

State of Rhode Island and Providence Plantations

CERTIFICATE

(LIMITED PARTNERSHIP)

49194

Know all Men by These Presents, That we, Develco Family Apartments, Inc., a duly organized Rhode Island Corporation and Develco, Inc., a Nevada Corporation and Lillian M. Wante and Ester M. Kelly, of Woonsocket, Rhode Island

desiring to form a limited partnership under and by virtue of the powers conferred by Chapter 7-13 of the General Laws of Rhode Island, do solemnly swear that:

FIRST. The name of the partnership shall be
Develco Modern Apartments Associates

SECOND. The character of the business conducted by the partnership shall be Buying and selling of real estate of all kinds and descriptions and the rehabilitation, construction, management, leasing and mortgaging of the same as well as entering into business arrangements with others for the accomplishment of the foregoing. See limited partnership agreement dated June 7, 1971

THIRD. The principal place of business of the partnership shall be located at
2 Main Street, Woonsocket, Rhode Island
(No Street, City or Town, State.)

FOURTH. General Partners Residence
(No Street, City or Town, State.)
Develco Family Apartments, Inc., 2 Main Street, Woonsocket, R. I.

Limited Partners	Residence <small>(No Street, City or Town, State.)</small>
Develco, Inc.	2 Main Street, Woonsocket, Rhode Island
Lillian M. Wante	69 Winthrop Street, Woonsocket, Rhode Island
Ester M. Kelly	Old River Road, Manville, Rhode Island

are the names and places of residence of all members of the partnership, both general and limited, as respectively designated.

FIFTH. The term of existence of the partnership shall be from
fifty (50) years
See limited partnership agreement dated June 7, 1971

SIXTH. The following items listed immediately below shall be the contribution of each limited partner.

Name of Limited Partner	Cash	Property other than Cash	Value
Develco, Inc.	\$63,000.00		
Lillian M. Wante	20.00		
Ester M. Kelly	20.00		

SEVENTH. The items listed immediately below shall be the additional contributions, agreed to be made by each limited partner.

Name of Limited Partner	Cash	Property other than Cash	Value
See limited partnership agreement dated June 7, 1971			

and the times at which or the events on the happening of which said contributions shall be made shall be

EIGHTH. The contribution of each limited partner shall be returned
None, see limited partnership agreement dated June 7, 1971.

NINTH. Each limited partner shall, by reason of his contribution, receive
Develco, Inc. ninety (90%) percent

Lillian M. Wante none

Ester M. Kelly none

See limited partnership agreement dated June 7, 1971

TENTH. Each or any limited partner shall have the right to substitute an assignee as contributor in his place, subject to the following terms and conditions:

See limited partnership agreement dated June 7, 1971

ELEVENTH. The partners shall have the right to admit additional limited partners.

TWELFTH. Develco, Inc., a limited partner, shall have the right to priority over the other limited partners as to contributions or as to compensation by way of income, and the nature of such priority shall be
See limited partnership agreement dated June 7, 1971

THIRTEENTH. Upon the death, retirement or insanity of a general partner, the remaining general partner or partners shall have the right to continue the business.

FOURTEENTH. Any limited partner shall not have the right to demand and receive property other than cash in return for his contribution.

In Testimony Whereof, We have hereunto set our hands and stated our residences this 7th day of June A. D. 19 71.

Name	Residence (No. Street, City or Town, State)
<u>Robert H. Branchaud</u>	<u>516 Providence St. Woonsocket R.I.</u>
<u>Lillian M. Wante</u>	<u>69 Leachop St. Woonsocket R.I.</u>
<u>Ester M. Kelly</u>	<u>P.O. #435 Woonsocket R.I.</u>

State of Rhode Island, }
County of PROVIDENCE } In the City of Woonsocket
DOWK

in said county, this 7th day of June, A. D. 19 71,
then personally appeared before me Robert H. Branchaud, President of Develco,
Family Apartments, Inc., and as Vice-President of Develco, Inc. and
Lillian M. Wante and Ester M. Kelly

each and all known to me and known by me to be the parties executing the foregoing instrument, and they severally acknowledged said instrument by them subscribed to be their free act and deed, and the free act and deed in their capacities as aforesaid.

Richard F. Kirby
Notary Public

LIMITED PARTNERSHIP

**CERTIFICATE
OF**

DEVELCO MODERN APARTMENTS

ASSOCIATES

REC-OF
NM 21-71 STATE 343 CD

10-00

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

JUN 21 1971

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MR

LIMITED PARTNERSHIP AGREEMENT
OF
DEVELCO MODERN APARTMENTS ASSOCIATES

THIS PARTNERSHIP AGREEMENT made this 7th day of JUNE, 1971,
between Develco Family Apartments Inc. a Rhode Island corporation duly organized by law having a usual place of business at 2 Main Street, Woonsocket, Rhode Island as General Partner and these persons named on Schedule "A" as Limited Partners.

WITNESSETH THAT:

WHEREAS, the parties hereto desire to form a Limited Partnership for the purpose of acquiring, constructing, rehabilitating, improving, maintaining and operating the real property, with the buildings described in a Commitment for Insurance of Advances (FHA form #2432) for Project No. 016-35007 EC-LDP-SUP with respect to the real property described in Schedule "B" annexed hereto and made a part hereof which (together with all of the rights appurtenant thereto and improvements from time to time thereon) is hereinafter referred to as the "Property":

NOW THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration by each of the parties hereto to the other of them in hand this day paid, the receipt and sufficiency of which is hereby severally acknowledged, it is agreed as follows:

ARTICLE I

NAME, PURPOSE, POWERS AND TERM

Section 1. 1 Formation The parties hereto hereby form a Limited Partnership (hereinafter called the "Partnership") pursuant to the provisions of the Uniform Limited Partnership Act, as adopted by General Laws, 1956, Section 7-13-1 through 7-13-31 of the State of Rhode Island.

Section 1.2 Name and Office The Partnership shall be conducted under the name of "DEVELCO MODERN APARTMENTS ASSOCIATES". The principal office and place of business of the Partnership shall be located at 2 Main Street, Woonsocket, Rhode Island, or such other place as the General Partners may from time to time determine and shall specify by prior notice to the Limited Partners.

Section 1.3 Purposes and Powers

(a) The purposes of the Partnership and the business to be carried on and the objectives to be effected by it are:

(1) To acquire, own, develop, improve, maintain and operate the Property, and to construct, rehabilitate, own, develop, maintain and operate the Project;

(2) To enable the financing of the construction, rehabilitation and renting of the Project with the assistance of mortgage insurance under the National Housing Act;

(3) To enter into, perform and carry out contracts of any kind 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 a note and mortgage as provided below in order to secure a loan to be insured by the FHA and Regulatory Agreement with the FHA, and including any contract or contracts with the Secretary of Housing and Urban Development ("Secretary") which may be desirable or necessary to comply with the requirements of the National Housing Act, as amended and the Regulations thereunder, relating to the regulation or restriction of mortgage corporations, trusts, and partnerships as to, rents, sales, charges, capital structure, rate of return, and method of operation;

(4) To acquire any property, real or personal, in fee or under lease, or any rights therein or appurtenant thereto, necessary or convenient for the construction, rehabilitation, and operation of the Project;

(5) to borrow money and to issue evidences of indebtedness and to secure the same by mortgage, pledge or other lien on the Property, or any other assets of the Partnership in furtherance of any or all of the purposes of the Project;

(6) to repay 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;

(7) to employ Develco Inc. to manage the Property, and to pay a reasonable compensation for such services; and

(8) to carry on any other activities necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Project, so long as such activities may be lawfully carried on or performed by a partnership under the laws of the State of Rhode Island.

(b) The Partnership shall not engage in any other project without the prior consent of all the General Partners.

(c) The General Partners shall be bound by the terms of the Note, Mortgage, and Regulatory Agreement and any other documents, required to be executed by the Partnership in connection with the Mortgage Loan and Mortgage to the extent indicated therein. Any General Partner hereafter admitted shall as a condition to receiving any interest in the Partnership assets agree to be bound by the Note, Mortgage, and Regulatory Agreement and other documents required in connection with the Mortgage Loan to be insured by the FHA to the same extent and on the same terms as the other General Partners. So long as an FHA insured mortgage shall be outstanding with respect to the Property, upon any dissolution of the Partnership, or any transfer of the Property, no title or right to collect the rents therefrom shall pass to any person or entity who is not, or does not become, bound by the Regulatory Agreement in a manner satisfactory to the Secretary. Such 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 a mortgage is outstanding, unpaid and insured by the FHA or held by the Secretary.

(d) The General Partners for the Partnership may borrow whatever amounts may be required for the development and rehabilitation of the Property and to meet the expenses of operating the Property, secured by the Mortgage. The General Partners are authorized in their discretion to adjust the amount of the obligations secured by the Mortgage at any time prior to, or at the time of Final Endorsement, without any need to comply with the provisions of Section 1.4 of this Partnership Agreement.

Section 1.4 Sale of Assets Notwithstanding anything in this Partnership Agreement to the contrary (except as provided in Section 1.3 as to adjusting the amount of the obligations secured by the Mortgage), the Partnership shall not at any time prior to the Participation Change Date sell, lease (other than for occupancy tenants) exchange, refinance or otherwise transfer or convey, by way of security or otherwise, all or substantially all of the assets of the Partnership unless the prior written consent thereto is obtained from Limited Partners representing at least fifty-one (51%) percent of the aggregate amount of capital contributed by all the Limited Partners except to adjust the Mortgage Loan at or prior to Final Endorsement. Each Partner has agreed that he will not sell or exchange all or any part of his Partnership Interest commencing on the date of this Amended Certificate of Limited Partnership if the effect of such sale or exchange would be to change the "taxpayer" for the purpose of Section 167 (k) of the Internal Revenue Code of 1954, as amended. Nothing in this Section 1.4 shall be construed to prohibit a sale, transfer, or other conveyance of the Property to a successor entity pursuant to ARTICLE VIII of this Partnership Agreement.

Section 1.5 Term The term of the Partnership shall commence upon the filing in the office of the Secretary of State of Rhode Island of the certificate required so to be filed by the Uniform Limited Partnership Act and shall continue in full effect until April , 2021, unless sooner dissolved or terminated as herein or in said Act provided.

ARTICLE II

CAPITAL

Section 2.1 Capital of the Partnership The capital of the Partnership shall be the aggregate amount of the cash and of the agreed value of property contributed by the Partners. The amount of cash contributed to the Partnership by each of the General and Limited Partners, and the profits, losses and distributions of the Partnership allocable at a particular time to the class comprised of Limited Partners are as set forth in Schedule "C".

(a) Schedule "C" hereto shall be amended from time to time to reflect the withdrawal or admission of Partners, any changes in the Partnership Interest of any Partner arising from the transfer of any part of a Partnership Interest to or by such Partner and any changes in the amount contributed or agreed to be contributed.

(b) A capital account shall be established for each Partner and shall be credited with the amount of his capital contributions to the Partnership from time to time. Any Partner, including any substitute Partner, who shall receive an interest in the Partnership or whose Partnership Interest shall be increased by means of the transfer to him of all or part of the Partnership Interest of another Partner shall have a capital account which has been appropriately adjusted to reflect such transfer.

(c) Any Partner who shall acquire any Partnership Interest by means of the transfer to him of all or any part of the Partnership Interest of any other Partner shall, with respect to the Partnership Interest so transferred by him, be deemed to be a Partner of the same class as this transferor.

(d) No Limited Partner shall be liable for any of the debts or be bound by any of the obligations of the Partnership or be required to contribute any capital or lend any funds to the Partnership other than as expressly provided herein or as otherwise provided by law. No General Partner shall have any personal liability for the repayment of the capital contributions of any Limited Partner.

(e) No interest shall be paid on any capital contributed to the Partnership.

(f) No Limited Partner shall have the right to withdraw his capital contributed to the Partnership or to receive any funds or property of the Partnership except as may be specifically provided in this Partnership Agreement.

Section 2.2 Partnership Borrowings In addition to the Mortgage Loan, the General Partners for the Partnership may borrow sums for Partnership purposes from any source, including any Partner, provided that (i) such borrowing is not prohibited by the Regulations and (ii) such borrowing is not secured by any lien or other charge upon the assets of the Partnership. Neither the Partnership nor any Partner shall have any personal liability with respect to the Mortgage Loan, and each instrument evidencing indebtedness in connection with the Mortgage Loan shall contain an exculpatory clause to such effect.

Section 2.3 Additional Capital Contributions

(a) The additional capital contributions of the Limited Partners are required to be made at the times and upon the terms and conditions as set forth in Schedule C.

(b) If any Limited Partner shall fail to make any additional capital contribution within 30 days after the date by which the same is required to be made, the Partnership may require such Limited Partner to pay to the Partnership, in addition to all unpaid additional capital contributions theretofore required to be made by such Limited Partner, an amount equal to the sum of all additional capital contributions which might subsequently be required (without regard to whether the conditions of such additional capital contributions have been satisfied) to be made by such Limited Partner as provided in this Section 2.3. Any Limited Partner required to pay any amount pursuant to the preceding sentence shall be notified by the Partnership of the amount he is then required to pay to the Partnership. If such Limited Partner shall pay such amount within 10 days after such notice is given to him his rights as a Limited Partner shall continue unimpaired; otherwise such Limited Partner shall be in default and the Partnership may then elect to collect from such defaulting Limited Partner by legal process such amount, together with all court costs and reasonable attorney's fees. If the Partnership does not elect to collect such amount by legal process and commence a legal proceeding for such purpose within 30 days after the first date such election could be made, such defaulting Limited Partner's Partnership interest shall be subject to purchase pursuant to this Section 2.3.

(c) If the Partnership interest of any Limited Partner shall be subject to purchase pursuant to this Section 2.3, the Partnership shall promptly give notice thereof to the other Limited Partners. Within 15 days after such notice is given, any or all of such other Limited Partners may elect, by notifying the Partnership of such election, to purchase such Partnership interest. If more than one of such Limited Partners elect to purchase such

Partnership Interest, such Partnership Interest and the purchase price thereof shall be allocated among them in proportion to their respective Partnership Interests. The Partnership shall promptly notify each such Limited Partner of the part of such Partnership Interest to be purchased by him and the purchase price thereof. If no Limited Partner elects to purchase such Partnership Interest within such 15-day period, the General Partners may so elect within the next succeeding 15 days. The purchase price for any Partnership Interest subject to purchase pursuant to this Section 2.3 shall be an amount equal to 10% of the capital contributions made by the defaulting Limited Partner, and shall be payable to him on or prior to the thirtieth day next following the date such Partnership Interest becomes subject to purchase. Any Partner purchasing any Partnership Interest or part thereof pursuant to this Section 2.3 shall become the owner thereof effective as of the date upon which such Partnership Interest becomes subject to purchase, and on or prior to the thirtieth day next following such date shall pay to the Partnership all unpaid additional capital contributions theretofore required to be made (without acceleration) with respect to such Partnership Interest or part thereof so purchased. All subsequent additional capital contributions with respect to such Partnership Interest or part thereof so purchased shall be made by the purchasing Partner in accordance with Section 2.3. The transfer of any Partnership Interest becomes subject to purchase, automatically upon payment of the purchase price therefor, without the necessity of any action on the part of the defaulting Limited Partner. Each Limited Partner agrees that if this Partnership Interest is purchased pursuant to this Section 2.3 he will execute all instruments requested by the Partnership or the purchasing Partner for the purpose of confirming or evidencing the transfer of such Partnership Interest. If the Partnership Interest of any Limited Partner becomes subject to purchase pursuant to this Section 2.3 and is not so purchased, then the Partnership shall again have the right to collect from each defaulting Limited Partner by legal process the amount, costs and fees referred to in Section 2.3.

ARTICLE III

RIGHTS, POWERS AND DUTIES OF PARTNERS

Section 3.1 Management of Partnership Business The General Partners shall

have the sole right to manage the business of the Partnership. The General Partners shall use their best efforts to carry out the purposes, business and objectives of the Partnership referred to in Section 1.3, and shall devote to the partnership business such time as shall be reasonably required for its welfare and success.

Section 3.2 Powers of General Partners. The General Partners shall have all necessary powers to carry out the purposes, business and objectives referred to in Section 1.3, and shall possess and enjoy all the rights and powers of Partners of a partnership without limited partners except as otherwise provided by Rhode Island law, and except that without the written consent or ratification of the specific act by all the Limited Partners, no General Partner shall:

- (a) Do any act in contravention of the Certificate of Partnership;
- (b) Do any act which would make it impossible to carry on the ordinary business of the Partnership;
- (c) Confess a judgment against the Partnership;
- (d) Possess Partnership property, or assign his rights in specific Partnership property, for the other than a Partnership purpose;
- (e) Admit a person as a Limited Partner, unless the right to do so is given in the Certificate of Partnership;
- (g) Continue the business with Partnership property on the death, retirement, insanity, liquidation of a General Partner, unless the right to do so is given in the Certificate of Partnership.

Section 3.3 Exercise of Rights and Powers by General Partners
The General Partners shall have equal rights in the management of the Partnership business. Each General Partner shall have full power to act for and to bind the Partnership to the extent provided by Rhode Island law, except that, without the prior written consent of another General Partner, no General Partners, on behalf of the Partnership, shall borrow or lend money, sell, mortgage, lease (other than for occupancy tenants) or otherwise transfer any interest in the Property, or execute any agreement with respect to such borrowing, lending or transfer. The General Partners, acting unanimously, may from time to time by an instrument in writing delegate all or any of their powers or duties hereunder to any other General Partner or Partners. Every contract, deed, mortgage, lease and other instrument executed by the General

Partners appearing from instruments or certificates filed in the office of the Secretary of the State of Rhode Island to be a General Partner hereunder or by any General Partner authorized in writing by all the General Partners to execute said instruments shall be conclusive evidence that at the time of delivery thereof (i) this Partnership was then in existence, (ii) this Partnership Agreement has not theretofore been terminated or cancelled (nor amended in any manner except as shown in Certificates or other instruments duly filed in said office of the Secretary of the State of Rhode Island,) and (iii) the execution and delivery of such instrument was duly authorized by the General Partners.

Section 3.4 Special Duties of General Partners In addition to their usual and customary duties and obligations the General Partners shall have the following special duties and obligations:

(a) the General Partners shall use their best efforts to cause the Partnership at all times to perform and to comply with the provisions of the Mortgage, the Regulatory Agreement and any other applicable requirements of the FRA or the Secretary.

(b) the General Partners shall cause the Partnership at all times to maintain such insurance, in such amounts and against such risks as the General Partners deem advisable.

(c) the General Partners shall from time to time advance funds, up to \$25,000., in addition to the proceeds of the Mortgage loan and the capital contributions made by the Partners, as a majority of the General Partners may determine to be necessary to complete the rehabilitation of the Project in accordance with the Construction Contract. All such advances shall be made at such time or times as a majority of the General Partners shall specify and shall constitute loans to the Partnership (and shall not be deemed to be contributions to the capital of the Partnership), which shall bear no interest and shall be evidenced by Surplus Cash Notes containing such provisions as shall be required by the applicable Regulations.

(d) in the event that the partnership should require funds for normal operating expenses in addition to funds provided by rental income, the general partners agree to make subordinated loans up to a maximum at any one time of \$20,000. during the first ten years after final endorsement and \$10,000. during the next ten years.

Section 3.5 Other Interests of Partners Any of the Partners may engage in or possess an interest in other business ventures of every nature and descriptions, independently or with others, including, but not limited to, the real estate business in all its phases, which shall include without limitation ownership, operation, management, syndication and development of real property. Neither the Partnership nor the other Partners shall have any rights in and to such independent ventures or the income or profits derived therefrom.

The Partnership will employ or transact business with any person, notwithstanding the fact that any Partner or member of his Immediate Family or Affiliated Person may be, or may have an interest in or connection with, such person, and neither the Partnership nor the other Partners shall have any rights in or to any income or profits derived therefrom.

Section 3.6 Limited Partners To the fullest extent permitted by law, the Limited Partners hereby consent to the exercise by the General Partners of the power conferred on them by this Partnership Agreement. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall participate in or have any control over the Partnership business or have any right or authority to act for or to bind the Partnership.

ARTICLE IV

PROFITS AND LOSSES, DISTRIBUTIONS

Section 4.1 Profits and Losses The share of the profits or the other compensation by way of income which each Limited Partner shall receive by reason of his contribution is as follows:

(a) No interest shall be paid on any capital contribution to the Partnership.

(b) The profits and losses of the Partnership (other than profits or losses of the Partnership arising from the sale or other disposition of all or substantially all the assets of the Partnership) for each fiscal year and for the portion of the fiscal year in which the Participation Change Date occurs, shall be determined as of the end of such fiscal year or portion thereof, and allocated as follows:

(1) For each fiscal year or portion thereof through the Participation Change Date, 90% of such profits or losses shall be allocated to the class comprised of the Limited Partners and 10% of such profits or losses shall be allocated to the class comprised of the General Partners.

(2) For each fiscal year or portion thereof after the Participation Change Date, 50% of such profits or losses shall be allocated to the class comprised of the Limited Partners and 50% of such profits or losses shall be allocated to the class comprised of the General Partners.

(c) The "Participation Change Date" is the earlier of the following dates: (i) twenty (20) years after the date of Final Endorsement or (ii) the first date on which the Investor Limited Partners shall have received a distribution of cash proceeds available for distribution from the refinancing of any mortgage on or the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all or a substantial part of the Project, which together with all prior cash distributions to the Limited Partners equals or exceeds the aggregate capital contributions of the class comprised of Limited

(d) The profits and losses of the Partnership arising from the sale or other disposition of all or substantially all the assets of the Partnership shall be allocated as follows:

First, 90% of such profits, if any, shall be allocated to the class comprised of the Limited Partners up to the amount, if any, by which (1) the aggregate losses and distributions charged to the capital accounts of the Partners of such class through the Participation Change Date, exceed (2) the sum of the aggregate profits credited to the capital accounts of the Partners of such class through the Participation Change Date and the aggregate capital contributions of the Partners of such class; and 10% of such profits, if any, shall be allocated to the class comprised of the General Partners up to the amount, if any, by which (A) the aggregate losses and distributions charged to the capital accounts of the Partners of such class through the Participation Change Date, exceed (B) the sum of the aggregate profits credited to the capital accounts of the Partners of such class through the Participation Change Date and the aggregate capital contributions of the Partners of such class.

Second, if such sale occurs after the Participation Change Date, 50% of any balance of such profits, if any, shall be allocated to the class comprised of the Limited Partners up to the amount, if any, by which the aggregate losses and distributions charged to the capital accounts of the Partners of such class after the Participation Change Date exceed the aggregate profits credited to the Capital accounts of the Partners of such class after the Participation Change Date; and any balance of such profits, if any, shall be allocated to the class comprised of the General Partners up to the amount, if any, by which the aggregate losses and distributions charged to the capital accounts of the Partners of such class after the Participation Change Date exceed the aggregate profits credited to the Capital accounts of the Partners of such class after the Participation Change Date.

Third, any balance of such profits, if any, shall be allocated to the class comprised of the Limited Partners up to the amount, if any, by which (1) the aggregate capital contributions of the Partners of such class exceed (2) the aggregate distributions made to the Partners of such class as provided in this Section 4.1.

Fourth, any balance of such profits, if any, shall be allocated to the class comprised of the General Partners and the Limited Partners, up to the amount, if any, by which (1) the amounts distributed to the Partners of such class pursuant to Section 4.1 plus the aggregate capital contributions of the Partners of such class, exceed (2) the aggregate distributions made to the Partners of such class as provided in this Section 4.1.

Fifth, 50% of any balance of such profits, if any, or 50% of such losses, if any, shall be allocated to the class comprised of the Limited Partners and any balance of such profits or losses shall be allocated to the class comprised of the General Partners.

(e) The profits and losses of the Partnership allocated to a particular class of Partners shall be shared by the Partners comprising such class in proportion to their respective Partnership Interests. Appropriate accounting records shall be kept by the Partnership to reflect the application of the election provided in Section 754 of the Internal Revenue Code of 1954 (or corresponding provisions of succeeding law).

(f) The profits and losses of the Partnership allocated among the Partners shall be credited or charged, as the case may be, to their respective capital accounts as of the date as of which such profits and losses are to be determined. The profits and losses of the Partnership allocated among the Partners, other than profits and losses of the Partnership arising from the sale or other disposition of all or substantially all of the assets of the Partnership shall be credited or charged to their respective capital accounts prior to the allocation of profits and losses of the Partnership arising from such sale or disposition.

(g) All profits and losses of the Partnership shall be determined in accordance with the accounting methods followed by the independent certified public accountants employed by the Partnership.

(h) The Partnership shall elect to treat as an expense for federal income tax purposes all amounts incurred for rent, real estate taxes, interest and other charges during or relating to the construction of the Project which may, in accordance with applicable law and regulations, be considered as expenses. The Partnership shall elect, for federal income tax purposes, to compute the depreciation deduction attributable to rehabilitation expenditures incurred with respect to the Project under the straight-line method having a useful life of sixty (60) months and no salvage value.

(i) The Partnership shall, to the extent permitted by applicable statutes and regulations and upon obtaining any necessary approval of the Commissioner of Internal Revenue, elect to use such methods of accelerated depreciation as shall be most favorable to the class comprised of the Limited Partners, unless the General Partners determine, upon advice of the Auditors, and or Legal Counsel that another method of depreciation will be more favorable to the class comprised of the Limited Partners.

(j) In the event of a transfer of all or part of the Partnership Interest of any Partner, the Partnership shall elect pursuant to Section 754 of the Internal Revenue Code of 1954 (or corresponding provisions of future law) to adjust the basis of the assets of the Partnership, if this increases the basis of the assets for federal income tax purposes.

(k) The Cash Flow of the Partnership shall be determined for each fiscal year and for the portions of the fiscal year in which either Final Endorsement or the Participation Change Date occurs, as the case may be, and, subject to a applicable Regulation and the provisions of Section 4.1, after Final Endorsement shall be promptly distributed as follows:

(1) For each fiscal year or portion thereof through the Participation Change Date, 90% of such Cash Flow of the Partnership shall be distributed to the class comprised of the Limited Partners and 10% shall be distributed to the class comprised of the General Partners.

(2) For each fiscal year or portion thereof after the Participation Change Date, 50% of such Cash Flow of the Partnership shall be distributed to the class comprised of the Limited Partners and 50% shall be distributed to the class comprised of the General Partners.

The Cash Flow of the Partnership which may be distributed pursuant to this Section 4.1 for any fiscal year ending after Final Endorsement shall not exceed 6% of 11.11% of the amount of the Mortgage Loan at Final Endorsement plus such additional amounts of such Cash Flow of the Partnership as the Regulations permit to be distributed, provided that if the Regulations are amended to permit more than such 6% to be so distributed, the General Partners shall not be required to distribute the Cash Flow of the Partnership in excess of such 6% for a period of one year following the date of such amendment.

(l) If the Cash Flow of the Partnership for any Base Year which is being distributed pursuant to Section 4.1 is less than the Annual Adjusted Amount for such Base Year, such Cash Flow of the Partnership shall be distributed first to the class comprised of the Limited Partners up to the Annual Amount for such Base Year, and any balance of such Cash Flow of the Partnership shall be distributed to the class comprised of the General Partners. If the Cash Flow of the Partnership for any Base Year which is being distributed pursuant to Section 4.1 is more than the Annual Adjusted Amount for such Base Year, such Cash Flow of the Partnership shall be distributed or applied in the following order:

(i) to the class comprised of the Limited Partners up to the Annual Amount for such Base Year;

(ii) to the class comprised of the General Partners up to the amount by which the Annual Adjusted Amount for such Base Year;

(iii) in the discretion of the General Partners, any balance of such Cash Flow of the Partnership may be applied to the payment of Surplus Cash Notes up to an amount equal to the unpaid principal amount thereof and any interest thereon; and

(iv) any balance of such Cash Flow of the Partnership permitted by the Regulations to be distributed may be distributed 90% to the class comprised of the Limited Partners and 10% to the class comprised of the General Partners.

If the Annual Amount for any Base Year is not distributed to the Limited Partners, Cash Flow of the Partnership for subsequent fiscal years shall be distributed first to the Limited Partners up to the entire amount of such deficiency before any distribution of such Cash Flow of the Partnership is made pursuant to the foregoing provisions of Section 4.1.

Section 4.2 Net Partnership Receipts

(a) Net Partnership Receipts shall be determined for each fiscal year and for the portion of the fiscal year in which Final Endorsement occurs, and, subject to any applicable regulations of the Secretary and the provisions of Section 4.2 (b), after Final Endorsement, until the Participation Change Date, shall be promptly distributed as follows: For each fiscal year, ninety per cent (90%) to the class comprised of Limited Partners, and ten per cent (10%) to the class comprised to General Partners. The Net Partnership Receipts which may be distributed pursuant to this Section 4.2 (a) for any fiscal year ending after Final Endorsement shall not exceed six per cent (6%) of 11.11% of the amount of the Mortgage Loan at Final Endorsement plus such additional amounts of such Net Partnership Receipts as PHA regulations permit to be distributed.

(b) Net Partnership Receipts for a particular fiscal year shall include all profits and losses of the Partnership for such fiscal year, except profits and losses for such fiscal year arising from the sale of all or substantially all of the assets of the partnership, and shall be determined by adjusting such profits and losses as follows:

(1) Depreciation of buildings, improvements and personal property shall not be considered as a deduction.

(2) Amortization of any financing fee shall not be considered as a deduction.

(3) If the General Partners shall so determine, a reasonable reserve shall be deducted to provide for working capital needs, funds for improvements or replacements or for any other contingencies of the Partnership.

(4) Amortization of the Mortgage Loan shall be considered as a deduction.

(5) Amounts paid into the reserve fund for replacements pursuant to the Regulatory Agreement shall be considered as a deduction.

(6) Any amounts paid by the Partnership for capital expenditures or replacements shall be considered as a deduction, except that amounts withdrawn from any reserve fund established pursuant to paragraphs (4) or (5) above, for capital expenditures or replacements shall not be considered as a deduction.

(7) Capital contributions to the Partnership, the proceeds of any mortgage refinancing, the profits and losses of any sale, exchange, eminent domain taking, damage or destruction by fire or other casualty, whether insured or uninsured, or other disposition of all or any part of the Property shall not be included in Net Partnership Receipts.

(c) Prior to Participation Change Date and subject to any applicable Regulation, if the General Partners shall determine that cash from sources other than Net Partnership Receipts is available for distribution to the Partners, such cash shall be distributed ninety percent (90%) to the class comprised of Limited Partners and ten percent (10%) to the class comprised of General Partners.

(d) The foregoing provisions of this Section 4.2 shall not be construed to prohibit distributions of Net Partnership Receipts at any time whether or not any determination thereof has been made. If Net Partnership Receipts are distributed in anticipation of the determination thereof, such distributions shall be subject to adjustment.

Section 4.3 Allocation of Distributions Among Partners

(a) Distributions to a particular class of Partners, including distributions pursuant to Section 6.2 (b), shall be shared by the Partners comprising such Class in proportion to their respective Partnership interests.

(b) All distributions to the Partners shall be charged to their respective capital accounts. All distributions to the Partners pursuant to the provisions of Section 4.2 shall be made and charged to their respective capital accounts prior to the allocation of profits and losses pursuant to Section 4.1 (b).

ARTICLE V

RETIREMENT OF A GENERAL PARTNER

Section 5.1 General Provisions For purposes of this Agreement, (a) retirement of a General Partner shall mean the death, incapacity, liquidation, bankruptcy or withdrawal from the Partnership of such General Partners; (b) incapacity shall mean an adjudication of insanity or incompetency; (c) bankruptcy shall be deemed to occur when a General Partner files a petition in bankruptcy, voluntarily takes any advantage of any bankruptcy or insolvency laws, or is adjudicated a bankrupt, or, if a petition or an answer is filed proposing the adjudication of such General Partner as a bankrupt, when such General Partner shall consent to the filing thereof or 60 days shall have elapsed after the filing thereof unless the same shall have been discharged or denied prior thereto; and (d) a General Partner's withdrawal from the Partnership shall be deemed to occur on the date of withdrawal stated in a notice given by him to the other Partners, which date of withdrawal shall be at least 30 days after such notice is given.

Section 5.2 Retirement of General Partner

(a) No General Partner shall withdraw from the Partnership prior to the 20th anniversary of Final Endorsement, unless he provides a substitute General Partner to purchase his Partnership Interest pursuant to Section 5.5 (a).

(b) Upon the retirement of a General Partner the business of the Partnership shall be continued by the substitute general partner.

(c) Any substitute General Partner shall purchase the Partnership Interest (as a General Partner) of the retired General Partner pursuant to Section 5.5 (a). Each substitute General Partner must be approved by each Limited Partner representing 51 per cent (51%) of the aggregate amount of the capital contributions, which approval shall not be unreasonably withheld.

(d) If upon the retirement of a General Partner there is no substitute General Partner, the Partnership shall be terminated; in such event the assets of the Partnership shall be distributed in accordance with the provisions of Section 6.2 (b) unless the assets of the Partnership are transferred to a successor entity pursuant to ARTICLE VIII.

Section 5.3 Notice Upon the retirement of a General Partner for any reason other than withdrawal, the General Partner or his legal representative shall promptly give notice of such retirement to the Limited Partners.

Section 5.4. Liability of a Retired General Partner If the business of the Partnership is continued after the retirement of a General Partner, the retired General Partner shall remain liable for all obligations and liabilities incurred by him while a member of the Partnership. A retired General Partner shall not incur any obligation or liability on account of the business of the Partnership or the activities of the General Partners after his retirement.

Section 5.5 Effect of Retirement on Partnership Interest of Retiring General Partner

(a) If the business of the Partnership is continued after the retirement of a General Partner and a substitute General Partner succeeds the retired General Partner, then such substitute General Partner becomes the owner of the Partnership Interest (as a General Partner) of the retired General Partner. The substitute General Partner shall pay to the retired General Partner or his legal representative, as the purchase price for such Partnership Interest, an amount to be agreed upon by the substitute General Partner and the retired General Partner or his legal representative. In the absence of such agreement Limited Partners representing 51% of the aggregate amount of capital contributions shall determine the purchase price for such Partnership Interest.

Section 5.6 Assignment of Interest of General Partner

The Partnership Interest (as a General Partner) of any General Partner may not be transferred, sold, alienated, assigned, given, bequeathed or otherwise disposed of, whether voluntarily or by operation of law, or at judicial sale or otherwise, except in accordance with this ARTICLE V and except to the extent expressly provided by law.

ARTICLE VI

TERMINATION AND LIQUIDATION

Section 6.1 Events Causing Termination The Partnership shall be terminated and its affairs wound up upon: (a) the sale of all or substantially

all of its assets; (b) the retirement of a General Partner if no successor General Partner remains; (c) the expiration of its term; or (d) the transfer of the assets and liabilities of the Partnership to a successor entity pursuant to ARTICLE VIII.

Section 6.2 Distributions Upon Termination

(a) Upon the termination of the Partnership the Certificate of Limited Partnership of the Partnership shall be cancelled in accordance with the provisions of the Uniform Limited Partnership Act, and General Partner, or the person or person required by law to carry out the winding-up of its affairs, shall promptly notify all the Partners of such termination. Unless the assets and liabilities of the Partnership are transferred to a successor entity pursuant to ARTICLE VIII, upon termination of the Partnership its assets shall be distributed as provided in Section 6.2 (b).

(b) If the assets of the Partnership are to be distributed as provided in this Section 6.2 (b), adequate provision shall be made for the payment of the debts and obligations of the Partnership, and the remaining assets of the Partnership shall be distributed first to the class comprised of Limited Partners and then to the General Partner in accordance with the amounts of their respective capital accounts as adjusted for any credits or charges there- to on account of any profits or losses of the Partnership during liquidation and on account of any distributions in kind, as provided below.

If the assets of the Partnership shall be distributed in kind such assets shall be distributed on the basis of the then fair market value thereof (as determined by an independent appraiser who shall be a member of the Rhode Island Realtors Association Inc. selected by the then president of this Real Estate Board), the capital account of each Partner shall be credited or charged, as the case may be with the amount of profit or loss which he would be entitled to share under Section 4.1 (b) hereof if such assets were sold at such appraised value, and such assets shall be distributed to the Partners entitled thereto as tenants-in-common in accordance with the amounts of their respective capital accounts as so adjusted.

ARTICLE VII

ASSIGNMENT OF INTEREST OF LIMITED PARTNER

Section 7.1 Assignment

(a) The Partnership Interests of a Limited Partner may be assigned only as provided in this ARTICLE VII. Neither the Partnership nor any Partner shall be bound by any such assignment until a counterpart of the instrument of assignment, executed and acknowledged by the parties thereto, is delivered to the Partnership.

(b) Except as permitted in Section 7.1 hereof and subject to the restrictions set forth in Article II, no Limited Partner may transfer, sell, alienate, assign or otherwise dispose of all or any part of his interest in the Partnership, whether voluntarily, involuntarily or by operation of law, or at judicial sale or otherwise, without first offering the same to the General Partners acting on behalf of themselves, at a price and upon terms no less favorable than those which such Limited Partner would receive from such sale, assignment or other disposition. Such price and terms shall be set forth in a written offer signed and certified by such Limited Partner and delivered to the General Partner. Within thirty (30) days after the receipt of such written offer the General Partner may in writing accept such offer. No more than 50% of the limited partners, however, may assign their interest in any fiscal year. The General Partner so accepting such offer shall promptly thereafter enter into an agreement with such Limited Partner for the purchase and sale of such interest at the price and on the terms of said offer and shall consummate such purchase and sale in accordance with such agreement within ninety (90) days thereafter. If such offer is not accepted by the General Partners within said thirty (30) day period, such Limited Partner may at any time within ninety (90) days from the expiration of such thirty (30) day period dispose of such interest at a price and on terms not less favorable than those set forth in such offer, and if such interest is not so disposed of within such period, it shall again become subject to the provisions of this Section 7.1.

(c) The foregoing provisions of this Section 7.1 shall not apply to the transfer or assignment (in trust or otherwise) by a Limited Partner, whether on death or inter vivos, of all or any part of his interest in the Partnership.

(1) to or for the benefit of his Immediate Family or to a charitable, religious or educational organization, or

(2) to the legal representatives of a deceased or incapacitated Limited Partner, or by such a legal representative to accomplish any transfer or assignment permitted by the foregoing subparagraph (1).

(d) In no event shall all or part of a Limited Partner's interest in the Partnership be assigned or transferred to a minor or incompetent, and any such attempted assignment shall be void and ineffectual and shall not bind the Partnership.

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

(f) In the event any assignment of the interest of a Limited Partner shall be made there shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument must evidence the written acceptance of the assignee to all the terms and provisions of this Partnership Agreement and if such an instrument is not so filed, the Partnership need not recognize any such assignment for any purpose hereunder.

(g) The provisions of Section 7.1 shall not apply to the pledge, mortgage or hypothecation by a Limited Partner of all or a part of his Partnership Interest but such provisions shall apply to a foreclosure of, or other realization upon, any such pledge, mortgage or hypothecation.

(h) No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place, but no assignee shall have the right to become a substitute Limited Partner unless his assignor has stated such intention in the instrument of assignment. The Partners shall, however, have the right to permit such assignees to become substitute Limited Partners. Any such substitute Limited Partner shall, as a condition of receiving any interest in the Partnership Property, agree to be bound by the Note, Mortgage and Regulatory Agreement and other documents required in connection with the FHA insured loan to the same extent and on the same terms as the other Limited Partners. Any such substitute Limited Partner shall also agree to be bound by the provisions of this Certificate of Limited Partnership as last amended, (including without limitation the obligation to make additional capital contributions as provided in Section 7.1 hereof) and shall also agree to accept such other terms and conditions as the General Partners in their sole discretion may determine.

(i) upon the admission of a substitute Limited Partner Schedule A shall be amended to reflect the name and address of such substitute Limited Partner and to eliminate the name and address of the assigning Limited Partner if appropriate, and an amendment to the Certificate of Limited Partnership reflecting such admission shall be filed with the Secretary of State of Rhode Island. Each substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all the provisions of this Certificate as last amended.

(j) In the event of the death or incapacity of a Limited Partner, his personal representatives shall have the same status as an assignee of the Limited Partner unless and until the Partners permit such personal representatives to become a substitute Limited Partner on the same terms and conditions as herein provided for assignee generally. The death of a Limited Partner shall not dissolve the Partnership.

(k) An assignee of a Limited Partner who does not become a substitute Limited Partner as provided aforesaid shall have the right to receive the same share of distributions made by the Partnership to which the assigning Limited Partner would have been entitled if no such assignment had been made by such Limited Partner.

(l) An assignee of the interest of a Limited Partner who does not become a substitute Limited Partner as provided aforesaid and who desires to make a further assignment of his interest shall be subject to all the provisions of this Section 7.1 to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his interest.

(m) The restrictions set forth in the foregoing provisions of this Section 7.1 and set forth in Article II shall not apply to the initial sale by a Limited Partner holding 90% of the Partnership Interest.

ARTICLE VIII

SUCCESSOR ENTITY

Section 8.1 Conditions of Transfer

(a) The General Partners, or the Limited Partners if there shall be no General Partner, shall transfer all the assets of the Partnership in kind to any entity designated for the purpose, if:

(1) dissolution shall occur by reason of there being no remaining General Partner after the retirement of a General Partner, and Limited Partners having Partnership Interests representing at least 51% of the Partnership Interests of all Limited Partners and request such transfer and designate the successor entity; or

(2) the General Partners at any time unanimously determine to make such transfer to a successor entity designated by them, and obtain the prior written consent to such transfer of Limited Partners having Partnership Interests representing at least 51% of the Partnership Interest of all Limited Partners.

(b) The assets of the Partnership shall be transferred to such successor entity subject to the liabilities of the Partnership and subject to liabilities to be withdrawing Partners provided for herein, and such successor entity shall assume such liabilities and shall hold the Partnership and the Partners, as such, harmless therefrom.

Section 8.2 Rights of Partners with Respect to Successor Entity

(a) After any transfer to a successor entity pursuant to this ARTICLE VIII, the rights and obligations of the Partnership shall be as owners or members of such successor entity, and such rights and obligations shall be governed by the relevant documents of such successor entity and the laws applicable to such successor entity rather than this Agreement.

(b) Each Partner agrees that the relevant documents of any such successor entity shall contain provisions which:

(1) preserve for the respective owners or members of such successor entity, to the extent practicable, the rights and obligations of the respective Partners provided for in this Agreement;

(2) impose substantially the same restrictions as those contained in section 1.4; and

(3) grant to each owner or member of such successor entity who, while a Limited Partner of the Partnership, did not consent to the transfer to such successor entity pursuant to this ARTICLE VIII, the right to require such successor entity or the owners or members thereof to purchase his interest in such successor entity or the value of his interest in such successor entity or the value of his Partnership Interest at the time of transfer to such successor entity pursuant to this ARTICLE VIII, whichever is greater. (such value to be determined by an independent appraiser who shall be a member of the Rhode Island Realtors Assoc. Inc. selected by the then president of this Board.)

ARTICLE IX

PISCAL MATTERS

Section 9.1 Books and Records The General Partners shall maintain full and accurate books of the Partnership at the Partnership's principal place of business, showing all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Partnership's business and affairs, including those sufficient to record the allocations and

distributions provided for in ARTICLE IV. The books of the Partnership shall be kept on an accrual basis. Each Partner and his duly authorized representatives shall at all times have access to and may inspect and copy any of such books and records.

Section 9.2 Fiscal Year The fiscal year of the Partnership shall be the calendar year.

Section 9.3 Reports Annual statements showing the income and expenses of the Partnership for each fiscal year ending on or after December 31, 1971, and the balance sheets thereof as at the end of each such year shall be prepared by the Auditors. The Partnership shall have an annual audit of its books by the Auditors. Each Partner shall be furnished copies of such statements of income and expenses and of such balance sheets, together with a certificate of the Auditors covering the results of such audit, within 60 days after the end of each such fiscal year of the Partnership. The Partnership shall also furnish to any Partner, at such Partner's expense, such other reports on the Partnership's operations and condition as such Partner may reasonably request.

Section 9.4 Bank Accounts and Investment of Funds

All of the funds of the Partnership shall be deposited in its name in such checking and savings accounts or time deposits or certificates of deposit as shall be designated by the General Partners from time to time. Withdrawals therefrom shall be made upon such signatures or signatures as the General Partners may designate. The Partnership may invest funds in short term obligations (maturing within one year) of the United States Government, the Federal National Mortgage Association, the Federal Intermediate Credit Corporation, Federal Home Loan Banks, Banks for Cooperatives, Federal Land Banks, any State or Commonwealth of the United States or any political subdivision of any such State or Commonwealth.

Section 9.5 Accounting Decisions All decisions as to accounting matters, except as specifically provided to the contrary herein, shall be made by the General Partners in accordance with generally accepted accounting principles consistently applied. Such decisions must be satisfactory to the Auditors, and the General Partners may rely upon the advice of the Auditors as to whether such decisions are in accordance with generally accepted accounting principles.

Section 9.6 Federal Income Tax Elections

(a) The Partnership shall elect to treat as an expense for federal income tax purposes all amounts incurred for rent, real estate taxes, interest and other charges during or relating to the construction of the Project which may, in accordance with applicable law and regulations, be considered as expenses.

(b) The Partnership may, to the extent permitted by applicable statutes and regulations and upon obtaining any necessary approval of the Commissioner of Internal Revenue, elect to use such methods of accelerated depreciation as shall be most favorable to the class comprised of the Limited Partners, unless the General Partners determine, upon advice of the Auditors, that another method of depreciation will be more favorable to the class comprised of the Limited Partners.

(c) In the event of a transfer of all or part of the Partnership Interest of any Partner, the Partnership shall elect pursuant to Section 754 of the Internal Revenue Code of 1954 (or corresponding provisions of future law) to adjust the basis of the assets of the Partnership.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notices Except as otherwise provided in this Agreement, any and all notices, consents, waivers, directions, requests, votes or other instruments of communications provided for under this Agreement shall be in writing, signed by the party giving the same and shall be deemed properly given only if sent by registered mail or certified United States mail, postage prepaid, addressed: (a) in the case of the Partnership or the General Partners, to the Partnership or the General Partner, as the case may be, at the principal place of business of the Partnership, or (b) in the case of Limited Partners to such Partner at his address set forth in Schedule "A" hereto. Each Partner may, by notice to the Partnership, specify any other address for the receipt of such instruments or communications. Any such communication sent by telegram shall be properly given when received by the person to whom it is sent.

Section 10.2 Indemnification and Liability of General Partners

The Partnership shall indemnify each of the General Partners against any claim or liability incurred by him in connection with the business of the Partnership.

Neither the Partnership nor any Partner shall have any claim against any General Partner by reason of any act or omission of such General Partner, provided that such acts or omissions were performed in good faith and the belief that he was acting within the scope of his authority under this Agreement and that such General Partner was not grossly negligent or guilty of misconduct with respect to such actions or omissions. Except as provided herein or required by law, no General Partner shall have any obligation or liability to any other Partner or to make any advance to, or contribution to the capital of, the Partnership. The right of indemnification provided in this Section 10.2 shall not extend to personal liability, if any, imposed on the General Partners under the Regulatory Agreement.

Section 10.3 Power of Attorney

(a) Each of the Limited Partners irrevocably constitutes and appoints each of the General Partners, jointly and severally, his true and lawful attorney, in his name, place and stead to make, execute, acknowledge and file:

- (1) any and all amendments to the certificate of Limited Partnership of the Partnership which may be required by Uniform Limited Partnership Act, including amendments required for the substitution of a Limited Partner pursuant to Section 7.2, the admission of a General Partner pursuant to ARTICLE V, and the continuation of the business of the Partnership after the retirement of a General Partner pursuant to ARTICLE V;
- (2) any cancellation of such Certificate upon the termination of the Partnership pursuant to ARTICLE VII;
- (3) a new Certificate of Limited Partnership or any other organization papers, documents, forms, applications, certificates or articles of incorporation necessary to form a successor entity and transfer the assets of the Partnership pursuant to ARTICLE VIII;
- (4) any instruments or papers required to continue the business of the Partnership pursuant to ARTICLE V;
- (5) any and all amendments to Schedules B and C hereto necessary to substitute a Limited Partner pursuant to ARTICLE VII or a General Partner pursuant to ARTICLE V; and
- (6) any business certificate, Certificate of Limited Partnership, amendment hereto, or other instrument or document of any kind necessary to accomplish the business, purposes and objectives of the Partnership;

it being expressly intended by each of the Limited Partners that the foregoing power of attorney is coupled with an interest.

(b) The power of attorney set forth in Section 10.3 (a) shall survive an assignment by any Limited Partner of the whole or any part of the amounts distributable to him pursuant to his Agreement. If a Limited Partner transfers

his Partnership Interest, such power of attorney shall survive the delivery of the instruments affecting such sale or transfer for the sole purpose of enabling the General Partners or any one of them to execute, acknowledge and file any and all instruments necessary to effectuate the substitution of the transferee as a Limited Partner.

(c) The General Partners shall cause to be filed any and all of the amendments (or appropriate certificates thereof) referred to in this Section 10.3 as required by the Uniform Limited Partnership Act.

(d) Each Limited Partner hereby agrees, upon request by the General Partners, to join in the signing and swearing of any amendment to or cancellation of the Certificate of Limited Partnership referred to above.

Section 10.4 Integration This Agreement embodies the entire agreement and understanding among the Partners relating to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter.

Section 10.5 Applicable Law This Agreement and the rights of the Partners shall be governed by and construed and enforced in accordance with the laws of the State of Rhode Island.

Section 10.6 Counterparts This agreement may be executed in several counterparts and all so executed shall constitute one Agreement binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart, except that no counterpart shall be authentic unless signed by a General Partner.

Section 10.7 Separability In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

Section 10.8 Transfer Subject to Regulations of the Secretary

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

Section 10.9 Binding Effect Except as herein otherwise provided to the

contrary, this Agreement shall be binding upon, and insure to the benefit of, the Partners and their respective heirs, executors, administrators, successors and permitted assigns.

ARTICLE XI

ADDITIONAL LIMITED PARTNERS

Section 11.1 General Partners

(a) The General Partners are authorized at any time and from time to time, without requirement of any approval by the Limited Partners, to admit to the Partnership additional Limited Partners, who shall be Limited Partners, upon each such Limited Partner making, or agreeing to make such cash contribution to the capital of the Partnership as shall be determined by the General Partners. No additional Limited Partner shall be admitted to the Partnership unless such additional Limited Partner has been accepted in writing by Limited Partners representing at least fifty-one percent (51%) of the aggregate amount of capital contributed by all of the Limited Partners as shown in Schedule "C" as last amended. Notwithstanding the foregoing, no additional Limited Partner shall be admitted to the Partnership if the effect of such admission would be to change the "taxpayer" for the purpose of Section 167(k) of the Internal Revenue Code of 1954, as amended.

(b) Any such incoming Limited Partner shall as a condition of receiving any interest in the Partnership agree to be bound by the Note, Mortgage, Regulatory Agreement and other documents required in connection with the Mortgage Loan to the same extent and on the same terms as the other Limited Partners. Any such incoming Partner shall also agree to be bound by the provisions of this Certificate as last amended and shall also agree to accept such other terms and conditions as the General Partners in their sole discretion may determine.

ARTICLE XII

DEFINED TERMS

Section 12.1 Defined Terms—The defined terms used in this Agreement shall have the meanings specified below:

"Affiliated Person" means any (i) General Partner, (ii) Limited Partner, (iii) member of the Immediate Family of any General Partner or Limited Partner, (iv) legal representatives of any person referred to in the preceding

clauses (i) through (iii), (v) trustee under the will of any person referred to in the preceding clauses (i) through (iii), or (vi) a corporation of which a majority of the voting interest is owned by any one or more of the persons referred to in the preceding clauses (i) through (v).

"Agreement" means this Partnership Agreement.

"Construction Contract" means the Construction Contract-Cost Plus by and between Develco Inc. and the Partnership providing for the construction of the Project in accordance with the Drawings and Specifications entitled Develco Modern Apartments FHA Project No. 016-35007 DC LDP SUP, filed with the Federal Housing Commissioner.

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

"FHA" means the Federal Housing Administration.

"Final Endorsement" means the date upon which the Mortgage Loan is finally endorsed by the Federal Housing Commissioner.

"General Partner" means any person designated as a General Partner in Schedule C hereto or any person who becomes a substitute General Partner as provided herein, in such person's capacity as a General Partner of the Partnership.

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

"Limited Partner" means any person designated as a Limited Partner in Schedule A hereto, or any person who becomes a substitute Limited Partner as provided herein, in such person's capacity as a Limited Partner of the Partnership.

"Mortgage" means a mortgage on the Property insured by the FHA which secures the Mortgage Loan on terms providing that neither the Partnership nor any Partner shall have any personal liability for the payment of all or any part of the obligations secured by the Mortgage and shall mean such FHA insured Mortgage, whatever the amount may be at any given time.

"Mortgage Loan" means the mortgage indebtedness of the Partnership evidenced by a note of the Partnership payable to the L. M. Primack Inc. as such indebtedness may be increased at or prior to Final Endorsement, and secured

by the lien created on the Property by the Mortgage from the Partnership to J. M. Primack, Inc., insured by the FHA, as FHA Project No. 016-35007 EC LDP SUP as the same may be amended from time to time.

"net Partnership Receipts" shall have the meaning provided in Section 4.

"Auditors" means Peat, Marwick, Mitchell & Co. or a successor thereto, or a firm of independent certified public accountants selected by the General Partners and acceptable to the Limited Partners having at least 51% of the Partnership Interests of the Limited Partners.

"Note" means the Note which evidences the Mortgage Loan.

"Partner" means any General Partner or Limited Partner.

"Partnership" means the Limited Partnership formed in accordance with this Agreement, as said limited partnership may from time to time be constituted.

"Partnership Interest" means (i) in the case of any Limited Partner the interest of such Limited Partner in the profits, losses and distributions of the Partnership allocable at a particular time to the class comprised of Limited Partners or (ii) in the case of any General Partner, the interest of such Partner in the profits, losses and distributions of the Partnership allocable to the class comprised of General Partners.

"Project" means the buildings and improvements constructed or to be constructed on the Property pursuant to the Construction Contract.

"Property" means the property described in the Mortgage, which includes the Project.

"Regulatory Agreement" means the Regulatory Agreement between the Partnership and the Federal Housing Commissioner relating to Project No. 016- 35007-EC-LDP-SUP.

"Regulations" Means the administrative rules and regulations established by the Secretary, as the same may be from time to time amended.

"Secretary" means the Secretary of the Department of Housing and Urban Development.

IN WITNESS WHEREOF, the undersigned being all of the General and Limited Partners of DEVELCO MODERN APARTMENTS ASSOCIATES, have signed this Agreement as of the date first above set forth.

GENERAL PARTNERS

Develco Family Apartments Inc.

BY Robert M. Macdonald Pres.

LIMITED PARTNERS

Develco, Inc.

Vivian Boden
as to all

William H. Brown Pres.
Lillian M. Martin
Ernest M. Kelly

SCHEDULE A

LIMITED PARTNERS

<u>Name</u>	<u>Address</u>
Develco, Inc.	2 Main Street Woonsocket, R. I.
Lillian M. Wente	69 Winthrop Street Woonsocket, R. I.
Ethel M. Kelly	Old River Road Manville, R. I.

SCHEDULE B

Real Property

Parcel 1	392 Second Ave.
Parcel 2	404 Second Ave.
Parcel 3	440 Second Ave.
Parcel 4	464 Second Ave.
Parcel 5	471 Pond St.
Parcel 6	485 Pond St.
Parcel 7	18 Laundry St.
Parcel 8	20 Jeffers St.
Parcel 9	55 Paradis Ave.

SCHEDULE C

<u>GENERAL PARTNERS</u>	<u>Total Partnership Percentage Interest</u>	<u>Amount of Contributed</u>
Develco Family Apartments, Inc.	10%	\$19,900.
<u>LIMITED PARTNERS</u>		
Develco, Inc.	90%	\$63,000 (a)
Lillian M. Wente	NONE	Organizational Services \$20.
Ester Kelly	NONE	Organizational Services \$20.

(a) The investor, Develco, Inc., will be purchasing its limited partnership interest, consisting of 9 units, for \$7000 per unit payable in 3 installments. Each limited partnership unit will consist of 3 limited partnership certificates. The first installment for each unit will be \$2500 payable on the date on which the investor becomes a limited partner or within ten days in the case of Develco, Inc.; the second installment will be \$2500 payable on June 30, 1971; and the third installment will be \$2000 payable on June 30, 1972.