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CATHEDRAL SQUARE ASSOCIATES II PROJECT L. P.
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

THIS AGREEMENT OF LIMITED PARTNERSHIP, made as of the 23rd day of December, 1991, by and between PROPERTY ADVISORY GROUP, INC. a Rhode Island Corporation, with an office at 95 Sockanosset Crossroad, Suite 307, Cranston, Rhode Island 02920, as General Partner, and JOHN B. BENTZ, of the same address, as a Limited Partner, and ROBERT R. GAUDREAU, of the same address, as a Limited Partner.

W I T N E S S E T H T H A T:

1. Formation. The parties hereto do agree to establish a limited partnership known as CATHEDRAL SQUARE ASSOCIATES II PROJECT L. P. pursuant to the provisions of Chapter 13 of Title 7 ("Act") of the General Laws of Rhode Island, as amended.

2. Name and Office. The business of the partnership shall be conducted under the name CATHEDRAL SQUARE ASSOCIATES II PROJECT L. P. (the "Partnership"). The principal office of the Partnership required by the Act shall be 95 Sockanosset Crossroad, Suite 307, Cranston, Rhode Island 02920, but the General Partner may at any time change the location of such principal office within the State of Rhode Island by giving due notice of such change to the Limited Partner and to the office of the Secretary of State of Rhode Island. The agent for service of process at that office shall be John B. Bentz.

3. Term. The Partnership shall commence on the date of the filing for record of the Certificate of Limited Partnership in the office of the Secretary of State of the State of Rhode Island, and shall continue until December 31, 2035 unless sooner terminated as hereinafter provided.

4. Purpose. The purpose of the Partnership is to acquire certain real property located at Four Cathedral Square, Providence, Rhode Island, identified Cathedral Square Associates II, a 93 unit apartment complex ("Project") and to rehabilitate, repair improve, maintain, operate, lease, dispose of and otherwise deal with the same; to finance the purchase and rehabilitation of the Project by a non-recourse mortgage under Section 221(d)4 of the National Housing Act, as amended, and the applicable regulations thereunder, and to otherwise deal with the same as owner thereof and to acquire real and personal property to the extent necessary and appropriate to carry out the foregoing purposes.

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

5.1 purchase certain parcels of real estate with or without improvements located at Four Cathedral Square, Providence, Rhode Island;

5.2 acquire by purchase, lease or otherwise any real or personal property (including complete residential structures) which may be necessary, convenient or incidental to the accomplishment of the purposes of the partnership;

5.3 construct, renovate, relocate, rehabilitate, operate, maintain, finance, improve, and own, sell, convey, assign, mortgage or lease any real estate and any personal property necessary, convenient or incidental to the accomplishment of the purposes of the Partnership;

5.4 borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Partnership and to secure the same by mortgage insured under Section 221(d)4 of the National Housing Act, as amended, and to pledge or other lien on the project or any other assets of the Partnership and enter into an agreement with the Secretary of HUD (the "Regulatory Agreement") governing the operation and maintenance of the Project;

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

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

5.7 execute leases of some or all of the apartments and facilities of the Project to a public housing authority and/or to a non-profit corporation, cooperative or other non-profit entity; and

5.8 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.

5.9 Approval for Authorized Acts. All actions taken that are within the purposes of the Partnership shall be approved in writing by the General Partner, and all documents and/or agreements in furtherance thereof shall be executed by the General Partner on behalf of the Partnership. The General Partner is empowered to do all of the above actions and, in addition, is authorized and empowered and directed to execute any and all documents necessary or desirable to complete the transaction between the Partnership, the Secretary of Housing and Urban Development and any mortgagee contemplated by FHA Project No.

, and including a Mortgage Note in an amount not to exceed \$5,000,000.00, a Mortgage Deed on any real property owned by the Partnership, a Regulatory Agreement, a Building Loan Agreement, and any and all other documents in connection therewith deemed necessary or desirable in the sole opinion of the General Partner to complete the transaction contemplated above.

6. Capital Contributions of the General Partner and Limited Partners.

(a) The capital contributions of the General Partner and the Limited Partners to the Partnership capital and their respective participation in the Partnership profits and losses are as follows:

<u>Partner's Name</u>	<u>Contribution</u>	<u>Percentage Interest</u>
PROPERTY ADVISORY GROUP, INC.	\$ 100.00	1%
John B. Bentz	\$ 200.00	49.5%
Robert R. Gaudreau	\$ 200.00	49.5%

(b) The Partners agree that they may contribute such additional capital as may be required to accomplish the purposes of the Partnership in such amounts and on such terms as all the Partners may agree upon.

(c) The Partners shall have the right to admit any number of new partners provided that all Partners agree to remain in compliance with regulations of the Mortgagee.

7. Income, Losses and Cash Proceeds. The net income of the Partnership, and any net losses shall be borne by, each of the partners in the respective proportions set forth in Section 6 hereof. The term "net income" and "net losses" as used herein shall mean the income and losses of the Partnership from the operation and management of the Partnership's property after all operation expenses incurred in connection with the Partnership business and all interest on all Partnership mortgages and other indebtedness have been paid or provided for, and after making an allowance for amortization or depreciation of the cost of any property of the Partnership.

8. Distribution of Available Net Income/Distribution of Other Income. As used in this Agreement, the term "available net income" for any year shall mean the excess, if any, of (a) net income of the Partnership for such year (adjusted to eliminate deductions for depreciation and other non-cash items), over (b) all

amounts paid or accrued in such year on account of the principal on mortgages and other indebtedness and expenses of the Partnership. The available net income of the Partnership for each fiscal year shall be distributed to the partners within a reasonable time after the end of such year; provided, however, that the amount of the available net income of the Partnership which may be so distributed for any fiscal year shall not exceed the maximum amount allowed by the mortgagee or other lender and/or HUD; the right to such distribution shall be cumulative.

9. Losses of Limited Partners. Notwithstanding anything to the contrary herein contained, the liability of the Limited Partners for payment of any losses of the Partnership shall in no event exceed his, her or its contribution to the capital of the Partnership. For purposes of Partnership accounting, however, all Partnership losses shall be charged against the capital accounts of the General and Limited Partners in the ratios set forth in paragraph 6, and shall a negative balance appear in the capital account of a Partner, such negative balance shall be offset by any future net income of the Partnership allocable to said Partner.

10. Advances.

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

10.2 The General Partner, may loan to the Partnership, from time to time, such amounts as may be required for the purpose of accomplishing the purposes of the Partnership in such amounts and on such terms as agreed to be all the Partners. All such loans made by the General Partner pursuant to the provisions of this Section shall be repaid to the General Partner, with interest, before

any distribution pursuant to the terms of any other provision of this Agreement; the interest rate shall be the Fleet National Bank so-called "prime rate" as the same is adjusted from time to time.

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

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

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

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

11.4 The General Partner shall have no authority to change the Partnership's methods of accounting and/or tax elections without the written consent of the majority of Limited Partners.

12. Bank Accounts. All funds of the Partnership are to be deposited in the Partnership name in such bank account or accounts as shall be designated by the General Partner. Withdrawals from any such bank account or accounts shall be made only in the regular course of the Partnership business and shall be made upon such signature or signatures as the General Partner may designate.

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

14. Rights and Duties of Partners.

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

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

14.3 The General Partner may employ, on behalf of the Partnership, such persons, firms or corporations as they, in their sole judgment, shall deem advisable in the operation and management of the business of the Partnership, including without limitation, such managing agents, accountants, attorneys, engineers, appraisers, and experts, on such terms and for such compensation as the General Partner in its discretion shall determine. The fact that the General Partner is employed by the Partnership or directly or indirectly interested in or connected with any person, firm, or corporation employed by the Partnership to render or perform a service or from which or to whom the Partnership may buy, sell or lease merchandise or services or other property, including real property, shall not prohibit the General Partner from employing such person, firm or corporation or from dealing with him or it, and neither the Partnership nor the partners thereof shall have any rights in or to any income or profits derived therefrom.

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

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

15. Restrictions on Authority.

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

15.2 As long as the Secretary of Housing and Urban Development or his successors or assigns, is the insurer or holder of the mortgage on Cathedral Square Apartments II, FHA No. _____, no amendment to this CATHEDRAL SQUARE ASSOCIATES II PROJECT L. P. Certificate and Agreement which

results in any of the following shall be of force or effect without the prior written consent of HUD: (1) any amendment which modifies the duration of the partnership agreement; (2) any amendment which results in the requirement that a HUD prior participation certification be obtained for any additional party; and (3) any amendment which in any way impacts or affects the HUD mortgage or Regulatory Agreement.

16. Dissolution of the Sole General Partner.

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

16.2 If the business of the Partnership shall be continued after the death, dissolution or bankruptcy of a General Partner, the status of the interest of the General Partner shall be changed to that of a Limited Partner, subject to all of the terms and conditions of this Agreement, provided that the liability of such General Partner for liabilities incurred subsequent to said change of status, shall be limited to an amount equal to the share of such partner in the total net assets of the Partnership at the date that the interest of such partner became a limited partner interest hereunder. Said Partner's percentage interest may be reduced if a new general partner must be admitted.

17. Transferability of General and Limited Partnership Interest.

17.1 No General Partner shall retire or withdraw from the Partnership or transfer, sell, alienate, assign, encumber or otherwise dispose of all or any part of its interest in the Partnership, whether voluntary, involuntary or by operation of law, or at judicial sale or otherwise, or admit additional or successor General Partner without first obtaining the written consent of a majority of Limited Partners. The Limited Partners may sell or assign their limited partnership interests or portion thereof only as permitted by this Section 17.

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

17.3 The General Partner is hereby individually constituted the attorney-in-fact of the Limited Partners to execute, acknowledge and deliver such instruments as may be necessary or appropriate to carry out the provisions of this Section 17, including amendments to the Limited Partnership Certificate required by the Act, business certificates and the like.

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

18. Termination of Partnership. The Partnership shall terminate at the expiration of the term hereof, as set forth in Section 16 hereof, upon the sale of the whole of the real estate owned by the Partnership, or upon the consent of a majority of Limited Partners with the approval of the General Partner.

19. Gain, Loss and Distribution on Dissolution. Upon any dissolution or termination of the Partnership:

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

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

19.3 For tax purposes, any gain realized, or loss incurred, by the Partnership upon the sale of its assets, shall be credited or charged to the partners (Limited and General), without priority, in the respective proportions set forth in Section 6 hereof.

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

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

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

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

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

19.4.5 To the Limited Partners 50% of remaining funds and to the General Partner 50% of remaining funds.

19.5 In the event of a liquidating distribution of the Partnership's property in kind, the fair market value of such property shall be determined by averaging the appraisals of two appraisers selected from the membership of the Rhode Island Real Estate Board or any other comparable body mutually agreed to by the partners, and each partner shall receive an undivided interest in such property equal to the portion of the proceeds to which it would be entitled under Section 19.4.3 through 19.4.5 if such property were sold.

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

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

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

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

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

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

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

27. Amendments. This Agreement and Certificate of Limited Partnership may be amended at any time (upon prior approval of HUD and/or RIHMFC) in accordance with the provisions hereof.

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

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day and year first above written.

Witness:

Donna L. Lewis

GENERAL PARTNER

PROPERTY ADVISORY GROUP, INC.

By: John B. Bentz
John B. Bentz, President

LIMITED PARTNERS

Donna L. Lewis

John B. Bentz
John B. Bentz

Donna L. Lewis

Robert R. Gaudreau
Robert R. Gaudreau

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Cranston, on this 23rd day of December, 1991, before me personally appeared John B. Bentz, President of Property Advisory Group, Inc., to me known and known by me to be one of the parties executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed.

Cretchen M. Hudson

Notary Public

My Commission Expires June 20, 1993

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Cranston, on this 23rd day of December, 1991, before me personally appeared John B. Bentz, to me known and known by me to be one of the parties executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed.

Cretchen M. Hudson

Notary Public

My Commission Expires June 20, 1993

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Cranston, on this 23rd day of December, 1991, before me personally appeared Robert R. Gaudreau to me known and known by me to be one of the parties executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed.

Cretchen M. Hudson

Notary Public

My Commission Expires June 20, 1993

Rec'd & Filed DEC 31 1991

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December 26, 1991

To Whom It May Concern:

As General Partner of Cathedral Square Associates II, a Rhode Island limited partnership, we consent to the use of the name Cathedral Square Associates II Project L. P., a Rhode Island limited partnership.

BY: GILBANE REGENCY CORPORATION

By: 

Title: President