

State of Rhode Island and Providence Plantations

19237

CERTIFICATE

(LIMITED PARTNERSHIP)

Know all Men by These Presents, That we, Ira Rakatansky of 15 Meeting Street, City of Providence, State of Rhode Island, and Gordon F. B. Ondis of the town of Lincoln, County of Providence, State of 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 MERCEDES HOUSING PARTNERS I

SECOND. The character of the business conducted by the partnership shall be to acquire, rehabilitate, construct, improve, maintain, operate, lease and dispose of Certain Real Estate located in Central Falls, Rhode Island.

THIRD. The principal place of business of the partnership shall be located at c/o Almonte, Lisa & Pisano, 40 Westminster Street, Providence, Rhode Island (No. Street, City or Town, State.)

FOURTH. General Partners Residence (No. Street, City or Town, State.) Gordon F. B. Ondis 11 Whalen Drive, Lincoln, Rhode Island Ira Rakatansky 15 Meeting Street, Providence, R. I.

Limited Partners Residence (No. Street, City or Town, State.) Arthur Entwistle, Jr. 38 Oakley Rd., Woonsocket, R. I. John Zannini 182 Ausdale Rd., Cranston, R.I.

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 June 14, 1972 to June 15, 2022

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
Arthur Entwistle	\$45.00		
John Zannini	\$45.00		

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			

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

See Limited Partnership Agreement

EIGHTH. The contribution of each limited partner shall be returned

See Limited Partnership Agreement

NINTH. Each limited partner shall, by reason of his contribution, receive

See Limited Partnership Agreement

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

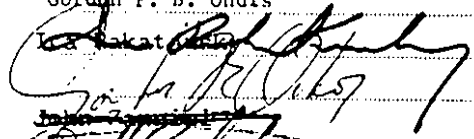
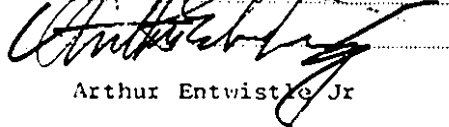
ELEVENTH. The partners shall..... have the right to admit additional limited partners.

TWELFTH. ...., 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

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 28th ..... day of December ..... A. D. 19 73 .....

Name	Residence <small>(No. Street, City or Town, State.)</small>
Gordon F. B. Ondis	11 Whalen Drive, Providence, R.I.
	15 Meeting St. Providence, R.I.
<del>John J. ...</del>	<del>192 Ausdale Cranston, R.I.</del>
	38 Oakley Rd. Woonsocket, R.I.

State of Rhode Island, }  
County of Providence } In the City of Providence }  
~~PROV~~

in said county, this 28th ..... day of December ..... , A. D. 19 73 ....., then personally appeared before me .....  
Gordon F. B. Ondis individually and as President of the Blackstone Valley Investment Corporation.

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**LIMITED PARTNERSHIP**  
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**CERTIFICATE**  
**OF**

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DEC 31-73 ~~STATE~~ 1801 \*\*\*\*\*50.00

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE

DEC 31 1973 19 *[Signature]*

MERCEDES HOUSING PARTNERS

PARTNERSHIP AGREEMENT

INDEX

- SECTION 1 Definitions
- SECTION 2 Formation - Name - Principal Office
- SECTION 3 Purpose and Term
- SECTION 4 Authority of Partnership and Limit on Authority
- SECTION 5 Rights - Powers - Duties of Partner
- SECTION 6 Partners
- SECTION 7 Capital
- SECTION 8 Profits - Losses - Distributions
-

SECTION 1  
DEFINED TERMS

Section 1.1 Defined Terms = The defined terms used in this Agreement shall have the meanings specified below:

"Affiliated Person" means any (a) General Partner, (b) Limited Partner, (c) member of the Immediate Family of any General Partner or Limited Partner, (d) Legal representatives of any person referred to in the preceding clauses (a) through (c), (e) trustee under the will of any person referred to in the preceding clauses (a) through (c), or (f) 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 (a) through (e).

"Agreement" means this Partnership Agreement.

"Construction Contract" means the Construction Contract Lump Sum by and between MAST CONSTRUCTION, INC. and the Partnership providing for the construction of the Project in accordance with the Drawings and Specifications entitled David Apartments FHA Project No. 016-35018-SR-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 A 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.

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

"Limited Partner" means any person designated as a Limited Partner in Schedule A hereto, or any 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 ~~NORTHEAST MORTGAGE CORP.~~ <sup>leave blank</sup> 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 ~~NORTHEAST MORTGAGE CORP.~~ insured by the FHA Project No. 016-35018-SR-LDP-SUP, as the same may be amended from time to time.

"Net Partnership Receipts" Shall have the meaning provided in Section 8.8

"Auditor" means Ernst & Ernst or a successor thereto, or a firm of independent certified public accountants selected by the General Partner.

"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 of (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.

"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.



SECTION 2

FORMATION-NAME-PRINCIPAL OFFICE

2.1 FORMATION: The parties hereto hereby agree to form a Limited Partnership (hereinafter referred to as the "Partnership") pursuant to the Uniform Limited Partnership Act of the State of Rhode Island (Title 7 Chapter 13 of the General Laws of the State of Rhode Island, 1956, and any amendments and additions thereto)

2.2 NAME: The Partnership shall be conducted under the firm name of Mercedes Housing Partners (MHP).

2.3 PRINCIPAL OFFICE: The principal office of the Partnership shall be located at 40 Westminster Street, Providence, Rhode Island 02903 or such other place as the General Partner may from time to time determine and shall give notice of such change to the Limited Partner(s).

SECTION 3

PURPOSE AND TERM

3.1 PURPOSE: The purpose of the Partnership is to acquire, rehabilitate, construct, improve, maintain, operate, lease and dispose of the real estate referred to in the preamble and which is hereinafter referred to as the "Project", and to enable the financing of the Project pursuant to Section 221 (d) (3) of Title II of the National Housing Act and the rules and regulations of the Federal Housing Administration (hereinafter referred to as FHA) of the U. S. Department of Housing and Urban Development (hereinafter referred to as HUD) issued pursuant thereto.

3.2 TERM: The term of the Partnership shall be from the date of the filing of the certificate of limited partnership in the office of the Secretary of State of the State of Rhode Island as required by the Uniform Limited Partnership Act of December 31, 2020, unless the Partnership is dissolved sooner as hereinafter provided.

SECTION 4

AUTHORITY

4.1 AUTHORITY: In order to carry out its purpose the Partnership is authorized to do any and all acts and things necessary and desirable for the furtherance and accomplishment of its purposes and for the benefit of the Partnership, including but not limited to the following:

(a) Acquire the land upon which the Project will be conducted.

(b) Rehabilitate, construct, and improve the Project

(c) Borrow money and issue evidences of indebtedness in furtherance of the Partnership business and secure any such indebtedness by Mortgage, Financing Statement, Security Agreement or other lien; provided, however, that any evidences of indebtedness and document securing it which is insured by HUD shall provide in substance and legal effect that neither the Partnership nor any of its partners shall have any personal liability for the payment of such indebtedness, and that the sole recourse of the lender, HUD or any other party shall be to the property securing the indebtedness.

(d) Enter into contracts with HUD for mortgage insurance pursuant to the provisions of Section 221 (d) (3) of Title II of the National Housing Act and/or for rent supplement payments pursuant to the provisions of Section 101 of the Housing and Urban Development Act of 1965, as amended.

(e) Enter into and carry out contracts of every 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 Deed, Building Loan Agreement, Mortgagor's Oath, Mortgagor's Certificate and a Regulatory Agreement with HUD by which the Partnership shall be bound in rehabilitating, constructing, improving operating and maintaining the Project so long as any indebtedness of the Partnership with respect to the Project is insured by HUD, and all other documents required by HUD in order to secure a loan to be incurred by HUD.

(f) Operate and maintain the Project, including entering into agreements with managing agents for the management of the Project.

(g) Negotiate for and conclude agreements for the sale, exchange or other disposition of all or substantially all of the property of the Partnership or for the refinancing of the Mortgage

Loan on the Project subject to the other provisions of this agreement  
and to the approval of HUD.

SECTION 5

RIGHTS - POWERS - DUTIES OF PARTNERS

Section 5.1 MANAGEMENT OF PARTNERSHIP BUSINESS: The General Partner shall have the sole right to manage the business of the Partnership.

Section 5.2 POWERS OF GENERAL PARTNER: The General Partner, acting for and on behalf of the Partnership, shall possess all the rights and powers to carry out the purposes of the Partnership. Specifically, the General Partner shall have the right, power and authority, acting for and on behalf of the Partnership

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

(b) To rehabilitate, construct, operate, maintain and improve the real estate of the Partnership.

(c) To sell or convey all or any part of the property owned by the Partnership, real and personal.

(d) To borrow money and issue evidences of indebtedness and to secure the same by a mortgage or other lien on the property or any assets of the Partnership.

(e) To prepay in whole or in part, refinance, recast, increase, modify or extend any mortgages which may affect any of the property and in connection therewith to execute any extensions, renewals or modifications of any mortgages on the property.

(f) To employ a management agent to manage the property and to pay reasonable compensation for such services.

(g) To execute a loan and mortgage on the property in order to secure a loan to be insured by HUD, and to execute a Regulatory Agreement and all other documents required by HUD or FHA in connection with such loan.

(h) To execute contracts with HUD and/or the State of Rhode Island or any subdivisions thereof concerning the publicly subsidized rent supplement programs.

(i) 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 of Rhode Island.

Section 5.3 RESTRICTION ON AUTHORITY: Notwithstanding other provisions of this agreement, the General Partner shall not have authority to perform any act in violation of the National Housing Act or other applicable laws and regulations thereunder.

Section 5.4 SPECIAL DUTIES OF GENERAL PARTNER: In addition to the usual and customary functions of the General Partner, it shall have the following special duties and obligations:

(a) The General Partner shall use its best effort to cause the Partnership to comply with the provisions of the Mortgage, Regulatory Agreement and other applicable rules, regulations and requirements of FHA.

(b) Obtain and keep in force such insurance as it may deem advisable

Section 5.5 OTHER INTERESTS OF PARTNERS: Any of the Partners may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the real estate business in all its phases, which shall include, without limitation, the 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 fact that a Partner or a member of his family is employed by, or is directly interested in, or connected with any person, firm or corporation employed by the Partnership to render or perform a service, or from whom the Partnership may buy merchandise or other property, shall not prohibit

the General Partner from employing such person, firm or corporation or from otherwise dealing with such entity and neither the Partnership nor any other Partners shall have any rights in income or profits derived therefrom.

Section 5.6 CONSENT OF LIMITED PARTNERS: To the fullest extent permitted by law, the limited partners hereby, consent to the exercise by the General Partner of the powers conferred on it by this agreement.

Section 5.7 LIMITATIONS OF LIMITED PARTNERS: No Limited Partner (except one who may also be a General Partner, and then only in his capacity as a General Partner) shall participate in or have control over the Partnership business. None of the Limited Partners shall have the right to withdraw his capital contribution from the Partnership nor shall any Limited Partner have the right to receive any funds or property of the Partnership except pursuant to the provisions of this agreement or upon dissolution of the Partnership.

SECTION 6

PARTNERS

Section 6.1 GENERAL PARTNER: The General Partner shall be THE BLACKSTONE VALLEY INVESTMENT CORP., a Rhode Island corporation having its principal place of business located at 40 Westminster Street, Providence, Rhode Island 02903.

Section 6.2 LIMITED PARTNERS: The original Limited Partners shall be John Zinnini, 182 Ausdale Road, Cranston, Rhode Island and Gordon F. B. Ondis, 11 Whalen Drive, Lincoln, Rhode Island.

Section 6.3 ADDITIONAL LIMITED PARTNERS: The General Partner shall have the right to admit to the Partnership as additional Limited Partners such persons, including the General Partner, as may purchase Limited Partnership interests as provided for in Section 6.4.

Section 6.4 CAPITAL CONTRIBUTIONS OF ADDITIONAL LIMITED PARTNERS: Additional Limited Partners shall contribute or agree to contribute \$20,000 for each Limited Partnership unit. The payment schedule is as follows: \$5,000 upon admission as a Limited Partner, \$7,500 on or before 6/1/74 and \$7,500 on or before 12/1/74.

Section 6.5 DEFAULT IN PAYMENT BY ADDITIONAL LIMITED PARTNERS: In the event any additional Limited Partner fails to pay any installment of his capital contribution per Section 6.4, he shall be deemed to be in default, hereunder and the General Partner first and any other Limited Partner second shall have the option, after notice of such default to such defaulting Limited Partners has been given and which default will not have been cured within five days thereafter, exercisable at any time within ten days thereafter, to purchase such



delinquent Limited Partner's limited partnership interest, including all profits, losses and distributions attributable to such interest which have not been distributed to such defaulting Limited Partner for an amount in cash equal to 10% of the amount theretofore contributed by such Limited Partner to the Partnership less any cash distribution actually made to such Limited Partner together with an undertaking to make the additional contributions required, or for undertakings to admit thru resale another limited partner to replace the Limited Partner in default. In the event two or more of the remaining Limited Partners desire to purchase such interest and they are unable to agree as to the apportionment thereof, the General Partner shall have the right to make such determination.

Section 6.6 LIMITED PARTNERS BOUND BY REGULATORY AGREEMENT ETC.:

All Limited Partners shall, as a condition of receiving any interest in the Partnership property, agree to be bound by the terms of the Mortgage, the Regulatory Agreement and the Partnership Agreement.

Section 6.7 LIMITED PARTNER - SIGNATORY TO AGREEMENT: Each

Limited Partner shall become a signatory hereto by signing a conformed counterpart of the Agreement in such manner as the General Partner shall determine, and by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of the Agreement, provided, however, that no such counterpart shall be binding until it has been signed by the General Partner.

Section 6.8 CHANGE IN CERTIFICATE AND SCHEDULE UPON ADMISSION:

Upon the admission of any additional Limited Partners, the Schedule shall be amended to reflect the names, addresses and capital con-

tributions made and agreed to be made by such Limited Partners and an amendment to the Certificate of Limited Partnership reflecting such admission shall be filed with the Secretary of State of the State of Rhode Island.

Section 6.9 ASSENT OF LIMITED PARTNER TO EXECUTE DOCUMENTS:

Each Limited Partner agrees that if his limited Partnership interest is purchased following default as provided for in Section 6.5 hereof, he will execute all documents requested by the General Partner for purposes of confirming or evidencing the transfer of such interest.

SECTION 7

CAPITAL

Section 7.1 CAPITAL OF PARTNERSHIP: The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partner and the Limited Partners as set forth in Schedule A, which shall be amended from time to time to reflect the withdrawal or admission of Partners, any changes in the Partnership interest of any Partnership arising from the transfer of any part of a Partnership interest to or by such Partner and any change in the amount contributed or agreed to be contributed.

Section 7.2 CAPITAL ACCOUNT: The capital account of each partner shall be the amount of his capital contribution, or the amount pledged. Any Partner including any substituted 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.

Section 7.3 INTEREST ON CAPITAL CONTRIBUTIONS: No interest shall be paid on any capital contributed to the Partnership.

Section 7.4 ADDITIONAL CAPITAL CONTRIBUTIONS: Additional capital contributions of additional Limited Partners are required to be made as set forth in Section 6.4.

Section 7.5 PARTNERSHIP BORROWING: In addition to the Mortgage Loan, the General Partner may borrow sums for Partnership purposes from any source, including any Partner provided that such borrowings are not prohibited by HUD regulations.

Section 7.6 NO PERSONAL LIABILITY: 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 7.7 LIABILITY OF LIMITED PARTNERS: No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership. A Limited Partner shall only be liable to make payments of his capital contributions as and where the same are due hereunder.

Section 7.8 WITHDRAWAL OF CAPITAL: No Partner shall have the right to withdraw his capital contributed to the Partnership. Except as is specifically provided in this Agreement, no Partner shall have the right to demand and receive property other than cash of the Partnership in return of his capital contribution.

SECTION 8

PROFITS - LOSSES - DISTRIBUTIONS

Section 8.1 PROFITS AND LOSSES: All profits and losses, other than those arising from the sale or other disposition of all or substantially all the assets of the Partnership, shall be shared by the Partners as follows:

(a) Prior to "Participation Change Date", 99% to the Limited Partners and 1% to the General Partner.

(b) On and After "Participation Change Date", 50% to the Limited Partners and 50% to the General Partner.

Section 8.2 PARTICIPATION CHANGE DATE DEFINED: The "Participation Change Date", means the day following the 10th anniversary of Final Endorsement.

Section 8.3 PROFITS AND LOSSES FOLLOWING DISPOSITION OF ALL ASSETS: All profits and losses arising from the sale or other disposition of all or substantially all of the assets of the Partnership shall be shared by the Partners as follows:

First, to the Limited Partners, an amount of such profits equal to the amount by which (1) the aggregate losses and distributions charged prior thereto to their capital accounts exceed (2) the sum of the aggregate profits credited prior thereto to their capital accounts and the paid in Limited Partner Class Contribution.

Second, to the General Partners, an amount of such profits equal to the amount, if any, by which (1) the aggregate losses and distributions charged prior thereto to their capital accounts exceed (2) the sum of the aggregate profits credited prior thereto to their capital accounts and the paid in General Partner Class Contribution.

Third, to the Limited Partners an amount of any remaining such profits equal to the amount, if any, by which their aggregate capital contributions previously made exceeds the total amount of all prior distributions made to them pursuant to any provisions of the Partnership Agreement.

Fourth, any balance of such profits, or any such losses, 50% to the Limited Partners and 50% to the General Partners.

Section 8.4 APPORTIONMENT BETWEEN EACH CLASS: All profits and losses shared by the Limited Partners shall be shared by each Limited Partner in the ratio which his Capital Contribution bears to the Limited Partner Class Contribution. All profits and losses shared by the General Partners shall be shared by each General Partner in the ratio which his Capital Contribution bears to the total General Partner-Class Contribution.

Section 8.5 PROFITS AND LOSSES REFLECTED IN CAPITAL ACCOUNT: All profits and losses shared by the Partners shall be credited or charged, as the case may be, to their capital accounts.

Section 8.6 ACCOUNTING METHOD FOR DETERMINING PROFITS AND LOSSES: All profits and losses shall be determined in accordance with the the Partnership for federal income tax purposes.

Section 8.7 DISTRIBUTION PRIOR TO DISSOLUTION:

A. After Final Endorsement and subject to any applicable FHA regulations, Net Partnership Receipts for each fiscal year shall be distributed at least annually to the Partners as follows:

(1) For each fiscal year ending prior to the Participation Change Date: 99% to the Limited Partners and 1% to the General Partners.

(2) For each fiscal year ending on or after the Participation Change Date: 50% to the Limited Partners and 50% to the General Partners.

Provided, however, that during such time as FHA regulations are applicable to the Property the total amount of Net Partnership Receipts which may be so distributed during any fiscal year shall not exceed the amounts FHA regulations permit to be distributed. Any Net Partnership Receipts remaining after distribution to the Partners, as permitted by FHA regulations, may be used to repay Subordinated

Loans and Residual Receipts Notes and other debts of the Partnership to the extent permitted by applicable FHA regulations.

Section 8.8 DEFINITION OF NET PARTNER RECEIPTS: For all purposes of the Agreement, the term "Net Partnership Receipts" shall mean the profits of the Partnership from and after Final Endorsement, except profits arising from the sale or other disposition of all or substantially all of the Partnership, and shall be determined by adjusting such receipts as follows:

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

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

(c) Principal payments of the Mortgage Loan shall be considered as a deduction

(d) If the General Partner 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.

(e) Any amounts paid by the Partnership for capital expenditures shall be considered as a deduction, unless paid by cash withdrawal from any replacement reserve for capital expenditures.

(f) Capital contributions to the Partnership, the proceeds of any mortgage refinancing, the profits and losses from 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.

(g) Any rent supplement payments of FHA mortgage subsidy payments shall be included as income in partnership receipts.

Net Partnership Receipts shall be determined separately for each fiscal year and shall not be cumulative.

Section 8.9 DISTRIBUTIONS UPON DISSOLUTION:

(a) If dissolution is caused by the transfer to a Successor Entity pursuant to Section 12 of the Agreement, or if after dissolution, a transfer to a Successor Entity is to be made pursuant to said

Section 12, the provisions of said Section 12, shall be applicable thereto.

(b) Unless said Section 12 shall be applicable, upon dissolution, after payment of or adequate provision for the debts and obligations of the Partnership (excluding Residual Receipts NOTES and Subordinated Loans) has been made, 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 General Partner) shall be distributed as follows:

(1) First, to the Limited Partners to the extent that the aggregate amount of their capital contributions previously made exceeds the total amount of all prior distributions made to them pursuant to any provisions of the Agreement, and as limited by the National Housing Act of 1965 as amended.

(2) Second, to the payment of the balance of any outstanding Subordinated Loans.

(3) Third, to the payment of the balance of any outstanding Residual Receipts NOTES.

(4) Fourth, the balance thereof 50% to the Limited Partners and 50% to the General Partner

All distributions to the Limited Partners shall be shared by each Limited Partner in the ratio which his Capital Contribution bears to the Limited Partner Class Contribution. If any 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 determined by an appraiser to be selected by the then president of the RHODE ISLAND REALTORS ASSOCIATION, INC.



SECTION 9

ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST

Section 9.1 DEATH OF A LIMITED PARTNER: The death of a Limited Partner shall not dissolve or terminate the Partnership. In the event of such death, the legal representative of the deceased Limited Partner shall be deemed to be the assignee of the deceased Limited Partner's Partnership Interest and may become a Substitute Limited Partner upon compliance with the terms and conditions as set forth in Section 9.2 herein. The estate of the deceased Limited Partner shall be liable for all of the deceased Limited Partner's liabilities and obligations to the Partnership as the Limited Partner.

Section 9.2 ASSIGNMENT

(a) Subject to the terms of Section 9.3 herein any Limited Partner shall have the right to assign all or any part of his Limited Partnership Interest.

(b) The assignee of a Limited Partnership Interest assigned in accordance with the provisions of this Section 9 shall become a Substitute Limited Partner of the same class as his transferor upon the consent of the General Partner, which consent shall not be unreasonably withheld. Failure or refusal of the General Partner to admit such an assignee as a Substitute Limited Partner shall in no way affect the right of such assignee to receive the share of the capital, Profits and Losses and Net Partnership Receipts of the Partnership, and distributions of net cash proceeds to which his predecessor in interest was entitled. An assignee of a Limited Partnership Interest who does not become a Substitute Limited Partner in accordance with this Section 9.2 and who desires to make a further assignment of his interest shall be subject to all the provisions of this Section 9.2 to the same extent and in the same manner as any Limited Partner of his same class desiring to make an assignment of his Limited Partnership Interest.

Section 9.3 CONDITIONS OF ASSIGNMENT

(a) Upon the admission of a Substitute Limited Partner in accordance with the terms and provisions of this Agreement the General Partner shall cause Schedule A to be amended to reflect the admission of such Substitute Limited Partner and shall file, wherever required, an Amended Certificate of Limited Partnership and such further instruments as may be appropriate to effectuate the admission of such assignee as a Substitute Limited Partner. The General Partners shall have the

right to require the assignee, as a condition of being admitted to the Partnership, to agree to pay any filing fees and reasonable counsel fees in connection with his becoming a Substitute Limited Partner hereunder.

(b) In the event any assignment of a Limited Partnership Interest 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

(c) Any Limited Partner hereafter admitted to the Partnership pursuant to Section 9.2 as a condition to receiving an interest in the Partnership assets, and being admitted as a Substitute Limited Partner to the Partnership shall agree in writing to be bound by the terms of this Agreement, and the Note, Mortgage, and Regulatory Agreement concerning the Project to the same extent and on the same terms as the other Limited Partners.

(d) In no event shall all or any part of a Limited Partnership 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.

Section 9.4 RIGHTS AND LIABILITIES OF AN ASSIGNING LIMITED PARTNER

(a) 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 of the rights or privileges of a Limited Partner.

(b) The obligations of any assigning Limited Partner to make Capital Contributions to the Partnership hereunder shall be extinguished only by, and only to the extent of, the aggregate amount of Capital Contributions made to the Partnership by the Partner or Partners who have purchased the Partnership Interest of such assigning Limited Partner.

SECTION 10

DEVELOPER'S FEE

Section 10.1 DEVELOPER'S FEE: The partnership shall pay THE BLACKSTONE VALLEY INVESTMENT CORP., a Developer's fee for its services in supervising the rehabilitation and construction of the project in the amount of \$50,000.00, which funds must be obtained from sources other than from normal operations of the project and may include the capital contributions of the Limited partners. Such fee shall be paid at the discretion of the general partner.