contract and (ii) as provided in Section 6.10. Except as provided herein any Partner may engage independently or with others in other business ventures of every nature and description including, without limitation, the ownership, operation, management, syndication and development of real estate, and neither the Partnership nor any Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Section 6.3 Business Management and Control

A. The Managing General Partner shall have the exclusive right to manage the business of the Partnership. As the Managing General Partner, Mast shall be responsible for all decisions regarding the Partnership operations including

(i) the replacement of the Managing General Agent, (ii) borrowing of funds for any Partnership purpose, and (iii) pledging of the assets of the Partnership, including any notes received from the Investor Limited Partner, to secure any borrowings by Mast. Although Mast shall be considered the sole Managing General Partner and as such shall have the exclusive right to manage the business of the Partnership, Mast agrees that it will consult with Muslim regarding all matters of policy with respect to construction and operation of the Project. In the event that Mast and Muslim are unable to agree on questions of policy, the provisions of Section 13.16 shall apply. In addition, all requisitions of mortgage funds and all checks of the Partnership in excess of \$5,000 shall require the signature of both Mast and Muslim; provided, however, that if Muslim does not sign such requisitions or checks within five business days from presentation to Muslim, Mast alone shall be authorized to execute all such requisitions and checks and all parties may rely on such requisitions or checks signed by Mast as authorized instruments.

No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law. The Investor Limited Partner hereby consents to the exercise by the Managing General Partner of the powers conferred on him by this Agreement.

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 the execution and delivery of such instruments were duly authorized. Any Person dealing with the Partnership or a Managing General Partner may always rely on a certificate signed by any Managing General Partner hereunder:

(1) as to who are the Managing General, General or Limited Partners hereunder,

(2) as to the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the Managing General Partner or are 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 the Partnership Agreement and amendments thereto, 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 6.4 Duties and Obligations

A. The Managing General Partner shall promptly take all action which may be necessary or appropriate for the development of the Property and the proper maintenance and operation of the Property in accordance with the provisions of this Agreement and applicable laws and regulations.

B. The Managing General Partner shall use its best efforts to cause the Partnership at all times after Final Endorsement to comply with and to perform its obligations under the Mortgage, the Regulatory Agreement, the Housing Assistance Payments Contract and any other applicable requirements of FHA and/or RIHMFC.

C. The Managing General Partner on behalf of the Partnership and at the Partnership's expense, shall obtain and keep in force during the term of the Partnership fire and extended coverage, workmen's compensation, if necessary, and public liability insurance in favor of the Partnership, in such companies and in such amounts as shall be satisfactory to the Mortgage Lender and be reasonable and prudent in connection with the ownership of the Property.

D. The Managing General Partner shall diligently and faithfully devote such of its time to the business of the Partnership as may be necessary to conduct it for the greatest advantage of the Partnership and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners.

Section 6.5 Representation and Warranties

A. The General Partners hereby represent and warrant to the Investor Limited Partner that, as of the date hereof and to the best of their knowledge (due inquiry having been made), the following are true:

(i) The Partnership is a duly organized limited partnership validly existing under the laws of the State and has complied with all filing requirements necessary under the Uniform Act for the preservation of the limited liability of the Investor Limited Partner.

(ii) Construction of the Improvements will progress, is progressing or has been completed in substantial conformity with the Commitments and the Construction Contract.

(iii) All payments and expenses required to be made or incurred in order to complete construction of the Improvements 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, have been paid or provided for by, or for the account of, the Partnership utilizing only (a) the funds available from the Mortgage, (b) the Capital Contributions of the Investor Limited Partner, (c) all interest and net rental income, if any, earned by the Partnership prior to Final Endorsement, and (d) funds furnished by the General Partners pursuant to Section 6.8.

(iv) No event, occurrence or proceeding is pending or to their best knowledge threatened which would (a) materially adversely affect the Partnership or the Project, or (b) materially adversely affect the ability of the General Partners or any Affiliated Person to perform their respective obligations hereunder or under any other agreement with respect to the Property or (c) prevent the completion of construction of the Improvements in conformity with the Commitments and the Construction Contract. This subparagraph shall be deemed to include, but not be limited to the following: (x) legal actions and proceedings before any court, commission or administrative body having jurisdiction over the zoning or environmental laws or regulations applicable to the Property, (y) labor disputes and (z) acts of any governmental authority.

(v) No material default (or event which, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any of the Commitments, the Project Documents, or

any other agreement affecting the Property, and the same are in full force and effect.

(vi) Neither the Partnership nor any Partner has any personal liability with respect to the Mortgage.

(vii) The Partnership owns the fee simple interest in the Property, subject to no material liens, charges or encumbrances other than those which are both permitted by the Commitments and set forth in the title policy for the Property issued at Initial Closing, if any, or easements voluntarily incurred or assumed in the furtherance of the construction of the Project. The use of the Land for construction and operation of the Project is not in material violation of applicable zoning, and there are no density restrictions, building or use laws, planning rules, regulations, ordinances or requirements or environmental procedures applicable to the Project which would materially inhibit or materially adversely affect the development of the Property, or the acquisition of limited partnership interest in the Partnership by the Investor Limited Partner.

(viii) No event has occurred which would entitle an Investor Limited Partner to have a repurchase right under Section 5.3 hereof.

(ix) The General Partners have an aggregate net worth of not less than \$90,000 or such greater amount as is required to meet the so-called "safe harbor" rules of Revenue Procedure 72-13 of the Internal Revenue Service or any successor requirement.

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

(xi) 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 Property by each Affiliated Person which is a corporation have been 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 said Affiliated Person or any agreement by which such Affiliated Person or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree.

(xii) All appropriate roadways and public utilities, including sanitary and storm sewers, water and electricity, are available to and are or will be operating properly for the Project.

(xiii) During each calendar year beginning with the year in which the rental income from the Project is first received, at least 80% of the "gross rental income" of the Project will consist of "rental income from dwelling units" within the meaning of Section 167(j)(2)(B) of the Code. The laundry and recreational facilities of the Project will be a kind that are customarily associated with the occupancy of a living accommodation, and the use thereof will at all times be for the benefit of tenants in the Project. If separate charges are made for the use of such facilities, at least 80% of the gross income from such facilities will be from tenants of the Project.

(xiv) The Land was not, on or after June 30, 1976, occupied by a "Certified Historic Structure" as defined in Section 191(d) of the Code, and is not located in a "Registered Historic District" as defined in Section 191(d) of the Code.

The truth and correctness of each of the foregoing representations and warranties is a condition precedent to the payment of each Installment. The inability of the General Partners to give any of the foregoing representations and warranties of the breach of any of the foregoing representations or warranties (other than an intentional breach) shall not result in any liability to or obligation upon the General Partners beyond that provided for in Sections 5.3, 6.5, 6.7, 6.8 and 6.9.

B. Subject to the express provisions of the immediately preceding paragraph, the Managing General Partner shall indemnify promptly and hold harmless the Partnership and the Investor Limited Partner from and against any and all damages and liabilities which the Partnership and the Investor Limited Partner may incur by reason of the (a) past, present or future negligent actions or omissions of the Managing

General Partner or any Affiliated Person(s), or (b) any liabilities to which either the Partnership or the Property is subject on the date of this Agreement; provided, however, that the foregoing indemnification shall not apply to the Mortgage, reasonable contractual obligations normally incurred pursuant to the Commitments in connection with the operation of the Property or to acts for which the Managing General Partner may be entitled to indemnification under Section 6.6. In the event that a Managing General Partner makes any payment as required by this Section 6.5.B, he shall be entitled to receive equitable contribution from the other General Partner provided that such right shall in no way reduce, limit or delay his obligation to pay the full amount then due to the Partnership and the Investor Limited Partner.

C. The General Partners agree that they will not at any time become personally liable nor permit any of their Affiliated Persons to become liable for the payment under the Mortgage and will use their best efforts to prevent any other Partner from becoming so liable.

D. The General Partners agree throughout the term of this Partnership to maintain an aggregate net worth of at least \$90,000 or any greater amount which may be required, from time to time, to meet the standards set by the Code, Treasury Regulations thereunder or administrative guidelines or interpretations related thereto; provided, however, after the Fifth Installment of the Capital Contributions of the Investor Limited Partner is payable (a) such aggregate net worth may be reduced upon written opinion to the Investor Limited Partner from counsel satisfactory to the Investor Limited Partner that a lesser net worth will not adversely affect the taxation of the Partnership as such under the Code and (b) such aggregate net worth may be satisfied by the addition or substitution of a General Partner who, either together with the General Partners or separately as the case may be, satisfies any existing net worth requirement. The addition or substitution of a General Partner shall be subject to the consent of all General Partners and the Investor Limited Partner as provided in Section 4.1.B.

Section 6.6 Indemnification

The Partnership shall indemnify and save harmless the General Partners from any loss or damage incurred by reason of any act or omission performed or omitted by them in good faith on behalf of the Partnership and in a manner reasonably believed by them to be within the scope of the authority

granted to them by this Agreement and in the best interests of the Partnership and the Partners, provided that they were not adjudged to be grossly negligent or to have engaged in willful misconduct with respect to such acts or omissions. No indemnification may be made in respect of any claim, issue or matter as to which the General Partners shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of its duty to the Partnership unless, and only to the extent that, the court in which such action or suit was brought determines that, despite the adjudication of liability, but in view of all circumstances of the case, such General Partner is fairly and reasonably entitled to indemnity for those expenses which the court deems proper. Any indemnity under this Section 6.6 shall be paid from, and only to the extent of, Partnership assets, and no Limited Partner shall have any personal liability on account thereof.

Section 6.7 Liability of General Partners to Limited Partners

No General Partner shall be liable, responsible or accountable for damages or otherwise to any Limited Partner for any act or omission performed or omitted by them in good faith on behalf of the Partnership and in a manner reasonably believed by them to be within the scope of the authority granted to them by this Agreement and in the best interests of the Partnership and the Partners, except that the General Partners shall indemnify promptly and hold harmless the Partnership and the Limited Partners from and against any and all damages and liabilities which the Partnership and the Limited Partners may incur by reason of (a) the past, present and future actions or omissions of the Managing General Partner or any Affiliated Person involving fraud or gross negligence, (b) any undisclosed liabilities to which either the Partnership or the Property is subject on the date of this Agreement, (c) any intentional misrepresentation of a material fact or willful breach of covenant or warranty, and (d) any liability provided in Sections 5.3, 6.5, 6.8 and 6.9.

Section 6.8 Obligation to Complete Construction

The General Partners shall use their best efforts to cause the Improvements to be constructed in the manner set forth in the Construction Contract. In the event the proceeds of the Mortgage, and the gross paid-in Capital Contributions of the Investor Limited Partner made or to be

made at any time are insufficient to complete construction of the Property, to achieve Final Endorsement and pay Project Expenses accrued through Final Endorsement, the General Partners shall advance to the Partnership all such funds which shall be necessary to accomplish the foregoing at such time as those costs, expenses or fees become due and payable. Any such advances shall be represented by Construction Completion Notes, which shall not bear interest, which shall be issued by the Partnership, and which shall be repayable out of Mortgage proceeds received by the Partnership on or before Final Endorsement or future Capital Contributions of the Investor Limited Partner or refunds of deposits or escrows advanced by the General Partners on behalf of the Partnership (to the extent such use thereof is allowed by FHA), and, to the extent not so repaid, such Notes shall be payable only as provided in Article X hereof. The Managing General Partner is entitled to use any net rental or other income of the Partnership prior to Final Endorsement (to the extent such use thereof is allowed by FHA) to meet its obligations under this Section or to repay Construction Completion Notes.

Section 6.9 Obligation to Provide for Project Expenses

Muslim agrees that, in the event the Partnership requires any funds for Project Expenses during the Operating Guarantee Period, it will, subject to the approval of FHA lend to the Partnership all such funds which may be required to pay, when due, all such Project Expenses; provided, however, that Muslim shall not be obligated to advance any additional funds for such purpose if, and as long as, the aggregate outstanding amount of such loans equals or exceeds \$50,000. Such obligatory loans shall be Subordinated Loans which shall not bear interest and shall be repayable in the same manner as Construction Completion Notes. All obligations to advance funds under this Section shall terminate upon the expiration of the Operating Guarantee Period. In order to secure its obligation, Muslim agrees that the first \$50,000 available to be paid by the Partnership to Muslim, after all payments required to be made by Muslim under Sections 6.8 and 6.10, shall be held by the Escrow Agent until the expiration of the Operating Guarantee Period and that such escrowed funds shall be applied to pay Project Expenses, or to reimburse Muslim for any Project Expenses paid by it pursuant to this Section 6.9.

Section 6.10 Obligations of General Partners under Sections 6.8 and 6.9

Mast shall be obligated to provide all funds required under Section 6.8. Mast shall have the right of contribution

from Muslim and may obtain 40% of any funds due under Section 6.8 from the Escrow Agent to the extent the Agent holds funds of Muslim. However, any rights that Mast shall have against Muslim, its co-general partner, shall in no way relieve Mast from its obligation to provide all funds required to be advanced by the General Partners under Section 6.8. Muslim shall acquire an interest in Construction Completion Notes issued to Mast to the extent of Muslim's contributions under this Section 6.10.

Section 6.11 Certain Payments to the General Partners and Affiliates

The Partnership shall pay \$460,000 as follows:

A. An amount equal to \$ 9,837 to reimburse Consultants for cash advances made by it and not reimbursed at the initial closing of the Mortgage Loan.

B. A fee to Consultants equal to 1% of the Mortgage Loan, for arranging the Mortgage Loan financing.

C. A fee to Mast equal to 4% of the cost certified amount allowed by FHA/HUD to be paid to Mast in its capacity as the General Contractor of the Project.

D. For their services in developing and in supervising to completion the construction of the Property, the Partnership shall be required to pay to Consultants and Muslim, without regard to Partnership income, a total Development Fee of \$159,494.09. The fee determined under the preceding sentence shall be reduced by the sum of (i) 21.30% of the excess, if any, of \$2,816,500 over the face amount of the Mortgage at Final Endorsement, (ii) the aggregate amount in excess of the proceeds of the Mortgage and available net rental income of the Property prior to Final Endorsement, used, in accordance with Section 6.8, to complete construction of the Property, to achieve Final Endorsement and pay Project Expenses, and (iii) amounts payable under A, B and C above in excess of \$122,933.

On the later of February 15, 1981, or the Substantial Completion Date, the Partnership shall issue promissory notes to Consultants and Muslim for the unpaid balance of their interests in this fee, but not in excess of \$159,494.09 reduced by 21.30% of the excess, if any, of \$2,816,500 over the face amount of the Mortgage at Final Endorsement. The note payable to Consultants shall be delivered to Consultants.

The note payable to Muslim shall be delivered to the Escrow Agent as provided in Section 6.11 I. The notes shall bear simple interest at the rate of 15% per annum and shall provide that amounts due thereunder may not be prepaid. One year after issuance of the note, 50% of the principal of the notes plus all accrued interest shall be due and payable. Two years after issuance of the notes, 26.6% of the principal of the notes plus all accrued interest shall be due and payable. Three years after issuance of the notes, the balance of the principal and accrued interest of the notes shall be due and payable. The Partnership may pay the principal and interest of these notes only with funds supplied by the Third through Fifth Installments of the Capital Contributions of the Limited Partners or funds advanced by the Managing General Partner pursuant to Section 6.8, and the notes shall contain a provision stating this limitation.

E. The Partnership shall be required to pay to Consultants and Muslim, without regard to Partnership income, a fee of \$50,000 for their services in connection with the initial rent-up of the Property.

F. The Partnership shall be required to pay to Consultants and Muslim, without regard to Partnership income, a fee of \$82,500 for their services in connection with the administration of Partnership affairs and management of the Property.

G. Except as otherwise provided in this Section 6.11, neither the General Partners, Consultants, nor any other Affiliated Person shall be entitled to any other fee or allowance (for example, the Builder's and/or Sponsor's Profit and Risk Allowance) except that a Managing General Partner, Consultants or any Affiliated Person shall be entitled to any other fees or allowances, including but not limited to architectural, legal, organizational, general construction requirements, construction overhead, relocation and management costs, which are permitted by the FHA as flat allowances or certifiable costs (including increases in the payments under the Construction Contract) of the Project payable out of Mortgage proceeds or income prior to Final Endorsement and to any refund of deposits or escrows advanced by him on behalf of the Partnership not otherwise utilized to repay Construction Completion Notes.

H. Payments due each of the General Partners and Consultants under A, B, C, E and F shall be represented by non-interest bearing, assignable, subordinated promissory

notes of the Partnership to each General Partner and to Consultants issued prior to Final Endorsement. The notes payable to Mast shall be delivered to Mast. The notes payable to Consultants shall be delivered to Consultants. The notes payable to Muslim shall be delivered to the Escrow Agent as provided in Section 6.11 I.

I. Total fees due under above paragraphs D, E and F (\$337,067 subject to reduction as provided in paragraph D above) shall be distributed 60% to Consultants and 40% to Muslim as set forth in Schedule B; provided, however, the notes payable to Muslim shall be held by the Escrow Agent and all payments due Muslim called for under this Section 6.11 shall be paid to the Escrow Agent and shall be distributed from such escrow to pay Muslim's 40% share of any amounts due from Muslim under Section 6.8 and any balance in excess of an amount equal to \$50,000, which shall be held as set forth in Section 6.9, shall be paid to Muslim upon the withdrawal of Mast as a General Partner as provided in Section 7.1.C.

Section 6.12 Survival of Obligations

The obligations set forth in Sections 5.3, 6.5, 6.7, 6.8, 6.9 and 6.10 shall survive any Retirement of any General Partner from the Partnership for any reason.

ARTICLE VII

Retirement of a General Partner

Section 7.1 Retirement

A. Except as provided herein, the General Partners shall not have the right to Retire from the Partnership without the approval of HUD and/or RIHMFC, if required, and the Consent of all of the Partners.

B. In the event of the Retirement of a General Partner, other than Mast, during the Operating Deficit Period, the Retiring General Partner, (i) shall sell all the interest he holds as a General Partner in the Partnership to Sound, or its designee, for the sum of \$100, (ii) shall forfeit to the Partnership his rights to be repaid for any sums advanced to the Partnership under Sections 6.8 and 6.9 hereof and (iii) shall forfeit his rights to receive payments under Section 6.11 to the extent then unpaid. In addition, such Retiring General Partner shall remain liable for the performance of

all of his obligations under this Agreement as provided in Section 6.12 hereof.

C. Notwithstanding any other provision in this Agreement, within five business days after Final Endorsement Mast shall withdraw as a General Partner and Sound shall become the Substitute Managing General Partner. The Investor Limited Partner agrees that Sound fills all of the Investor Limited Partner's requirements for a Substitute General Partner. Except as otherwise provided in this Section 7.1C, the General Partners may Retire from the Partnership provided that prior to or contemporaneous with such Retirement a Substitute General Partner has been admitted to the Partnership pursuant to Section 4.1.B.

D. Mast upon its withdrawal shall become a Class B Limited Partner and retain all rights to receive payments under Sections 6.11 and 10.2.C Sixth only but shall transfer to Sound all of Mast's rights to its share of all items of profit, losses, cash flow and distributions set forth in Article X, other than Section 10.2.C Sixth. Mast's interest as a Class B Limited Partner shall be terminated within 30 days after the receipt by the Partnership of the Fifth Installment. Prior to that time Mast shall be reinstated as the sole Managing General Partner, in which event Sound shall have its interest reduced to that of the Class A Limited Partner in the event that the Investor Limited Partner defaults in its obligation to make capital contributions to the Partnership as described in Article V.

E. For purposes of this Section 7.1, the interest of a General Partner in the Partnership as a General Partner shall include, without limitation, his pro rata share, as a General Partner, of Cash Flow, profits and losses and net cash proceeds from the (i) sale of all or any substantial portion of the Property or (ii) refinancing of any Mortgage on the Property.

F. The forfeitures and sales provided in this Section 7.1 shall not be construed as a limitation upon the remedies of the Investor Limited Partner in the event of a violation by any one or more of the General Partners of the provisions of this Section 7.1.

Section 7.2. Obligation to Continue

A. Upon the Retirement of a General Partner, any remaining General Partner or General Partners, if any, or,

if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such Retirement (the "Retirement Notice") to the Limited Partner. In such event the Partnership (i) shall be dissolved if there is no remaining General Partner (unless it is continued by all of the Partners as provided in Section 7.2.B), or (ii) shall be continued by the remaining General Partner as provided in the sentence next following. The General Partner(s) shall have the right to, and hereby covenant and agree to, unless there is no remaining General Partner, elect to continue the business of the Partnership. In the event that Sound or its designee has become the sole remaining General Partner and Sound elects to continue the business of the Partnership pursuant to clause (ii) above, Sound or its designee shall become the General Partner but the provisions of Sections 5.3, 6.5, 6.7, 6.8, and 6.9, shall not apply.

B. If, following the Retirement of a General Partner, there is no remaining General Partner or Substitute General Partner of the Partnership, the Investor Limited Partner may, within ninety (90) days after notice of such Retirement, elect to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Section 2.5 by selecting a Substitute General Partner. If the Investor Limited Partner elects to reconstitute the Partnership and admit a Substitute General Partner, the relationship of the Partners and of any Person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement. Upon the Retirement of the sole remaining General Partner, Sound shall immediately be vested with and shall in fact have all of the power and authority to act as a General Partner but only until such time as a Substitute General Partner has been admitted into the Partnership. If Sound does in fact act as a Managing General Partner, it shall be entitled to all of the rights and benefits of a General Partner (including, but not limited to, indemnification) but shall not be subject to any of the obligations or duties of a General Partner.

Section 7.3 Interest of a Retired General Partner

For the purposes of Article X hereof, the effective date of any sale by a Retired General Partner to a successor General Partner pursuant to the provisions of Section 7.1 of all or any portion of the General Partner interest of such Retired General Partner shall be deemed to be the date of Retirement, but the Partnership shall not make any distributions to the designated transferee until the transfer has been made.

Section 7.4 Retirement; Event of Bankruptcy as to General Partner; Power of Attorney; Suspension of Capital Contributions

A. Subject to the provisions of this Article VII, a General Partner shall be automatically Retired from the Partnership upon the occurrence of any of the events specified in Article I under the definition of "Retirement".

B. Notwithstanding any other provisions of this Agreement, if the Retirement of a General Partner shall have occurred by reason of an Event of Bankruptcy, the bankrupt General Partner shall continue to be responsible for (x) any loss caused by the nonperformance of his obligations under this Agreement or in respect of the Property, (y) the furnishing of funds necessary to complete construction of the Property as provided in Section 6.8 hereof or the payment of the Project Expenses as provided in Section 6.9 hereof, and (z) in the case of a Managing General Partner, the repurchase obligations specified in Section 5.3 hereof. Any fees otherwise payable to the bankrupt General Partner and not paid at the time of the Event of Bankruptcy in question shall be retained by the Partnership for such purposes as the then General Partner shall determine.

C. From and after the date of the occurrence of (i) an Event of Bankruptcy as to the Managing General Partner or (ii) any Retirement of the Managing General Partner for any reason whatsoever other than the retirement of Mast under Section 7.1.C, the obligations of the Investor Limited Partner under Section 5.1 to make Capital Contributions to the Partnership shall be suspended, and such obligations shall be reinstated only when such event of Bankruptcy or Retirement shall have been cured (including by the admission of a Substitute Managing General Partner) in a manner satisfactory to Sound; provided that before any amounts are thereafter paid to any General Partner, such Capital Contributions of Investor Limited Partners shall be applied to the satisfaction of all obligations of the Partnership and of the General Partner, including, without limitation, completion of construction of the Improvements.

Section 7.5 Amendment of Certificate

Upon the admission of any Substitute or additional General Partners, the Schedule shall be amended to reflect such admission and an amendment to the Certificate, also reflecting such admission, shall be filed in accordance with the Uniform Act. Each General Partner is hereby constitu-

ted, and empowered to act alone as the attorney-in-fact of the Limited Partners with authority to execute, acknowledge, swear to and deliver such instruments as may be necessary or appropriate to carry out the foregoing provisions of this Article VII, including amendments to the Schedule, amendments to the certificate required by the Uniform Act, business certificates and the like.

ARTICLE VIII

Transferability of Limited Partner Interests

Section 8.1 Limited Right to Assign

Subject to the provisions of this Article VIII (as qualified by Section 13.1), no Limited Partner shall have the right to assign or transfer all or any portion of his interest in the Partnership without the prior written consent of all General Partners and, if required, FHA and/or RIHMFC.

Section 8.2 Restrictions

A. No sale or exchange of the interest of any Person as Limited Partner in the Partnership, other than the purchase by the General Partners of the interest of an Investor Limited Partner under Section 5.3, shall be made if such sale or exchange would violate Section 13.1.

B. In no event shall all or any part of a Limited Partner's interest in the Partnership be assigned or transferred to a minor or to an incompetent.

C. The General Partners may require as a condition of their consent to any 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 them with a legal opinion satisfactory to counsel for 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 Partners

Except as may otherwise be provided in Sections 5.3 and 8.2, no Limited Partner shall have the right to substitute

an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in their exclusive discretion to permit a Limited Partner to designate a Person who shall thereby become a Substitute Limited Partner. Any such permission by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partners failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of receiving any interest in the Partnership property, agree to be bound by the Mortgage and Regulatory Agreement and other documents required in connection therewith and by the provisions of this Agreement to the same extent as other Limited Partners.

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of such Substitute Limited Partner, and an amendment to the Certificate reflecting such admission shall be filed in accordance with the Uniform Act. 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 of the provisions of this Agreement.

Any assignee of the Investor Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Investor Limited Partner interest as set forth in the Schedule and any assignee of a Class A Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Class A Limited Partner interest as set forth in the Schedule.

Section 8.4 Assignees

If the purported assignee of a Limited Partner does not become a Substitute Limited Partner in accordance with Section 8.3, the Partnership shall not recognize the assignment and the purported assignee shall not have any rights to receive any portion of the share of profits, losses and distributions of the Partnership to which the Limited Partner making the purported assignment would have been entitled if no such purported assignment had been made by such Limited Partner. Any such profits, losses and distributions shall continue to be allocated as if there were no assignment.

ARTICLE IX

Loans

Section 9.1 In General

All Partnership borrowings shall be subject to the restrictions of Section 6.1 and applicable RIHMFC and HUD rules and regulations. To the extent borrowings are permitted, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

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 affect in any way his share of the profits, losses or distributions of the Partnership. Except as otherwise provided in Section 6.8 and Section 6.9, the amount of any loan made by a Partner to the Partnership is not to be considered a Subordinated Loan or Construction Completion Note and shall be repayable, together with interest thereon at the rate then prevailing for comparable loans, to the same extent and in the same manner as a loan made by a lender who is not a Partner.

Section 9.2 Preexisting Advances

The Managing General Partner is authorized to repay to itself and other parties, including Affiliated Persons, all advances for all costs actually made to, or for the benefit of, the Partnership prior to the date of this Agreement. Prior to any payment, other than those described in Section 6.11A, the Managing General Partner must document any such advances to the satisfaction of Sound.

ARTICLE X

Profits & Losses; Distributions

Section 10.1 Profits and Losses

A. For Federal and State income tax purposes, all profits and losses, other than those arising from (i) the sale or other disposition of any substantial portion of the assets of the Partnership or (ii) any other transaction the proceeds of which do not constitute Cash Flow, shall be allocated to the Partners according to their Percentage Interests.

B. For Federal and State income tax purposes, all profits and losses arising from (i) the sale or other disposition of a substantial portion of the assets of the Partnership or (ii) any other transaction the proceeds of which do not constitute Cash Flow shall be allocated 50% to the Investor Limited Partner, 22.5% to Mast, 22.5% to Muslim and 5% to Sound. Notwithstanding the provisions of the immediately preceding sentence, the net profits arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, or substantially all of, the Property, or from the liquidation of all, or substantially all, reason of sale, exchange, condemnation, or similar eminent domain taking, casualty or other disposition), shall be allocated for Federal income tax purposes between the General Partners, and the Limited Partners in accordance with their respective Partnership interests (treated as a separate class for this purpose) in the following order of priority:

(i) First, to each class of Partners having a negative balance in their Capital Accounts, in the proportion that such class of Partners' negative Capital Accounts bear to the total of all the Capital Accounts of Partners having negative Capital Accounts, until all such negative Capital Accounts equal zero;

(ii) Second, an amount equal to the distributions under Sections 10.2.C Fifth and Sixth to be made on or after the date on which the allocation under this Section 10.1.B is made shall be allocated to the Investor Limited Partner; and

(iii) Third, the balance of any such net profits, 50% to the Investor Limited Partner, 5% to Sound, and 22.5% to Mast and 22.5% to Muslim.

The allocation of such net profits with respect to any Partner shall take into account adjustments to the tax basis of the Property under Section 754 of the Code as such adjustments relate to a particular Partner.

If the amount of net profits available to be allocated pursuant to clause (i) above is less than the excess referred to in such clause, the allocation of net profits between the classes of Partners pursuant to such clause shall be made on a pro rata basis, according to the amount which would have been allocated to such classes if the full excess were available to allocate.

C. Except as otherwise provided herein, all profits and losses shared by the Partners or a class of Partners shall be shared by the Partners or members of the class in the ratios of their Percentage Interests, one to the other.

D. The term "profits" and "losses" as used in this Agreement shall mean taxable income and losses as determined in accordance with the accounting methods followed by the Partnership for Federal income tax purposes.

Section 10.2 Distribution Prior to Dissolution

A. Subject to any applicable RIHMFC and HUD regulations and Article XI, Cash Flow for each calendar year (or fractional portion thereof) shall be distributed to the Partners according to their Percentage Interests.

Subject to applicable FHA regulations, distributions of Cash Flow to the Partners shall be made at such reasonable intervals during the fiscal year as shall be determined by the Managing General Partner, and in any event shall be made within 45 days after the close of each fiscal year.

Except as otherwise provided herein, all distributions to the Partners or a class of Partners shall be shared by the Partners or the members of the class in the ratio of their Percentage Interests, one to the other.

B. Definition of Cash Flow. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership from and after Final Endorsement (as profits and losses are determined in accordance with Section 10.1.D) but subject to any applicable FHA requirements, and further subject to the following modifications:

(a) Depreciation of building, improvements and personal property, amortization of any fee and other noncash charges utilized in computing the Partnership's taxable income shall not be considered as a deduction from Cash Flow.

(b) Mortgage amortization, repayment of the debts of the Partnership, including loans from Partners other than Subordinated Loans and Construction Completion Notes, and any other cash expenditures not deductible in determining profits or losses shall be considered as deductions from Cash Flow.

(c) If the Managing General Partner shall so determine, reasonable reserves shall be established to provide for working capital needs, funds for improvements or replacements or for any other contingencies of the Partnership and the amount allocated to such reserve or reserves from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when and to the extent the Managing General Partners no longer regards such reserves as reasonably necessary in the efficient conduct of the affairs of the Partnership.

(d) Any amounts paid by the Partnership for capital expenditures shall be considered as deductions from Cash Flow, unless paid by cash withdrawal from insurance proceeds or any replacement reserve for capital expenditures.

(e) Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition or all, or any substantial portion of, the Property (other than the proceeds of any business or rental interruption insurance), or from the liquidation of the Property following a dissolution of the Partnership shall not be included in determining Cash Flow.

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

C. Distributions of Other Than Cash Flow. Prior to dissolution and subject to any applicable FHA and RIHMFC regulations, if there is cash available for distribution from sources other than Cash Flow (such as, for example, from a refinancing of the Mortgage or a sale or disposition of any part of or all the Property or from any other transaction the proceeds of which do not constitute Cash Flow), such cash shall be distributed in the same calendar year in which the event generating the cash occurs as follows:

First, to the discharge, to the extent required by any lender or creditor, of debts and obligations of the Partnership excluding Subordinated Loans and excluding Construction Completion Notes.

Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner and the Accountants.

Third, to the payment of the cumulative unpaid amount of the MGP Administration Fee.

Fourth, to the payment of the cumulative unpaid amount of the Investor Service Fee.

Fifth, to the Investor Limited Partner, an amount equal to the excess, if any, of 123% of the Investor Limited Partner Class Capital Contributions over the aggregate amount of all distributions theretofore made to the Investor Limited Partner under this Section 10.2.C.

Sixth, to the payment of outstanding Construction Completion Notes and Subordinated Loans, if any, and \$115,000, the cost of the land in excess of the value allowed in the Mortgage, \$69,000 of which shall be paid to Consultants and \$46,000 of which shall be paid to Muslim.

Seventh, the balance thereof, 50% to the Investor Limited Partners, 5% to Sound, 22.5% to Mast and 22.5% to Muslim.

Notwithstanding the foregoing, in no event shall the General Partners, as a single class, receive as an aggregate distribution under this Section 10.2.C less than 1/100 of the aggregate of the amounts distributed to the Limited Partners under this Section 10.2.C. In the event that the aggregate amount distributable to the General Partners, as a single class, under Clause Seventh does not equal 1/100 of the aggregate amount distributable to the Limited Partners without regard to this provision, then the amounts otherwise distributable to the Limited Partners under Clause Seventh shall be reduced in order to assure the General Partners of their 1/100 share.

D. Except as otherwise provided herein, all distributions to the Partners or a class of Partners shall be shared by the Partners or the members of the class in the ratio of their Percentage Interests, one to the other.

Section 10.3 Distributions Upon Dissolution

Upon dissolution, after payment of, or adequate provision for, the debts and obligations of the Partnership, excluding Subordinated Loans and excluding Construction Completion Notes, the remaining assets of the Partnership (or the proceeds of sales or other dispositions in liquidation of

the Partnership assets, as may be determined by the remaining or surviving General Partner(s)) shall be distributed to the Partners in the Priority set forth in Section 10.2.C, Fifth through Seventh.

All distributions to the Partners under this Section 10.3 shall be shared by the Partners according to the provisions of Section 10.2.D hereof. 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. The fair market value of such assets shall be equal to the average of three appraisals, one of which will be prepared by an appraiser chosen by the Investor Limited Partner, one prepared by an appraiser chosen by the General Partners and one by a third appraiser chosen by the first two appraisers. In the event that the first two appraisers cannot agree upon a third appraiser, the latter shall be selected by the then president of the Real Estate Board of Providence, Rhode Island or similar or successor Entity.

ARTICLE XI

Management Agent; Investors' Representative

Section 11.1 Management Agent

The Management Agent shall be Meyer, Smith and Granity of New York, New York. The Managing General Partner shall cause the Partnership to enter into an agreement with the Management Agent, which may be an Affiliated Person. Except as provided herein or otherwise required by FHA, such agreement may not be delegated, assigned, or terminated without the consent of Sound. If at any time after Final Endorsement (i) the Property shall be subject to a substantial building code violation or violations which shall not have been cured within a reasonable time not exceeding six months after notice from the applicable governmental agency or department or from the Investor Limited Partner, or (ii) the Partnership shall not have made any distributions to the Partners pursuant to the provisions of Section 10.2.A for any two consecutive years commencing after December 31, 1982, or (iii) any action is commenced to foreclose under the Project Documents or any other lien against the Property unless bonds are given or funds are deposited in escrow to stay the action, then the Managing General Partner shall forthwith give to

the Investor Limited Partner notice of such event, and thereafter the Partnership shall, subject to FHA and/or RIHMFC approval, within 30 days terminate its management agreement with the Management Agent, unless the consent of Sound is obtained to the retention of the Management Agent as the manager of the Property. Unless such consent is so obtained, the Managing General Partner shall immediately proceed to select a new Management Agent for the Property which selection shall be subject to the consent of Sound or the Consent of the Investor Limited Partner if Sound is not then a Partner. The Managing General Partner shall have the duty to manage the Property during any period when there is no Management Agent. In all cases, except if otherwise required by RIHMFC and/or FHA, no Management Fee shall be payable to any person unless the Management Contract with such person shall provide for termination of the same upon the occurrence of any of the events described in Section 11.1.

Section 11.2 Investors' Representative

For the continuing services of the Investor Service Representative in monitoring the operational results of the Project, supervising compliance with this Agreement, reviewing the tax returns of the Partnership, and transmitting information to the Investor Limited Partners, the Investor Service Representative shall be paid the Investor Service Fee.

ARTICLE XII

Books and Records, Accounting, Tax Elections, Etc.

Section 12.1 Book and Records

The Managing General Partner shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions with respect to the conduct of the Partnership's business, which shall be maintained in accordance with sound accounting practices and shall be available at the principal office of the Managing General Partner, 190 Broad Street, Providence, Rhode Island for examination by any Partner, or his duly authorized representatives at any and all reasonable times during normal business hours at the office of the Partnership. The Partnership may maintain such books and records and may provide such financial or other statements, including those required from time to time by FHA or any other appropri-

ate administrative agency, as the Managing General Partner may deem advisable.

Section 12.2 Bank Accounts

The bank accounts of the Partnership shall be maintained in such banking institutions permitted by FHA as the Managing General Partner shall determine, and subject to Section 6.3 withdrawals shall be made only in the regular course of business on such signature or signatures as the Managing General Partner shall determine. All deposits (including security deposits and other funds required to be escrowed by FHA and/or 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 short-term United States Government or municipal obligations maturing within one year.

Section 12.3 Accountants

The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the Managing General Partners with the Consent of the Limited Partners. The Accountants shall prepare for execution by the Managing General Partner all tax returns of the Partnership and shall audit all annual financial statements to the Partners which statements shall be certified and prepared in accordance with generally accepted accounting principles.

Section 12.4 Reports to Investor Limited Partners

The Managing General Partner shall comply with the following provisions:

A. The Managing General Partner shall within 20 days after the end of each quarterly period ending on the March 31, June 30, September 30 and December 31 next occurring after the admission of the Investor Limited Partner, cause to be prepared and sent to the Investor Limited Partner and Sound a comparison of the budget for the quarter and actual expenditures, a summary of the cash receipts and disbursements, and the unpaid liabilities including loans payable, if any, of the Partnership for such quarter, potential gross annual income at 100% occupancy, actual income collected within the quarter, amount of income due over 30 days old, an unaudited income statement prepared on the accrual basis of accounting

and cumulative for the current fiscal year, an estimate of the profit or loss for the entire fiscal year and such additional information as shall be reasonably requested.

B. Until Final Endorsement, the Managing General Partner shall, within 10 days after the end of each month commencing with the month of December, 1979, cause to be prepared and sent to the Investor Limited Partner and Sound a report which shall state (i) the percentage of completion furnished on FHA Form 2403 or any successor form for each month along with copies of all requisitions for mortgage funds, (ii) the anticipated date of completion of construction of the Improvements, (iii) whether there are any anticipated cost overruns, and, if so, the amount thereof, (iv) a narrative summary of any material deviations from the Commitments or other original plans for construction or commencement of rent-up of the Property including the information specified under Paragraph D below, (v) the number of units available for occupancy, and (vi) the actual number of units occupied.

C. After Final Endorsement the Managing General Partner shall within 20 days after the end of each quarterly period cause to be prepared and sent to the Investor Limited Partner, Sound and Mast during the period in which Mast is the Class B Limited Partner a report that shall state, in addition to the information specified in Paragraph A, (i) the current rental occupancy level for the quarter, (ii) the number of units vacated and number of evictions within the month and the previous quarter, (iii) if an operating deficit is being incurred or is anticipated by the Managing General Partner, and if so, the amount thereof and the manner in which such deficit shall be funded, and (iv) the Cash Flow statement of the Partnership for the preceding quarter indicating the cash available to be escrowed for a distribution to the Investor Limited Partner.

D. After Final Endorsement an annual operating pro forma budget shall be prepared by the Managing General Partner and distributed to the Investor Limited Partner, Sound and Mast during the period in which Mast is the Class B Limited Partner within 30 days of the beginning of each fiscal year.

E. Within 75 days after the end of each fiscal year, the Managing General Partner shall cause to be prepared and sent to the Investor Limited Partner, Sound and Mast during the period in which Mast is the Class B Limited Partner (i)

a balance sheet and the related statements of income and Partners' capital and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statement has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountant in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountant takes exception and stating, to the extent practicable, the effect of each such exception on such financial statement; (ii) a certification by the Managing General Partner that (a) all Mortgage payments and taxes and insurance premiums with respect to the Property are current as of the date of the year-end report, (b) no notice has been received of any defaults under the Mortgage, management agreement or Partnership Agreement, or if there be any such default, a description thereof, and (c) no notice has been received of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Property of a material nature, or, if there be any such notice, a description of the violation in question; and (iii) a summary of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of the Investor Limited Partner, Sound or Mast, during the period in which Mast is the Class B Limited Partner, for further information with respect to any matter covered in items (i), (ii), or (iii) above, the Managing General Partner shall furnish such information within 15 days of receipt of such request. Schedule K-1 (Form 1065) or any successor or additional form required by the Investor Limited Partner to prepare their tax returns shall be furnished to the Investor Limited Partner and Sound within 75 days of the end of each calendar year. Upon request, Sound or Mast, during the period in which Mast is the Class B Limited Partner, shall be entitled to receive all copies of all Federal, state and local income tax returns and informational returns, if any, which the Partnership is required to file.

F. Immediate notice shall be given to the Investor Limited Partner, Sound or Mast, during the period in which Mast is the Class B Limited Partner, of any delay or default in Mortgage payments or of any litigation of material significance or any other action or circumstance that could potentially have any adverse effect on the Investor Limited Partner, and of any deferments granted by the Mortgage Lender.

G. Prior to July 1 of each year, the Managing General Partner shall cause to be prepared and sent to the Investor Limited Partner, Sound or Mast, during the period in which Mast is the Class B Limited Partner, a current estimate of the profits or losses of the Partnership for Federal income tax purposes for the current fiscal year.

Section 12.5 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 shall elect or change to some other method of depreciation so long as such other method is, in the opinion of the Accountants, most advantageous to the Investor Limited Partner.

Subject to the provisions of Section 12.7, 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 Investor Limited Partner.

Section 12.6 Other 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 improvements which may, for Federal income tax purposes, be considered as expenses.

Section 12.7 Special Basis Adjustments

In the event of a transfer of all or any part of the interest of any Partner, including a transfer of an interest pursuant to Article VII, the Partnership shall elect, pursuant to Section 754 of the Code (or corresponding provisions of succeeding law), to adjust the basis for the Partnership Property. Notwithstanding anything contained in Article X of this Agreement, any adjustments made pursuant to Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 12.8 Fiscal Year and Accounting Method

The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on an accrual basis.

ARTICLE XIII

General Provisions

Section 13.1 Restrictions

A. Except as otherwise provided in Section 7.1C and in this paragraph, 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, would result in the termination of the Partnership under Section 708 of the Code (or any successor statute). However, such a sale or exchange may be made if (i) at the time of such transfer no part of the Improvements are occupied or ready for occupancy or (ii) prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that such proposed sale, exchange or transfer will not result in such termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his interest in the Partnership. This Section 13.1 shall in no event impair, or be a defense to, the obligation of the Managing General Partner to purchase the interests of the Investor Limited Partners provided in Section 5.3 hereof and to the extent that such Sections are inconsistent, Section 5.3 shall control.

B. No sale, transfer, exchange or other disposition of any interest in the Partnership may be made except in compliance with the then applicable rules and regulations of FHA or any other governmental authority with jurisdiction over such disposition, and except with respect to transfers made pursuant to Section 5.3, the Managing General Partner may require as a condition of any transfer of such interests that the transferor furnish a legal opinion that the proposed transfer complied with applicable Federal and state securities laws.

C. Any sale, exchange or other transfer in contravention of any of the provisions of this Section 13.1 shall be void and ineffectual, and shall not bind or be recognized by the Partnership.

Section 13.2 Appointment of General Partners as Attorneys-in-Fact

Without limiting the effect of provisions elsewhere in this Agreement appointing each General Partner and the President, Treasurer and Secretary of any corporate General Partner as attorney-in-fact for all those who become Limited Partners (including Substitute or additional Limited Partners) under this Agreement in connection with the doing of certain acts and the filing of certain papers, the Limited Partners hereunder (including a Substitute or additional Limited Partner) hereby irrevocably appoint and empower any one of the General Partners, and the President, the Treasurer and the Secretary of any corporate General Partner, its true and lawful attorney-in-fact, in its name, place and stead, 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, the following:

(i) Any and all amendments to the Certificate of Limited Partnership that may be required by this Agreement or the laws of the State, including without limitation, amendments required to effect the admission of a successor or additional General Partner pursuant to Article VII or additional or Substitute Limited Partners pursuant to Sections 4.6 or 8.3;

(ii) any certificate of dissolution or cancellation of the Certificate of Limited Partnership that may be necessary upon the termination of the Partnership;

(iii) any and all amendments to the Schedule of this Agreement necessary to reflect any change or transfer of a Partner's Partnership Interest including without limitation transfers of a Defaulting Limited Partner's Partnership Interest pursuant to Section 5.2 and any other amendments to this Agreement adopted pursuant to Section 13.15.

(iv) any business certificate, Certificate of Limited Partnership, amendment thereto, or other instrument or document of any kind necessary to accomplish the business, purposes and objectives of the Partnership;

(v) any instrument or papers required to continue the business of the Partnership pursuant to Article VII; and

(vi) all other instruments that may be required or permitted by law to be filed on behalf of the Partnership and that are not inconsistent with this Agreement.

A General Partner shall take no action as an attorney-in-fact for any Limited Partner which would in any way increase the liability of the Limited Partner beyond the liability expressly set forth in this Agreement or diminish the substantive rights of the Limited Partner.

The appointment by the Investor Limited Partner and Sound of any one of the General Partners and the President, the Treasurer and the Secretary of any corporate General Partner as aforesaid as attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited and General Partners under this Agreement will be relying upon the power of the General Partners and the said officers to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership, and shall be irrevocable. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of its interest hereunder, and the dissolution of any Limited Partner.

Section 13.3 Amendments to Certificates

Within 90 days after the end of any fiscal year in which the Investor Limited Partner shall have received any distributions under Article X hereof, the Managing General Partner shall cause to be filed as required under the law of the State and elsewhere as the Managing General Partner deems appropriate an amendment to the Certificate reducing by the amount of his allocable share of such distribution the amount of Capital Contribution of each Investor Limited Partner as stated in the last previous amendment to the Certificate. Nothing in this Section 13.3 shall authorize, however, any change in the Schedule to this Agreement nor shall the filing of any such amendment affect the computation of any Partner's share of distributions, profits, losses or any other item shared by the Partners under Article X. In no event shall any such amendment reduce the amount of any such Capital Contribution below \$1.00.

Section 13.4 Notices

Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and sent registered or

certified mail, postage prepaid, to the party or parties for whom such notices are intended.

All such notices or periodic reports in order to be effective shall be addressed to the last address of record on the Partnership books when given by the Managing General Partner and intended for other Partners; and to the address of the Partnership when given by the Limited Partners and intended for the Managing General Partner.

All notices required to be given by the Partnership or the General Partners to the Investor Limited Partner shall be deemed to have been duly given if such notice is given to Sound, or such other address as may be designated by it in writing, at least three business days prior to the last day on which the notice in question may be timely given.

Section 13.5 Word Meanings

The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership.

As among the parties hereto, the terms of this Agreement shall control in the event of a specific conflict between such terms and the terms of the Certificate as amended.

Whenever this Agreement provides for action or consent by a certain percentage of interest of the Investor Limited Partner, the percentage shall be determined without giving effect to any Limited Partnership interest then held by a General Partner or an Affiliated Person of a General Partner.

Section 13.6 Binding Provisions

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

Section 13.7 Applicable Law

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

Section 13.8 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 Managing General Partner. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 13.9 Survival of Representations and Warranties

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

Section 13.10 Separability of Provisions

Each provision of this Agreement shall be considered separable and (a) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, the balance of this Agreement shall be interpreted, to the extent practicable, so as to give effect to the original intent of the parties hereto; (b) if for any reason any provision or provisions herein would cause the Investor Limited Partners to be bound by the obligations of the Partnership (other than the rules and regulations of the FHA) under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 13.11 Investment Representation

The Limited Partner represents that it is acquiring its interest as a Limited Partner for its own account for investment and not with a view to the distribution or resale thereof and with no present intention of distributing or reselling any portion. The Limited Partner agrees that it will not sell or offer to sell all or any portion of its interest as a Limited Partner, or solicit offers to buy the

same from or otherwise approach or negotiate in respect thereof with any person or persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership interest in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Section 13.12 Paragraph Titles

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

Section 13.13 Meeting of Partners

Meetings of the Partnership may be called by any of the General Partners or by the Limited Partners holding more than twenty-five percent (25%) of the then outstanding interests, for information purposes or for any matters for which the Partners may vote as set forth in this Agreement. Upon receipt of a written Notice requesting a meeting and stating the purpose of the meeting, the Managing General Partner shall provide the Partners, within ten (10) days after receipt of said Notice, written Notice of a Partnership meeting and the purpose of such meeting. Such meeting shall be held at the principal offices of the Partnership and on a date not less than fifteen (15) days nor more than sixty (60) days after receipt of the Notice requesting such meeting, or at such other place as designated by Sound as convenient to the Partners.

Section 13.14 Amendment Procedure

This Agreement may not be modified or amended except with the written consent of the General Partners and the Consent of the Limited Partners; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners (ii) extend the termination date specified in Section 2.5 hereof, (iii) change the method or accelerate the dates for the payment of such Capital Contributions or otherwise increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article X or (v) amend this Section 13.14 shall require the written consent of all Limited Partners.

Section 13.15 Time of Admission

Each Investor Limited Partner shall be deemed to have been admitted to the Partnership as of the first day of the

month during which his admission actually occurs for all purposes under this Agreement, including Article X.

Section 13.16 Arbitration

Any disputes between the General Partners that are to be settled by arbitration shall be submitted to a single arbitrator under and pursuant to the then existing rules of the American Arbitration Association.

WITNESS the execution under seal as of the 10th day of
MARCH, 1980.

WITNESS:

GENERAL PARTNERS

MAST CONSTRUCTION, INC.

Eugene J. Liberati By [Signature] (Title)

MUSLIM BROTHERS DEVELOPMENT CORPORATION

Brandon Smith By Robert W. Lewis PRPS

Class A Limited Partner

SOUND ASSOCIATES, a Rhode Island
Limited Partnership, By
INDEPENDENCE COMMON CORPORATION,
General Partner

Sharon M. Searge By [Signature] (Title)

Class B Limited Partner

MAST CONSTRUCTION, INC

Eugene A. Liberati

By

Robert M. Carter, Jr.
(Title)

INVESTOR LIMITED PARTNER

WAVERLY ASSOCIATES, a Rhode
Island Limited Partnership, By
Sound Associates, General Partner
of Waverly Associates, By Inde-
pendence Common Corporation,
General Partner of Sound Associates

Sharon M. Swope

By

Stephen J. Pres.
(Title)

WITHDRAWING GENERAL PARTNER

WFC REALTY CO., INC.

Brendon Smith

By

Eileen M. Marigan

MANAGER Appointed Under Section
4.2 (NOT A PARTNER)

CONSULTANTS, INCORPORATED

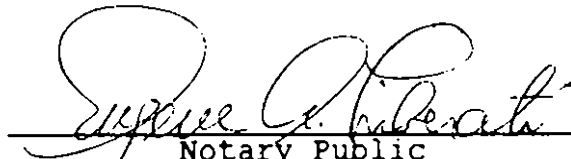
Eugene A. Liberati

By

Antoni D. Dordano Pres.

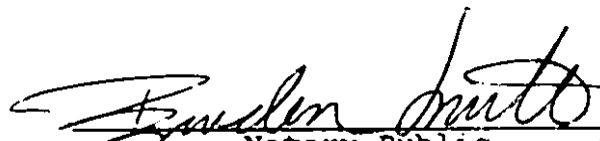
STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence in said County on the ^{MARCH} 10th day of 1980 before me personally appeared the above named PETER M CASTRIOTTA VICE-PRES, of Mast Construction, Inc., to me known and known by me to be the person executing the foregoing instrument for and on behalf of said Mast Construction, Inc., and he acknowledged said instrument by him executed in his said capacity to be his free act and deed and the free act and deed of said Mast Construction, Inc.


Notary Public
My Commission Expires: JUNE 30, 1981

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence in said County on the ^{March} 11th day of 1980 before me personally appeared the above named Robert W Lewis, of Muslim Brothers Development Corporation, to me known and known by me to be the person executing the foregoing instrument for and on behalf of said Muslim Brothers Development Corporation, and he acknowledged said instrument by him executed in his said capacity to be his free act and deed and the free act and deed of said Muslim Brothers Development Corporation.


Notary Public
My Commission Expires: 6/30/81

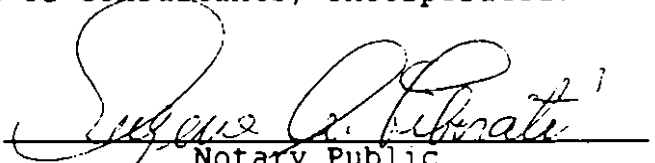
STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence in said County on the ^{March} 11th day of 1980, before me personally appeared the above named M. Margaret Eileen of WFC Realty Co., Inc., to me known and known by me to be the person executing the foregoing instrument for and on behalf of said WFC Realty Co., Inc., and (he/she) acknowledged said instrument by (him/her) executed in (his/her) said capacity to be (his/her) free act and deed and the free act and deed of said WFC Realty Co., Inc.

Notary Public
My Commission Expires: _____

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

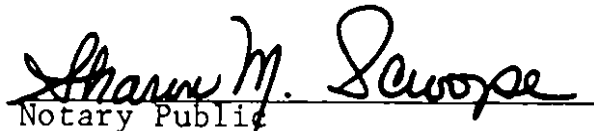
In Providence in said County on the 10th day of MARCH, 1980, before me personally appeared the above named ANTONIO L. GIORDANO PRES., of Consultants, Incorporated, a Rhode Island corporation, to me known and known by me to be the person executing the foregoing instrument for and on behalf of said Consultants, Incorporated and he acknowledged said instrument by him executed in his said capacity to be his free act and deed and the free act and deed of Consultants, Incorporated.



Notary Public
My Commission Expires: JUNE 30, 1981

STATE OF NEW YORK)
 ss.:
COUNTY OF NEW YORK)

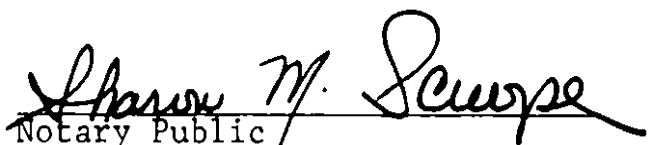
On the 20th day of March, 1980, before me personally came STEPHEN A. WEISS, to me known, who by me duly sworn did depose and say that he resides at Cottage Avenue, Purchase, New York, that he is the President of Independence Common Corporation, the corporation described in and which executed the foregoing instrument as General Partner of Sound Associates, a Rhode Island Limited Partnership, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation and that he signed his name thereto by like order.


Notary Public

SHARON M. SCROONE
Commissioner of Deeds
City of New York No. 40230
Certificate filed in New York County
Commission Expires Feb. 10, 1981

STATE OF NEW YORK)
 ss.:
COUNTY OF NEW YORK)

On the 20th day of March, 1980, before me personally came STEPHEN A. WEISS, to me known, who by me duly sworn did depose and say that he resides at Cottage Avenue, Purchase, New York, that he is the President of Independence Common Corporation, the general partner of Sound Associates, which is the general partner of Waverly Associates, a Rhode Island Limited Partnership, that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation and that he signed his name thereto by like order.


Notary Public

SHARON M. SCROONE
Commissioner of Deeds
City of New York No. 40230
Certificate filed in New York County
Commission Expires Feb. 10, 1981

SCHEDULE A
TO
MEDINA ASSOCIATES
SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE

<u>Name and Address</u>	<u>Capital Contributions</u>	<u>Percentage(a) Interest</u>
<u>GENERAL PARTNERS</u>		
Mast Construction, Inc. 190 Broad Street Providence, RI 02903	\$ 1	1/2%
Muslim Brothers Development Corporation 576 Cranston Street Providence, RI	\$ 1	1/2%
<u>Class A Limited Partner</u>		
Sound Associates 720 Milton Road Rye, New York 10580	\$ 1	1%
<u>INVESTOR LIMITED PARTNER</u>		
Waverly Associates 720 Milton Road Rye, New York 10580	\$ 600,000	98%
<u>Class B Limited Partner</u>		
Mast Construction, Inc. 190 Broad Street Providence, RI 02903	\$ 1	0%

Notes:

- (a) Partners' percentage interests are subject to modification and adjustment as set forth in the Agreement and Certificate.
- (b) The timing of and possible downward adjustments in the contributions of the Investor Limited Partners are set forth in the Agreement.

SCHEDULE B

NOTES

<u>Section</u>	<u>Consultants</u>	<u>Muslim</u>	<u>Total</u>
6.11D(Principal)	\$95,663.92	\$63,830.17	\$159,494.09
6.11D(Interest)	27,076.10	17,996.81	45,072.91
6.11E	30,000.00	20,000.00	50,000.00
6.11F	<u>55,275.01</u>	<u>27,224.99</u>	<u>82,500.00</u>
TOTAL	\$208,015.03	\$129,051.97	\$337,067.00

.....03.....50.0)

✓

RECEIVED & FILED MAR 31 1980

Lee