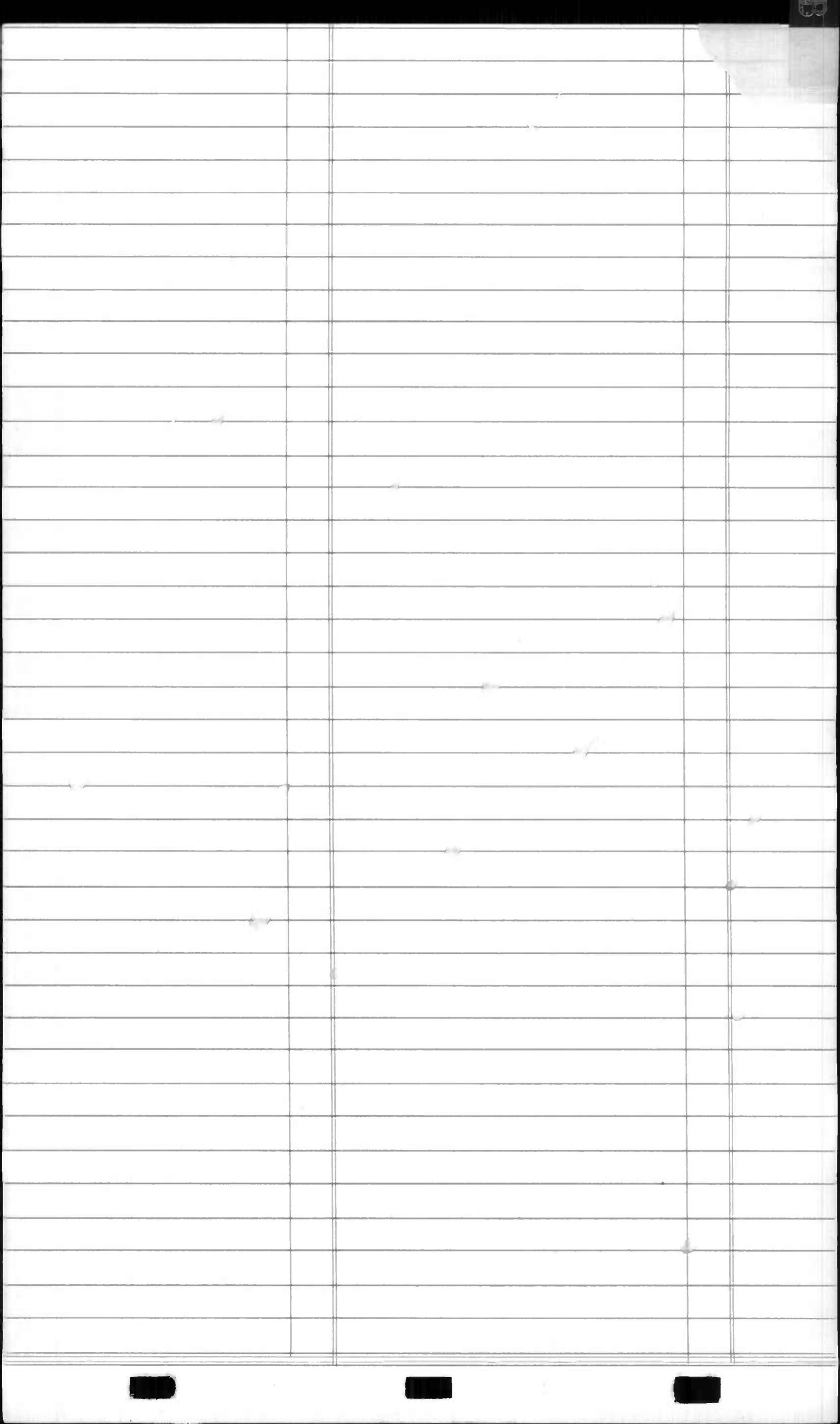
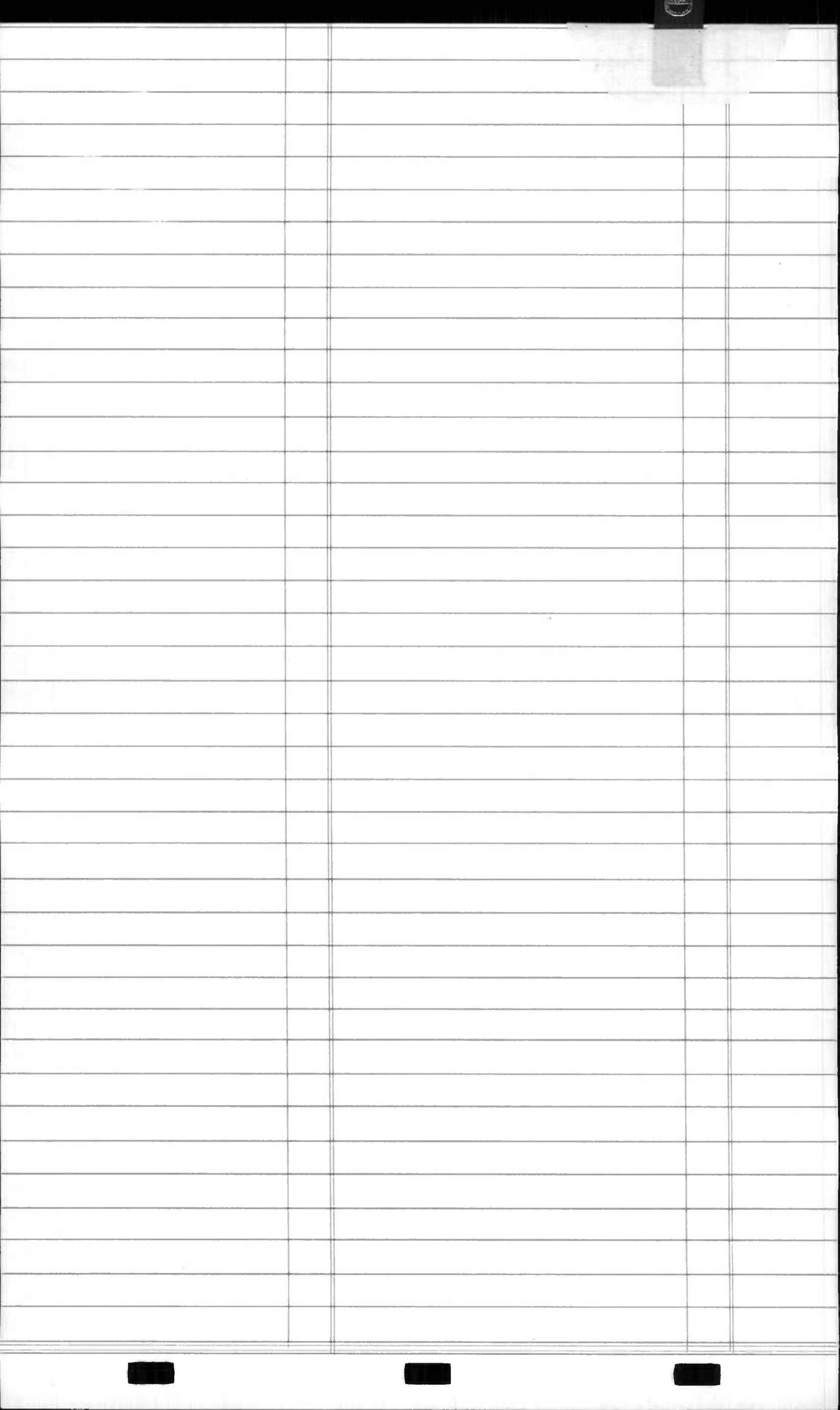
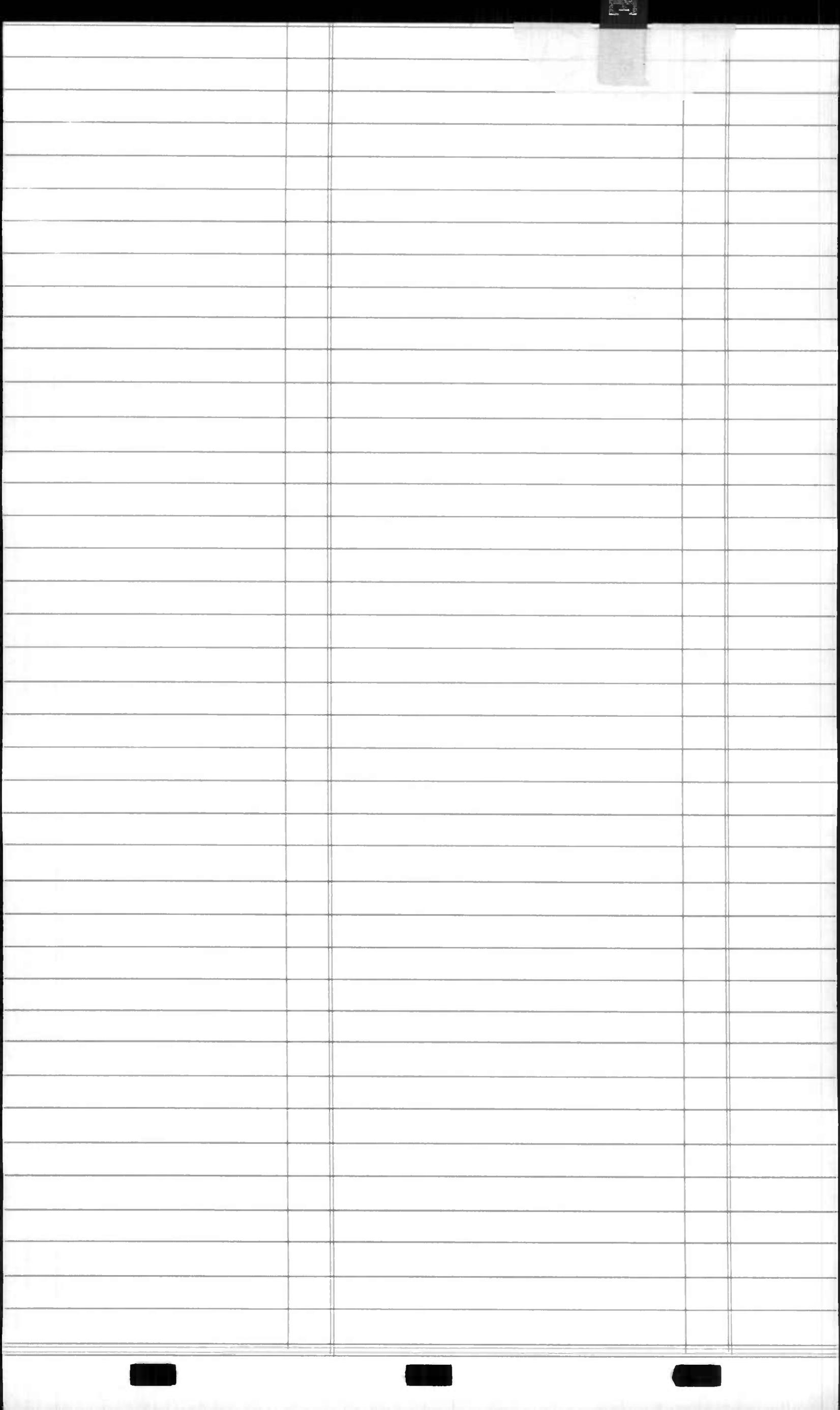


Acreage Associates		Certificate of Limited Partnership	3	3
Aberdeen Housing Assoc.		Cert. Lmtd. Prtnrship	3	68
A & R-Waterford	Genl. Prtnr. Joint Venture/	Cert Lmtd. Prtnrship	3	68
Aberdeen Prtnrs. Lmtd. Prtnr.		Cert. Lmtd. Prtnrship	3	68
Adams, William L.		Cert. Lmtd. Prtnrship	3	68
Aberdeen Prtnrs.		Cert. Lmtd. Prtnrship	3	126
Aberdeen Motel Lmtd Prtnrship		Cert Lmtd Prtnrship	3	161
Aberdeen Partners		Amend Lmtd Prtnrship	3	183
Aberdeen Partners		Amend Lmtd Prtnrship	3	217
Alwis, Sri Kantha, Lmtd. Prtnr		Amend Lmtd Prtnrship	3	217
Anthony, David V., Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	217
Aberdeen Housing Associates		Amend Lmtd Prtnrship	3	223
A & R - Waterford	Genl. Prtnr. Joint Venture	Amend Lmtd Prtnrship	3	223
Aberdeen Partners		Amend Lmtd Prtnrship	3	223
Adams, William L.		Amend Lmtd Prtnrship	3	223
Amos, Charles L., Genl. Prtnr.		3rd Amend Lmtd Prtnrship	3	280
Amos, Charles L. & Mary V., Lmtd. Prtnrs.		3rd Amend Lmtd Prtnrship	3	280
Amos, Charles L., Genl. Prtnr.		4th Amend Lmtd Prtnrship	3	285
Amos, Charles L. & Mary V., Lmtd. Prtnrs.		4th Amend Lmtd Prtnrship	3	285
Aberdeen Motel Lmtd Prtnrship		Amend Lmtd Prtnrship	3	319
Amass, Willard, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Arnold, W Perry, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Arroyo, Jose C. Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Alafriz, Manuel J. Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	386
Acreage Associates		Modif Lmtd Prtnrship	3	405
Aberdeen Housing Assoc		Amend Lmtd Prtnrship	3	414
A & R-Waterford	Genl Prtnr Joint Venture	Amend Lmtd Prtnrship	3	414
Aberdeen Prtnrs Lmtd Prtnr		Amend Lmtd Prtnrship	3	414
A & R-Waterford	Lmtd Prtnr Joint Venture Sub	Amend Lmtd Prtnrship	3	414
Aliceanne Associates Lmtd Prtnr-	ship	Cert Lmtd Prtnrship	3	419
Aliceanne Associates Lmtd Prtnr-	ship	Amend Cert Lmtd Prtnrship	3	565
Aberdeen Associates Lmtd Prtnrshp		Cert Lmtd Prtnrship	3	622
Altman, Berel, Genl. Prtnr.		Cert Lmtd Prtnrship	3	633
Altman, David, Genl. Prtnr.		Cert Lmtd Prtnrship	3	633
Altman, Irving, Genl. Prtnr.		Cert Lmtd Prtnrship	3	633
Altman, Steven, Lmtd. Prtnr.		Cert Lmtd Prtnrship	3	633
Annapolis Public Security Vault,	Lmtd. Prtnrship	Cert Lmtd Prtnrship	3	745



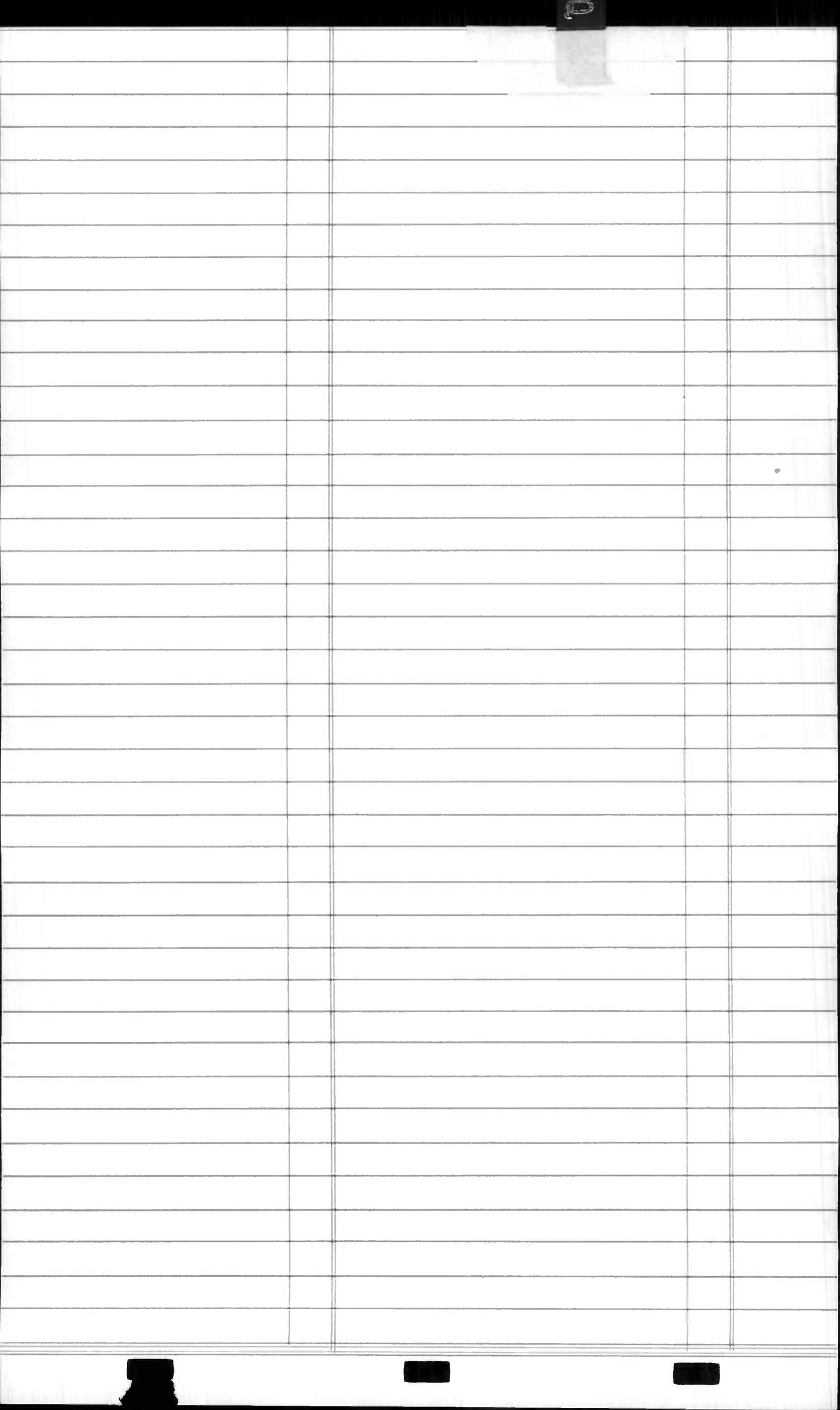
Blanchard, Melvin F., Genl. Prtnr.	Certificate of Limited Partnership	3	3
Bel Center Lmtd. Prtnrship.	Amend. Cert. Lmtd. Prtnrship	3	9
Bel Center Joint Venture	Amend. Cert. Lmtd. Prtnrship	3	9
Baker, Waldon L., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Baker, Alice L., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Benavides, Jean T. (Robinson), Prtnr Lmtd.	Amend Lmtd Prtnrship	3	217
Berberian, Harry S., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Berberian, Doris J., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Bowman, James J., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Bentley Investments & Associates Prtnr	Cert Lmtd Prtnrship	3	310
Bentley Investments Inc., Genl. /	Cert Lmtd Prtnrship	3	310
Bailey Properties, Ltd.	Cert. Lmtd. Prtnrship	3	366
Bailey, Lloyd A., Genl. Prtnr.	Cert Lmtd Prtnrship	3	366
Bailey, Mary M., Genl. Prtnr.	Cert Lmtd Prtnrship	3	366
Bailey, Lloyd A., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	366
Bailey, Mary M., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	366
Bedon, George Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Brendle, W K Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Barrick, Donald M. Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Byrd, Phillip E B Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Berlin, Steven Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Block, Lawrence D Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Blanchard, Melvin F., Genl. Prtnr.	Modif Lmtd Prtnrship	3	405
Beavers, Richard F., Genl. Prtnr.	Agmt & Cert Lmtd Prtnrship	3	465
Beavers, Harold D., Lmtd. Prtnr.	Agmt & Cert Lmtd Prtnrship	3	465
Beavers, Richard F., Genl. Prtnr.	Cert Lmtd Prtnrship	3	498
Beavers, Harold D., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	498
Beavers, Richard F., Genl. Prtnr.	Cert Lmtd Prtnrship	3	531
Beavers, Harold D., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	531
Bosely, Melvin G., Genl. Prtnr.	Amend Lmtd Prtnrship	3	577
Bosely, Melvin G., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	577
Bosely, A. Grant, Lmtd. Partnr.	Amend Lmtd Prtnrship	3	577
Bosely, Helen L., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	577
Bosely, Carolyn F., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	577
Bosely, Roy A., Cust.	Amend Lmtd Prtnrship	3	577
Bosely, Lorraine K., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	577
Beavers, Richard F., Genl. Prtnr.	Amend Lmtd Prtnrship	3	643
Beavers, Richard F., Atty-in-fact	Amend Lmtd Prtnrship	3	643



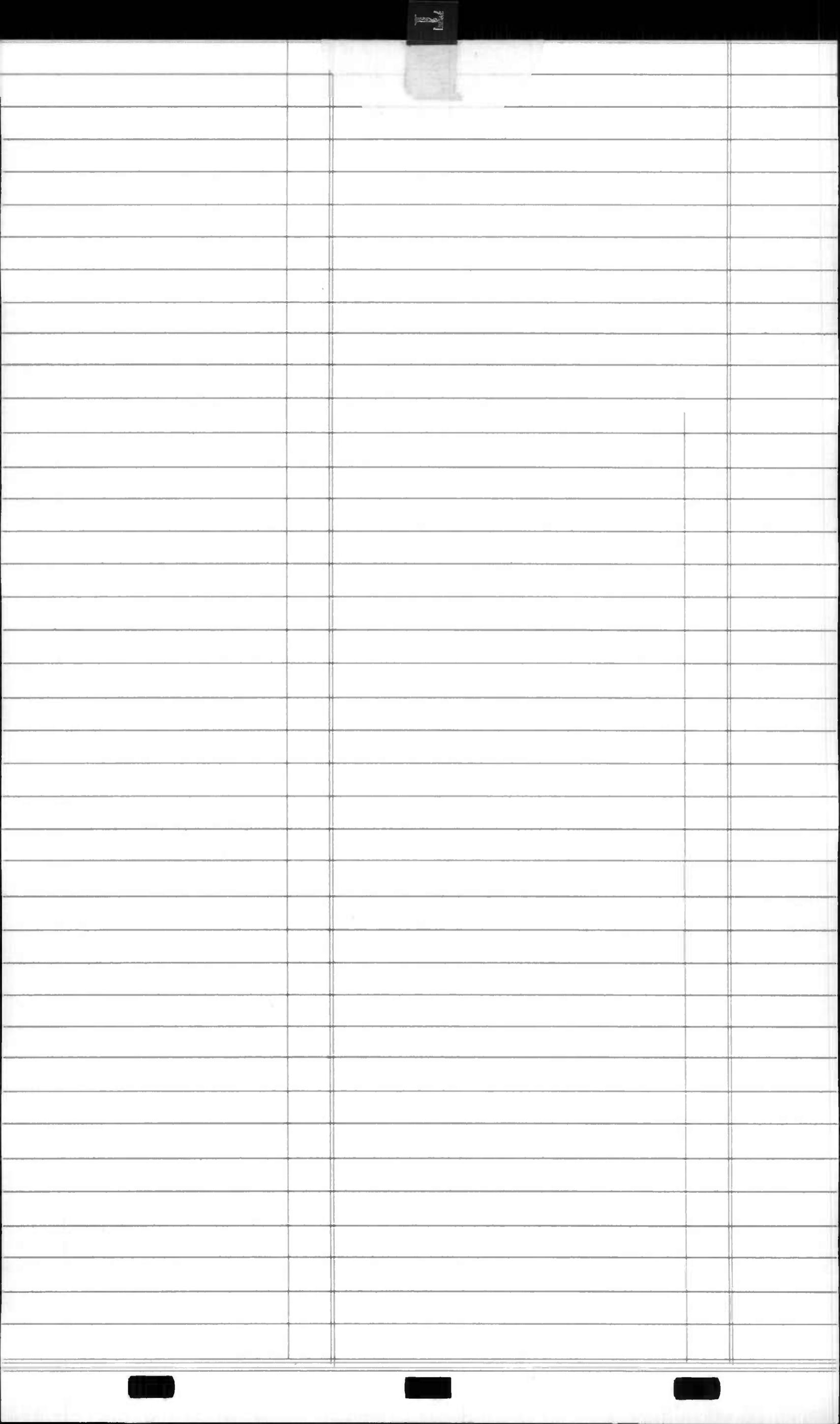


Harborside Lmtd Prtnrship	Amend Lmtd Prtnrship	3	11
Harborside Housing Prtnrs Prtnr Lmtd/	Amend Lmtd Prtnrship	3	11
Homesite Developers Corporation- Substitute Genl. & Limited Partner	1st Amend Cert Lmtd Prtnrship	3	65
Harkins, Thomas P., Inc. Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	68
Heagy, Richard M., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Heyner, Richard W., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Harkins, Thomas P., Inc., Lmtd. Prtnr	Amend Lmtd Prtnrship	3	223
Huntington Associates	Extension of Lmtd Prtnrship Agmt	3	279
Hofmann, Henry H., Lmtd. Prtnr.	Extension of Lmtd Prtnrship Agmt	3	279
H.L.M. Prtnrship.	Release	3	287
Hawkins, R. Burton	Release	3	287
Hull, Nancy, Genl. Prtnr.	Cert Lmtd Prtnrship	3	366
Hitzig, P, Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Hall, William M., Sr., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	401
Havre de Grace Lmtd. Prtnrship.	Cancellation Lmtd Prtnrship	3	402
Harkins, Thomas P Inc Lmtd Prtnr	Amend Lmtd Prtnrship	3	414
Hyatt, Leslie D., Lmtd. Prtnr.	4th Amend Lmtd Prtnrship	3	568
Haywood, Deborah D., Lmtd. Prtnr.	4th Amend Lmtd Prtnrship	3	568
Harrison, Theadore E., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	593
Highview Lmtd Prtnrship	Cert Amendment	3	620
Hess, W. Dale, Genl. Prtnr.	Cert Amendment	3	620
Hess, Edwin E., Genl. Prtnr.	Cert Amendment	3	620
Hawkins Lmtd Prtnrship	Cert Lmtd Prtnrship	4	97
Lmtd. Prtnr.			
Hawkins, Theresa A., Genl. Prtnr. &	Cert Lmtd Prtnrship	4	97
Hawkins, Fred L., Lmtd. Prtnr.	Cert Lmtd Prtnrship	4	97

	Prtnr.			
Menefee, Lawrence A., Jr., Genl.	/	Cert Lmtd Prtnrship	3	68
Maturi, Ronald A., Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	217
McCandless, Bardarah, Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	217
Michael, Ralph S., Jr., Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	217
Moorthy, P. G., Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	217
Menefee, Lawrence A., Jr., Genl.	Prtnr.	Amend Lmtd Prtnrship	3	223
Miller, Edward H., Genl. Prtnr.		Extension Lmtd Prtnrship Agmt	3	279
Moore, Richard A., Genl. Prtnr.		Extension Lmtd Prtnrship Agmt	3	279
Mosbacher, Emil, Jr., Wthdr. Lmtd.	Prtnr.	3rd Amend Lmtd Prtnrship	3	280
Mosbacher, Robert, Wthdr. Lmtd. Prtnr		3rd Amend Lmtd Prtnrship	3	280
Meadow Woods Associates		Amend Lmtd Prtnrship	3	286
Managed Options Fund -- Series I		Lmtd Prtnrship Agmt	3	288
Muth, Bernard W., Jr.		Asgmt Prtnrship	3	353
Muth, Bernard W., Jr., Prtnr.		Amend Prtnrship Agmt	3	355
Managed Option Fund-Series I		Amend Lmtd Prtnrship	3	357
Michael, Charles W., Jr. Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	357
McComas, Charles H. & Susan K.	Lmtd. Prtnrs.	Amend Lmtd Prtnrship	3	357
McComas, Charles H., III, Lmtd. Prtnr.		Amend Lmtd Prtnrship	3	357
McComas, C.H., III, Atty-in-fact		Amend Lmtd Prtnrship	3	357
Muth, Bernard W., Jr., Prtnr.		Prtnrship Agmt	3	359
Martinez, Jose, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Mirarchi, Ralph, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Maffezoli, Richard, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Mitchell, Keiffer, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Marshall, Curtis, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Mathur, Murli, Lmtd Prtnr		Amend Lmtd Prtnrship	3	386
Menefee, Lawrence A Jr Genl Prtnr		Amend Lmtd Prtnrship	3	414
Magness, John C Genl Prtnr		Cert Lmtd Prtnrship	3	419
Morrison, Tommy W Genl Prtnr		Cert Lmtd Prtnrship	3	419
Magness, John C., Genl. Prtnr.		Amend Cert Lmtd Prtnrship	3	565
Morrison, Tommy W., Genl. Prtnr.		Amend Cert Lmtd Prtnrship	3	565
Magness, John C., Lmtd. Prtnr.		Amend Cert Lmtd Prtnrship	3	565
Morrison, Tommy W., Lmtd. Prtnr.		Amend Cert Lmtd Prtnrship	3	565
Managed Option Fund-Series I		Amend Cert Lmtd Prtnrship	3	575
McComas, C.H., III, Genl. Prtnr.		Amend Cert Lmtd Prtnrship	3	575
McComas, Charles H., Jr., Lmtd.	Prtnr	Amend Cert Lmtd Prtnrship	3	575
McComas, Betty O'Neill, Lmtd. Prtnr.		Amend Cert Lmtd Prtnrship	3	575
Medstat, P.A., Genl. Prtnr.		Cert Lmtd Prtnrship	3	593



Schreder, Charles J., Lmtd. Prtnr	Amend Lmtd Prtnrship	3	217
Shea, Robert D., Lmtd Prtnr	Amend Lmtd Prtnrship	3	217
Shea, Mary M., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	217
Smullyan, Barbara M. Wthdr. Lmtd. Prtnr	3rd Amend Lmtd Prtnrship	3	280
Stern, Stanley M., Wthdr. Lmtd. Prtnr.	3rd Amend Lmtd Prtnrship	3	280
Stell, John A., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	286
Selection Services, Inc., Genl. Prtnr.	Lmtd Prtnrship Agmt	3	288
Smith, Charles J., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	310
Schapiro, Eleanor Tydings, Prtnr.	Prtnrship Agmt	3	328
Selection Services, Inc.	Amend Lmtd Prtnrship	3	357
Sprenkle, Donald M., Jr., Lmtd. Prtnr.	Amend Lmtd Prtnrship	3	357
Swinerton, George A. & Ruth M. Lmtd. Prtnrs.	Amend Lmtd Prtnrship	3	357
Suddhimondala, Chawalit, Lmtd. Prtnr	Amend Lmtd Prtnrship	3	386
Silver, Stuart B, Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Shin, S K, Lmtd Prtnr	Amend Lmtd Prtnrship	3	386
Stonesifer, Paul S., Jr. & Mary Jo	Supplemental Prtnrship Agmt	3	412
Seisman, John P Genl Prtnr	Agmt Lmtd Prtnrship	3	432
Senior, Jonathan Lmtd Prtnr	Agmt Lmtd Prtnrship	3	432
Senior, Jean Bogarty Lmtd Prtnr	Agmt Lmtd Prtnrship	3	432
Swider, Stanley J Lmtd Prtnr	Agmt Lmtd Prtnrship	3	432
Swider, Nicoletta L Lmtd Prtnr	Agmt Lmtd Prtnrship	3	432
Self-Service-Storage, Cambridge / Lmtd. Prtnrship	Agmt & Cert Lmtd Prtnrship	3	465
Self-Service-Storage, Balto. & Columbia Lmtd. Prtnrship	Cert. Lmtd. Prtnrship	3	498
Self-Service-Storage, Inc. Genl. Prtnr.	Cert Lmtd. Prtnrship	3	498
Self-Service-Storage, Properties I Lmtd Prtnrship	Cert Lmtd Prtnrship	3	531
Self-Service-Storage, Inc., Genl. Prtnr.	Cert Lmtd Prtnrship	3	531
Swinnerton, Ruth & G.A. Lmtd. Prtnr	Amend Cert Lmtd Prtnrship	3	575
Sorrell, Milton, Jr., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	583
Sulewski, Donald J., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	583
Stewart, Robert, Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	583
Spicer, Samuel M., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	583
Siskind, William L., Genl. Prtnr.	Cert Lmtd Prtnrship	3	622
Siskind, William L., Lmtd. Prtnr.	Cert Lmtd Prtnrship	3	622
Self-Service-Storage, Cambridge / Lmtd. Prtnrship.	Amend Cert Lmtd Prtnrship	3	643
Scornaracca, Ronald J., D.N.D., P.A.	Amend Cert Lmtd Prtnrship	3	643
Employees Pension Plan, Lmtd. Prtnr.			
Schaeffer, Aaron, Lmtd. Prtnr	Amend Cert Lmtd Prtnrship	3	643
Sebco Fed Credit Union, Lmtd. Prtnr.	Amend Cert Lmtd Prtnrship	3	643



CERTIFICATE OF CANCELLATION OF THE
CERTIFICATE OF LIMITED PARTNERSHIP OF
CARLYLE REAL ESTATE LIMITED PARTNERSHIP-IX

Dated: July 1, 1979

NOV 10-80 B #29750 *****7.00

WHEREAS, on July 30, 1979, a document dated June 12, 1979, and entitled Certificate of Limited Partnership of Carlyle Real Estate Limited Partnership-IX was recorded by the Clerk of Circuit Court of Harford County, Maryland in Book B, Folio 563; and

WHEREAS, the Partnership has not engaged in the conduct of any business in Harford County, Maryland; and

WHEREAS, the Partners of the Partnership desire that the Certificate of Limited Partnership of Carlyle Real Estate Limited Partnership-IX be cancelled in Harford County, Maryland;

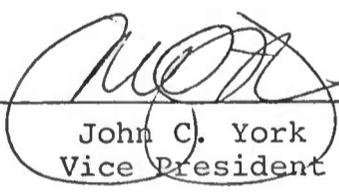
NOW, THEREFORE, the Certificate of Limited Partnership of Carlyle Real Estate Limited Partnership-IX is hereby cancelled in Harford County, Maryland.

IN WITNESS WHEREOF, the undersigned has executed and sworn to this Certificate of Cancellation as of the day and year first hereinabove written.

GENERAL PARTNERS

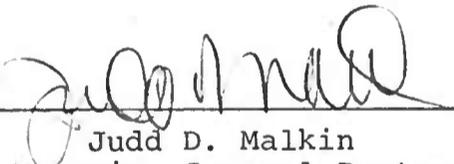
CARLYLE-IX MANAGERS, INC.

By:


John C. York
Vice President

REALTY ASSOCIATES-IX

By:

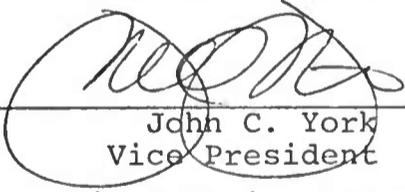

Judd D. Malkin
Managing General Partner

LIMITED PARTNERS

All those Limited Partners whose names and addresses appear on Schedule A to Exhibit A to the Certificate of Limited Partnership of Carlyle Real Estate Limited Partnership-IX, on file with the Recorder of Deeds of Cook County, Illinois. Each and every one of them.

By: CARLYLE-IX MANAGERS, INC.

By:


John C. York
Vice President

As Attorney-in-Fact in possession of a duly authorized and executed Power of Attorney for each of the Limited Partners.

THIS INSTRUMENT WAS PREPARED BY
JOHN C. YORK
SUITE 3900
875 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60611

Mailed to: John C. York, Suite 3900, 875 North Michigan Ave., Chicago, Illinois 60611

Rel.
to.

CERTIFICATE OF LIMITED PARTNERSHIP

1. The undersigned hereby form a Limited Partnership under the name of Acreage Associates.

2. The purpose of the Partnership is to acquire for investment and/or sale and otherwise generally deal in real estate investments of all types.

3. The principal office of the Partnership shall be c/o Melvin F. Blanchard, 212 Washington Avenue; Towson, Maryland, 21204.

4. The General Partners are: Joseph D. Deigert, 2607 Laurel Brook Road; Fallston, Maryland 21047; Melvin F. Blanchard, 1109 Register Avenue Baltimore, Maryland, 21239; the Limited Partners are: John C. Jenkins and Virginia W. Jenkins, 3208 E. Joppa Road, Baltimore, Maryland, 21234; Dolores L. Freeman, Box 2210 Rt. 4, Berlin, Maryland 21811; Victor A. Palik and Gertrude Palik - 3303 Batavia Road, Baltimore Maryland 21214 and Charles L. Vickers, Jr., 2101 Carlo Court, Fallston, Maryland 21047.

5. The Partnership is to continue until September 30, 1985.

6. Each Partner shall contribute cash and property to the capital account of the Partnership as follows:

Joseph D. Deigert.	\$84,860.00
Melvin F. Blanchard.	18,184.00
John C. & Virginia W. Jenkins.	18,184.00
Dolores L. Freeman.	18,184.00
Victor A. & Gertrude Palik.	24,244.00
Charles L. Vickers, Jr.	54,552.00

7. Any Limited Partner may withdraw his contribution after October 1, 1983.

8. Each Limited Partner shall receive a distribution of profits in accordance to the percentage by which each individual Limited Partner's capital contribution bears to the over-all capital contribution by all partners in the Partnership.

9. No assignee, legatee, or distributee of the whole or any portion of a Limited Partners' interest in the Partnership shall have the right to become a substituted Limited Partner in place of his predecessor in interest without the written consent of the General Partners and Sixty Percent (60%) of the Limited Partners.

11/18/80
mailed to:

Melvin
BLANCHARD
ATTORNEY AT LAW
TOWSON, MD. 21204

212 Washington
Avenue

10. There shall be no additional General or Limited Partners except in the case of death, retirement, bankruptcy or insanity of a General Partner.

11. Upon the death, retirement, bankruptcy, or insanity of a General Partner, the Partnership shall continue to exist and the business shall be carried on by the remaining general partner or partners.

WITNESS:

Ingeborg G. Deigert Joseph D. Deigert (SEAL)
Joseph D. Deigert, General Partner

Eleanore Howard Melvin F. Blanchard (SEAL)
Melvin F. Blanchard, General Partner

John C. Jenkins John C. Jenkins (SEAL)
John C. Jenkins, Limited Partner

Virginia W. Jenkins Virginia W. Jenkins (SEAL)
Virginia W. Jenkins, Limited Partner

Dolores L. Freeman Dolores L. Freeman (SEAL)
Dolores L. Freeman, Limited Partner

Ingeborg G. Deigert Victor A. Palik (SEAL)
Victor A. Palik, Limited Partner

Ingeborg G. Deigert Gertrude Palik (SEAL)
Gertrude Palik, Limited Partner

Charles L. Vickers Jr Charles L. Vickers Jr (SEAL)
Charles L. Vickers, Jr. Limited Partner

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HARFORD CO.
N. DOUGLAS CHILCOAT
CLERK

V

The names and residences of the Limited Partners are as follows:

C. Edwin Grimmel, Sr.	Dorothy S. Grimmel
3857 Federal Hill Road	3857 Federal Hill Road
Jarrettsville, MD 21084	Jarrettsville, MD 21084

VI

The Limited Partnership shall begin on August 7, 1980 and shall continue for a period of 50 years unless sooner terminated as provided in the Limited Partnership Agreement.

VII

The Limited Partners will contribute an interest in certain property in Harford County, Maryland with an agreed value of \$499,500 to the Partnership in exchange for 9990 units of Limited Partnership interests. In addition, the Limited Partners may make additional contributions to the capital of the Partnership and withdraw capital from the Partnership except that the Limited Partners will not voluntarily reduce their capital interests in the Partnership below the amounts listed above.

VIII

No additional contributions will be required from the Limited Partners.

IX

All gain, income, losses and expenses of the Partnership shall be allocated to the capital accounts of the Partners pro rata on the basis of the ratio of the number of units owned by each Partner to the total number of units owned by all Partners as of the last day of the end of the appropriate accounting period.

X

A Limited Partner may substitute an assignee as a contributor in his place provided:

- (a) The Limited Partner designates such intention in the instrument of assignment;
- (b) The written consent of the General Partners and any additional Limited Partner, shall be first obtained;
- (c) The assignment instrument is in a form and substance satisfactory to the General Partners;
- (d) The Limited Partner and the assignee named therein executes and acknowledges such other instruments as the General Partners may deem necessary or desirable to effectuate such admission as a substituted Limited Partner;
- (e) The assignee accepts and adopts in writing all of the terms and provisions of the Limited Partnership Agreement;
- (f) The assignee pays all reasonable expenses connected with such substitution.

XI

The General Partners may sell additional units of Limited Partnership interests.

XII

No Limited Partner will have priority over any other Limited Partner, as to contributions or as to compensation by way of income.

XIII

No Limited Partner shall have the right to demand and receive property other than cash in return for his contribution.

XIV

A remaining General Partner shall have the right to continue the business of the Partnership upon the death,

AMENDED CERTIFICATE OF LIMITED PARTNERSHIP
OF
BEL CENTER LIMITED PARTNERSHIP
A MARYLAND LIMITED PARTNERSHIP

The undersigned parties hereby amend the Certificate of Limited Partnership dated December 1, 1975, as amended, pursuant to Section 10-124 of the Corporations and Associations Article of the Annotated Code of Maryland, as follows:

DEC 17-80 A #23418 *****16.00

1. Article I of said Certificate of Limited Partnership is hereby modified to change the name of the partnership from "Bel-Center Joint Venture" to "Bel Center Limited Partnership," and substituting a new Article I as follows:

"Article I. The name of the partnership is 'Bel Center Limited Partnership, a Maryland Limited Partnership'."

2. Except as specifically hereinabove modified by this Amendment, the Certificate of Limited Partnership dated December 1, 1975, as amended by Certificate of Amendment filed November 6, 1978 and recorded among the Partnership Records of Harford County at H.D.C. No. 2, folio 475, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have acknowledged the above facts and have hereunto set their hands and seals, effective November 25, 1980.

WITNESS:

Robin Lehman
AS TO ALL

GENERAL PARTNERS:

/ Sylvia Francus (SEAL)
Sylvia Francus
/ Joseph Francus (SEAL)
Joseph Francus
/ Richard Rynd (SEAL)
Richard Rynd
/ Selma Rynd (SEAL)
Selma Rynd

Mailed to: Arnold Fleischmann, Suite 500, Lafayette Bldg., 40 W. Chesapeake Ave., Towson, Md. 21204

WITNESS:

Robin Lehman
AS TO ALL

LIMITED PARTNERS:

Sylvia Francus (SEAL)
Sylvia Francus

Joseph Francus (SEAL)
Joseph Francus

Richard Rynd (SEAL)
Richard Rynd

Selma Rynd (SEAL)
Selma Rynd

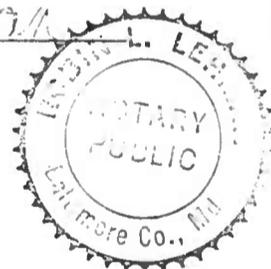
STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

THIS IS TO CERTIFY that before me, a Notary Public of the State of Maryland, in and for the County of BALTIMORE, personally appeared Joseph Francus, Sylvia Francus, Richard Rynd, and Selma Rynd, General Partners, and acknowledged and certified that they are General Partners in the foregoing Amended Certificate of Limited Partnership and that the facts set forth above are true and correct.

Witness my hand and Notarial Seal this 25th day of November, 1980.

Robin L. Lehman
Notary Public

My Commission Expires: 7/1/82



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HARBORSIDE LIMITED PARTNERSHIP
AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

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Mailed to: Reese & Carney, 8651 Baltimore National Pike, Ellicott City, Md. 21043

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HARBORSIDE LIMITED PARTNERSHIP

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

Preliminary Statement

AGREEMENT dated this 27th day of JANUARY, 1981 by and among Lawrence R. Laikin and James L. Churco, individuals, as General Partners, WFC Realty Co., Inc., a Massachusetts corporation, as Class A Limited Partner and Harborside Housing Partners, a Maryland limited partnership, as Limited Partner.

HARBORSIDE LIMITED PARTNERSHIP was formed as a limited partnership under the laws of Maryland pursuant to a Limited Partnership Agreement entered into on OCTOBER 8, 1981, and a Certificate of Limited Partnership dated October 8, 1980 was filed on October 20, 1980 with the clerk of the Circuit Court for Montgomery County, Maryland at Liber 0365 Folio 267. The purposes of this Amendment and Restatement are (i) to admit James L. Churco, as a General Partner, (ii) to admit WFC Realty Co. Inc. as a Class A Limited Partner, (iii) to admit Harborside Housing Partners as a Limited Partner, (iv) to effect the withdrawal of Larrin Building Corp. and Lawrence R. Laikin as Limited Partners (although Lawrence R. Laikin remains as a General Partner), and (v) to set out fully the rights, obligations and duties of the General Partners and the Limited Partners.

Now, therefore, it is hereby agreed that the Limited Partnership Agreement and the Certificate of Limited Partnership of Harborside Limited Partnership shall be replaced in their entirety by the following Amended and Restated Limited Partnership Agreement and Certificate:

ARTICLE I

Defined Terms

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

"Accountants" means Reznick, Fedder & Silverman of Bethesda, Maryland or such other firm of certified public accountants as may be engaged by the General Partners with the Consent of the Investor Partnership.

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family of any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) through (ii), (iv) trustee of a trust

for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person referred to in the preceding Clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

"Building Loan Agreement" means the Building Loan Agreement between the Mortgage Lender and the Partnership, containing the terms and conditions upon which the proceeds of the Mortgage shall be disbursed by the Mortgage Lender to the Partnership.

"Capital Account" means, as to any Partner or class of Partners, the Capital Contribution actually paid in to the Partnership by such Partner or class, plus all income, gain or profits allocated to such Partner or class, less the sum of (i) all losses or deductions allocated to such Partner or class, (ii) all distributions to such Partner or class, and (iii) all other payments to such Partner or class not allowed as additions to the basis of Partnership property or deductions from Partnership gross income for federal income tax purposes.

"Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

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

"Certificate" means the Certificate of Limited Partnership filed or to be filed in the Office of the Clerk of the Circuit Court for Harford County, Maryland, as said Certificate may be amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Commitments" means the commitment of the FHA to insure the construction and the permanent Mortgage and the commitments given to the Partnership by the Mortgage Lender to advance funds under

the construction Mortgage. The term "Commitments" shall also include the Construction Contract, the Building Loan Agreement, the Agreement to Enter into Housing Assistance Payments Contract, the commitment of the Government National Mortgage Association or the Federal National Mortgage Association to purchase the Mortgage after Final Endorsement, and any other instruments (i) delivered to, or required by, FHA in connection with the FHA commitment to insure the Mortgage, or (ii) delivered to, or required by, the Mortgage Lender in connection with the Mortgage.

"Consent of the Investor Partnership" means the written consent or approval of Winthrop as general partner of the Investor Partnership. Winthrop, in its sole discretion, may refer any matter to the Investor Limited Partners and poll them, before giving its consent or approval hereunder. Such consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

"Construction Completion Notes" means non-interest bearing promissory notes of the Partnership issued pursuant to Section 6.8 (on FHA Form 2223 or other form acceptable to HUD) and not secured by any liens or other charges upon the Property which notes will be payable only as permitted in Section 6.8 and Article X of this Agreement, and which by their terms provide that payments thereon may be made only as permitted by applicable FHA regulations.

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

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

"Event of Bankruptcy" means as to a General Partner

- (a) his admission in writing of his inability to pay his debts generally as they become due;
- (b) (i) his filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended) or (ii) the commencement of an involuntary case against him under the Bankruptcy Code and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of his estate or to operate any of his business;
- (c) his consenting to the appointment of a receiver for all or a substantial part of his property;
- (d) his being adjudicated a bankrupt;

(e) the entry of a court order appointing a receiver or trustee for all or a substantial part of his property without his consent;

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

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

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

"GP Annual Administration Fee" means the annual fee of \$9,000 beginning on January 1, 1986 payable only after all distributions described in Section 10.2.A. First and Second have been made in full. Such fee shall be deemed an operating expense of the Partnership for all purposes.

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

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

"Immediate Family" means, with respect to any Person, his spouse, parents, parents-in-law, descendants (including legally adopted children), nephews, nieces, brothers, sisters, brothers-in-law, sisters-in-law, children-in-law and grandchildren-in-law.

"Improvements" means the proposed apartment development and related facilities to be constructed on the Land as described in the Commitments with respect to the Project No. 052-35309-PM-L/8.

"Initial Endorsement" means the date on which the credit instrument evidencing the construction Mortgage for the Property is initially endorsed for insurance by the Federal Housing Commissioner.

"Investor Closing" means the date on which Investor Limited Partners holding at least 51% of the total Investor Limited Partner interest in the Investor Partnership are admitted to the Investor Partnership.

"Investor Limited Partner" means each Person designated as an Investor Limited Partner in the Investor Partnership or any Person who becomes an Investor Limited Partner therein, including a Substitute Investor Limited Partner, in each such Person's capacity as an Investor Limited Partner. Whenever this Agreement

provides for action or consent by a given percentage of Investor Limited Partners, such percentage shall be determined without considering any Investor Limited Partner who is an Affiliated Person.

"Investor Partnership" means the Maryland limited partnership formed on JANUARY 27, 1980 under the name of "Harborside Housing Partners" with a mailing address at Suite 1110, 225 Franklin Street, Boston, Massachusetts 02110.

"Involuntary Withdrawal" means, as to a General Partner, an Event of Bankruptcy, death, serious mental or physical disability or any other compelling circumstances beyond his control which prevent him from performing the duties contemplated by this Agreement.

"Land" means the parcel located on Joppa Farm Road, Joppatown, Harford County, Maryland consisting of approximately 520,716 square feet referred to in the Commitments with respect to Project No. 052-35309-PM-L/8.

"Limited Partner" or "Limited Partners" shall mean and include the Investor Partnership, the Class A Limited Partner and any other Person, including a Class B Limited Partner, if any, designated as a Limited Partner.

"Management Agent" means the managing and rental agent for the Project.

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

"Managing General Partner" shall have the meaning provided in Section 4.1.

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

"Mortgage Lender" means Maryland National Mortgage Corp. of Baltimore, Maryland. The term includes any other Person or governmental agency, including the Government National Mortgage Association, acquiring an interest in the Mortgage.

"Operating Guarantee Period" means the period beginning on Final Endorsement and ending on the last day of the fiscal year in which the Sixth Installment of the Capital Contribution of the Investor Partnership becomes due and payable.

"Partner" means any General Partner or Limited Partner.

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

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

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

"Project" means the Land and the multifamily residential housing project constructed or to be constructed thereon, including the dwelling units, common areas, any commercial areas and amenities, known as Harborside Village Section I.

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

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

"Project Management Bonus" means, as to each fiscal year of the Partnership beginning after Final Endorsement, \$435 for each \$1,000 of the Cash Flow (determined, for this sole purpose, prior to deduction of the Project Management Bonus) for such year remaining after distributions and payments have been made pursuant to Section 10.2.A First, Second, and Third.

"Property" means the Land together with all buildings and other improvements on or to be constructed or made upon such Land.

"Qualifying Sale" means a sale of the entire Project occurring after the end of the Fiscal year in which the eighth anniversary of Final Endorsement occurs, if the Sale or Refinancing Proceeds from such sale are sufficient to, and do, provide distributions and payments under Section 10.2.C First, Second, and Third in full.

"Rapid Rent Up Bonus" means \$75,000, payable solely from any Cash Flow (determined for this sole purpose prior to deduction of the Rapid Rent Up Bonus) for 1983, 1984 or 1985, up to \$25,000 for each such year, remaining after all distributions and payments described in Section 10.2.A First and Second for such year have been made in full. If \$25,000 is in excess of the Cash Flow for 1983, 1984 or 1985 remaining after all distributions and payments described in Section 10.2.A First and Second have been made in full for such year, the Rapid Rent Up Bonus shall be reduced by the amount of the excess.

"Realty" means WFC Realty Co., Inc., a Massachusetts corporation, its successors and assigns.

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

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

"Sale or Refinancing Proceeds" means the net proceeds of any refinancing or sale, exchange, condemnation (or similar eminent domain taking) casualty or other disposition of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the refinancing or disposition, and (ii) all obligations of the Partnership which were satisfied with the proceeds of the refinancing or disposition.

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

"State" means the State of Maryland.

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

"Substantial Completion Date" means the date on which FHA certifies the Project to be substantially complete.

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

"Uniform Act" means the Maryland Uniform Limited Partnership Act as embodied in Title Ten, Corporations and Associations Article, Annotated Code of Maryland.

"Voluntary Withdrawal" means, as to a General Partner, any circumstances (other than Involuntary Withdrawal) by which the General Partner (i) ceases to be a General Partner in the Partnership, (ii) causes or fails to prevent a dissolution, termination or winding up of the Partnership, (iii) sells, exchanges, assigns, transfers, encumbers or otherwise disposes of all or any portion of his interest in the Partnership without the Consent of the Investor Partnership, or (iv) ceases to perform the duties required by this Agreement.

"Winthrop" means Winthrop Financial Co., Inc., a Massachusetts corporation, its successors and assigns.

ARTICLE II

Name; and Purpose

Section 2.1 Name and Office

The Partnership shall be conducted under the name and style of Harborside Limited Partnership. The principal place of business of the Partnership shall be Joppa Farm Road, Joppatown, Harford County, Maryland, and the principal mailing address of the Partnership shall be c/o Mr. Lawrence R. Laikin, Chatham Phoenix Building, Room 901, 29-28 41st Avenue, Long Island City, New York, 11101. The General Partners may at any time change the location of such principal mailing address and shall give due notice of any such change to the Limited Partners.

Section 2.2 Purpose

The purpose of the Partnership is to acquire, construct, develop, improve, maintain, operate, lease, sell, dispose and otherwise deal with the Property in manner consistent with its status as a rental housing project under Section 221(d)(4) of the National Housing Act, as amended. The Partnership and the General Partners shall use their best efforts to operate the Property in accordance with any applicable FHA and other governmental regulations, and shall take all steps necessary on a best efforts basis to assure the financial and economic viability of both the Partnership and the Project and the distribution of Cash Flow to the Partners. The Partnership shall not engage in any other business or activity.

Section 2.3 Authorized Acts

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

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

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

(iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and to secure the same by mortgage, pledge or other lien on the Property or any other assets of the Partnership; provided, however, that the proceeds of such borrowings, except as otherwise permitted by Article X, shall not be used directly or indirectly to pay Subordinated Loans or Construction Completion Notes.

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

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

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

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

(viii) To enter into, perform and carry out contracts of any kind, including contracts with Affiliated Persons, necessary to, in connection with or incidental to, the accomplishment of the purposes of the Partnership, specifically including, but not limited to, the

execution and delivery of the Commitments, and all other agreements, certificates, instruments or documents required by the Mortgage Lender, FHA or HUD in connection with the Commitments and the acquisition, construction, development, improvement, maintenance and operation of the Property or otherwise required by such agencies in connection with the Property.

(ix) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

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

Section 2.4 Term

The Partnership shall continue in full force and effect until December 31, 2031, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

A. The sale or other disposition of all or substantially all the assets of the Partnership and the collection in full of the sales price; or

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

C. The election to terminate the Partnership made in writing by the General Partners with the Consent of the Investor Partnership.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.3. Notwithstanding the foregoing, in the event such liquidating General Partners shall

determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, either (i) defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (other than Subordinated Loans and Construction Completion Notes) or (ii) distribute the assets to the Partners in kind; provided, however, that the proceeds of any sale or other disposition of Partnership assets shall be distributed within 60 days of the close of the calendar year in which the sale or other disposition occurs.

ARTICLE III

Mortgage and Regulatory Agreement

Refinancing and Disposition of Property

Section 3.1 Mortgage and Regulatory Agreement

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

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

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

Section 3.2 Refinancing and Disposition of the Project

The Managing General Partner, on behalf of the Partnership, and with FHA approval, may decrease or increase the Mortgage at or before Final Endorsement to conform to reasonable changes in the Commitments provided, however, that in the event of an increase in the principal amount of the Mortgage the Consent of the Investor Partnership shall be required unless (a) HUD shall have approved an increase in the rents for the apartments in the Project or other changes are made in the operations of the Project which, in either or both instances, shall provide a sufficient increase in gross rental income, to cover the resulting increase in the annual amount

the Partnership is required to pay for interest and mortgage insurance premium, if any, on, and amortizations of the principal of, the Mortgage or (b) the total annual amount the Partnership is required to pay for interest and mortgage insurance premium, if any, on, and amortization of the principal of, the Mortgage does not exceed the total annual amount of such payments required to be made prior to the increase in the Mortgage. The Partnership may also refinance the Mortgage, including any required transfer or conveyance of Partnership assets for security or mortgage purposes, and sell, lease, exchange or otherwise transfer or convey all or substantially all of the assets of the Partnership, provided, however, that any such refinancing, sale, lease, exchange or other transfer, or conveyance and the terms thereof (other than a Qualifying Sale) must receive the Consent of the Investor Partnership, before such transaction shall be binding on the Partnership. The Managing General Partner shall give Winthrop and the Limited Partners at least thirty (30) days written notice of any transaction described above which requires Consent of the Investor Partnership.

ARTICLE IV

Partners; Capital

Section 4.1 General Partners

The General Partners of the Partnership are Lawrence R. Laikin and James L. Churco and their Capital Contributions are as set forth in the Schedule. The Managing General Partner is Lawrence R. Laikin. Upon the Retirement of Lawrence R. Laikin, the Managing General Partner shall be James L. Churco, if James L. Churco then remains as a General Partner. Except as provided in Section 4.5.B, no Person may be admitted as a successor or additional General Partner unless the Consent of the Investor Partnership to such admission is obtained.

Section 4.2 Partnership Capital

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

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

Section 4.3 Withdrawal of Capital

No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2031. No Partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 4.4 Liability of Limited Partners

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

Section 4.5 Limited Partners

A. The Investor Partnership is a Limited Partner and it shall contribute up to a total of \$1,199,000, reduced by 31.865% of the excess, if any, of \$4,472,000 over the face amount of the Mortgage at Final Endorsement, to the capital of the Partnership pursuant to the provisions of Article V.

B. The Class A Limited Partner is Realty. Realty may become a General Partner at any time, at its option subject only to the approval of HUD, if required. The provisions of Sections 5.3, 6.4, 6.5, 6.8, 6.9, 6.11, 6.12, 7.1.B, 7.1.C, and 13.3 shall not apply to Realty. Realty shall not be entitled to any fees under Section 6.10 unless it is entitled to purchase the interest of a General Partner pursuant to Section 7.1.B.

C. In the event of the occurrence of any one or more of the following events, Realty, at its election, with the consent of HUD, if required, may acquire the exclusive right to manage the business of the Partnership, the Managing General Partner shall become merely a General Partner and Realty may then act without the approval of any other General Partner:

(a) An adjudication that there has been a failure of all of the General Partners to observe or perform any material obligation or covenant to be observed or performed hereunder by the General Partners, provided that the General Partners shall have received notice of such failure from Winthrop or from the Investor Partnership, and shall not have cured or remedied such failure within a period of sixty (60) days thereafter (or in the event of any such failure not susceptible of being cured or remedied within sixty (60) days, such longer period as may be required to cure the same through diligent and continuous efforts, if the General Partners are diligently and continuously attempting to cure or remedy the same);

(b) Notice from any secured or judgment creditor of the Partnership of a default which would have a material effect on the Project or the commencement of foreclosure or judicial proceedings with respect to the Project, which are not (i) cured or remedied within a period of sixty (60) days thereafter (or in the event of any such notice or foreclosure not susceptible of being cured or remedied within sixty (60) days,

such longer period as may be required to cure the same through diligent and continuous efforts, if the Managing General Partner is diligently and continuously attempting to cure the same), (ii) abandoned by the secured or judgment creditor, or (iii) enjoined by a court of competent jurisdiction for any period of sixty (60) days, whether or not consecutive; or

(c) An adjudication that there has been willful or intentional misconduct on the part of all of the General Partners, or reckless disregard by such General Partners of any of their obligations to the Partnership or the Investor Partnership; or

(d) The commencement and continuation of foreclosure proceedings to within thirty (30) days of the date on which the mortgage lender may sell the Project; or

(e) The occurrence of an Event of Bankruptcy, as defined in Article I, with respect to all of the General Partners.

D. Any Limited Partner shall, by his execution of this Agreement or as a result of being admitted to the Partnership as a Substitute Limited Partner pursuant to Article VIII and as a condition of receiving any interest in the Partnership property, agree to be bound by the terms and provisions of the Mortgage, Regulatory Agreement, this Agreement and any other documents required in connection therewith to the same extent and on the same terms as the Investor Partnership admitted pursuant to Section 4.5.A. Any Limited Partner shall also agree to accept such other terms and conditions set forth in writing to them at the time of admission as the General Partners may reasonably determine.

E. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the Clerk of the Circuit Court for Harford County, Maryland. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement, provided, however, that no such copy shall be binding until it has been signed by a General Partner.

Section 4.6 Withdrawing Partner

Larrin Building Corp. hereby withdraws from the Partnership.

ARTICLE V

Capital Contribution of Investor Partnership

Section 5.1 Payments

A. The Investor Partnership admitted under Section 4.5.A hereof shall make its Capital Contribution in a total amount of

\$1,999,000 reduced by 31.865% of the excess, if any, of \$4,472,000 over the principal sum of the Mortgage at Final Endorsement. Payment of the capital contribution by the Investor Partnership will be made in five installments as follows:

(1) \$200,000 (the "First Installment") shall be payable at Initial Endorsement.

(2) \$289,000 (the "Second Installment") shall be payable on the later of (i) February 15, 1982 or (ii) the date on which the construction of the Improvements is 50% complete as certified by the supervising architect for the Project and concurred in by the Mortgage Lender and the FHA by advancing funds under the Mortgage against a requisition stating that such percentage of completion has been obtained.

(3) \$215,000 (the "Third Installment") shall be payable on the later of (i) February 15, 1983, or (ii) nine months after the Substantial Completion Date.

(4) \$250,000, reduced by 16.114% of the excess, if any, of \$4,472,000 over the face amount of the Mortgage at Final Endorsement, (the "Fourth Installment") shall be payable on the latest to occur of (i) February 15, 1984, (ii) 21 months after the Substantial Completion Date, or (iii) Final Endorsement.

(5) \$245,000, reduced by 15.751% of the excess, if any, of \$4,472,000 over the face amount of the Mortgage at Final Endorsement, (the "Fifth Installment") shall be payable on the latest to occur of (i) February 15, 1985, (ii) 33 months after the Substantial Completion Date, or (iii) Final Endorsement.

B. The obligation of the Investor Partnership to make each of the Installments of Capital Contribution hereunder is subject to the condition that the General Partners shall have delivered to the Investor Partnership and the Investor Limited Partners a written certificate (the "GP Certificate") (i) listing all preconditions, representations and warranties applicable to such Installment (including, without limitation, those set forth in Section 6.5 hereof), (ii) stating that all such preconditions, representations, warranties and agreements have been satisfied, and (iii) stating that, as to the General Partners or any other Affiliated Person, no default has occurred and is continuing under the Agreement, or any of the Project Documents. At Initial Endorsement the GP Certificate shall be delivered to Winthrop as general partner of the Investor Partnership as a precondition to payment by the Investor Partnership

of the First Installment of its Capital Contribution. As a condition precedent to Investor Closing, the GP Certificate shall be delivered to Winthrop on behalf of the Investor Partnership and to Winthrop Securities Co., Inc. acting on its own behalf and as agent for all other broker-dealers participating in the offering and sale of interests in the Investor Partnership, as a pre-condition to payment by the Investor Limited Partners of the first installment of their capital contributions to the Investor Partnership. As to the Second, Third, Fourth and Fifth Installments, the General Partners shall deliver the GP Certificate to the Investor Partnership not less than 5 days prior to the due date of each such Installment and shall send notice of such Installment to the Investor Partnership not less than 30 days prior to the anticipated due date thereof.

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

D. The obligation of the Investor Partnership to pay the First and Second Installments is subject, in addition to the conditions specified above as applying to all Installments, to the delivery on the date of Investor Closing of the legal opinion of Messrs. Piper & Marbury, Special Tax Counsel, and to the delivery on the dates of each of the First Installment and Investor Closing of the legal opinion of Messrs. Reese and Carney, special counsel to the Partnership, or other counsel to the Partnership acceptable to the Investor Representative, substantially in the forms set forth as exhibits to the Confidential Memorandum prepared in connection with the offering for sale of Units in the Investor Partnership.

Section 5.2 Defaults by Investor Partnership

If an Investor Limited Partner defaults in the payment of an installment of his capital contribution to the Investor Partnership, then the Partnership may not attempt to collect the corresponding Installment of the Capital Contribution of the Investor Partnership from Winthrop, as general partner of the Investor Partnership, until Winthrop has had 90 days from the due date of the Installment hereunder to collect the defaulted amount from the Investor Limited Partner or to find a replacement for the defaulting Investor Limited Partner.

Section 5.3 Repurchase Obligation of the General Partners

If (i) prior to Final Endorsement, the Mortgage Lender shall have commenced proceedings to foreclose the Mortgage or shall have refused to make further advances under the Mortgage, or (ii) prior to Final Endorsement, any action is commenced to foreclose any other lien against the Property and within 60 days of the commencement of such action the lien has not been released without payment thereof out of Partnership assets or such lien has not been bonded over and a title policy issued without exception for liens or (iii) Final Endorsement shall not have taken place on or before December 31, 1982; provided, however, that such time period shall be automatically extended to any date up to a maximum of 12 months thereafter if the Commitments have similarly been extended and remain in full force and effect, or (iv) prior to Final Endorsement, the Partnership shall have been in default under any of the Project Documents, and within 120 days after notice thereof is given, such default shall not have been (a) waived in writing by the Mortgage Lender or (b) cured to the satisfaction of the Mortgage Lender or (v) construction of the Improvements shall have been abandoned or permanently enjoined, or (vi) prior to the expiration of the Operating Guarantee Period both Lawrence R. Laikin and James L. Churco Retire from the Partnership or fail to meet the requirements of Section 6.8, or (vii) any of the Commitments expire and have not been renewed within 30 days of the date of expiration thereof, or (viii) within four months after Final Endorsement, the HAP Contract for 20% of the apartment units in the Project has not been entered into or GNMA has not purchased the Mortgage from the Mortgage Lender, then, within 30 days after the occurrence of such event, the General Partners shall send written notice of such event to the Investor Partnership and offer to purchase the entire interest of the Investor Partnership. The Investor Partnership shall send to the General Partners written notice of its intent to sell its interest to the General Partners within 60 days after its receipt of the notice from the General Partners. The purchase shall be made by the General Partners within 30 days after the receipt of the Investor Partnership's notice. The purchase price shall be an amount in cash (up to \$1,325,000) equal to the paid-in capital contribution of the Investor Limited Partners to the Investor

Partnership plus the outstanding balance of any loan made by Winthrop or an affiliate thereof to the Investor Partnership or any other loan made to the Investor Partnership and used to fund the Investor Partnership's capital contribution to the Partnership or fees paid by the Investor Partnership to Winthrop or an affiliate or adviser thereof, less the total amount of cash distributions, if any, theretofore made to the Investor Partnership pursuant to Section 10.2.A Third of this Agreement. Upon such purchase, the interest as a Limited Partner of the Investor Partnership shall terminate, and the Investor Partnership shall have no further obligation to pay any subsequent Installment(s) of its Capital Contribution.

The General Partners shall indemnify the selling Investor Partnership against any loss arising from any claims (other than for income taxes) of creditors of the Partnership made against the Investor Partnership by reason of any payments made to it under this Section 5.3.

Section 5.4 Special Obligation of General Partners to Return Capital Contribution

In the event that Investor Closing does not occur because the General Partners are unable or fail (i) to make representations A(1) through A(4), C(2) through C(7), and D(1) of Part II of that certain Letter Agreement between them and Winthrop and Winthrop Securities Co., Inc. dated January 20, 1981, during the period commencing on the date of Initial Endorsement and ending 180 days thereafter, or (ii) to give the GP Certificate required under Section 5.1 on or before the last day of the aforesaid 180-day period, the General Partners shall be obligated to return to the Investor Partnership the full amount of any capital contributions theretofore made by the Investor Partnership, within 30 days of their receipt of the Investor Partnership's written demand for such return, in addition to whatever liability the General Partners may have pursuant to the Letter Agreement.

The General Partners shall indemnify the Investor Partnership against any loss arising from any claims (other than for income taxes) of creditors of the Partnership made against the Investor Partnership by reason of any payments made to it under this Section 5.4.

ARTICLE VI

Rights, Powers and Duties of the General Partners

Section 6.1 Restriction on Authority

Notwithstanding any other provisions of this Agreement, the General Partners shall have no authority to perform any act in

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

(1) following completion of construction of the Improvements, to construct any new capital improvements, or to replace any existing capital improvements (other than improvements specifically described in the title policy issued for the Project at Initial Endorsement), which construction or replacement would substantially alter the character or use of the Property, or

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

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

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

Except as otherwise provided herein, the General Partners do not have the authority, without the written consent of each Limited Partner, to do any act required to be approved or ratified by the limited partners under the Uniform Act.

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

Section 6.2 Personal Services

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

Section 6.3 Business Management and Control

A. The Managing General Partner shall have the exclusive right to manage the business of the Partnership. If there shall be more than one Managing General Partner, the Managing General Partners shall have equal rights in the management of the Partnership business and shall act by the vote of assent of a majority in number of the Managing General Partners. In the event the Managing General Partners are unable to reach majority agreement upon the management of the Partnership business, then the decision of Lawrence R. Laikin, shall control. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law. The Limited Partners hereby consent to the exercise by the Managing General Partner of the powers conferred on him by this Agreement.

B. Notwithstanding anything to the contrary otherwise contained in this Agreement, each Managing General Partner shall have the full power to execute, for and on behalf of the Partnership, any and all documents and instruments which may be necessary or desirable to carry on the business of the Partnership, including, without limitation, any and all deeds, contracts, leases, mortgages, deeds of trust, promissory notes, pertaining to the Partnership's assets or obligations. No person dealing with a Managing General Partner need inquire concerning the validity or propriety of any document or instrument executed in the name of the Partnership by any Managing General Partner, or as to the authority of such Managing General Partner executing the same.

Section 6.4 Duties and Obligations

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

B. The General Partners shall use their best efforts to cause the Partnership at all times after Final Endorsement to comply with and to perform its obligations under the Mortgage, the Regulatory Agreement and any other applicable requirements of the FHA or HUD.

C. The General Partners, on behalf of the Partnership, shall obtain and keep in force during the term of the Partnership fire and extended coverage, workmen's compensation and public liability insurance in favor of the Partnership, in such companies and in

such amounts as shall be satisfactory to the Mortgage Lender and FHA and be reasonable and prudent in connection with the ownership of the Property.

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

Section 6.5 Representation and Warranties

Each of the General Partners hereby represents and warrants to the Investor Partnership, the Investor Limited Partners, each other limited partner in the Investor Partnership, Winthrop, Realty, Winthrop Securities Co., Inc. and each broker-dealer participating in the offering and sale of units of Investor Limited Partner interest in the Investor Partnership that, as of the date hereof (due and careful inquiry having been made), the following are true:

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

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

(iii) All payments and expenses required to be made or incurred in order to complete construction of the Improvements in conformity with the Commitments and in order to satisfy all requirements under the Commitments or which form the basis for determining the principal sum of the Mortgage, including, without implied limitation, interest during construction and any escrow payments, have been paid or provided for by, or for the account of, the Partnership utilizing only (a) the funds available from the Mortgage, (b) the Capital Contributions of the Investor Partnership, the net rental income, if any, earned by the Property prior to Final Endorsement, and (d) funds furnished by the General Partners pursuant to Section 6.8.

(iv) No event, occurrence or proceeding is pending which would (a) materially adversely affect the Partnership or its properties, or (b) materially adversely

affect the ability of the General Partners or any Affiliated Person to perform their respective obligations hereunder or under any other agreement with respect to the Property or (c) prevent the completion of construction of the Improvements in conformity with the Commitments and the Construction Contract. This subparagraph shall be deemed to include, but not be limited to the following: (x) legal actions and proceedings before any court, commission or administrative body having jurisdiction over the zoning or environmental laws or regulations applicable to the Property, (y) labor disputes and (z) acts of any governmental authority.

(v) No material default (or event which, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any of the Commitments, the Project Documents, or any other agreement affecting the Property, and the same are in full force and effect.

(vi) Neither the Partnership nor any Partner has any personal liability for payment of principal or interest under the Mortgage.

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

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

(ix) The General Partners have taken no action which terminates, for Federal income tax purposes, the partnership, its classification as a partnership rather than an association taxable as a corporation, or its ownership of the Project.

(x) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken pertaining to the Partnership or the Property by each Affiliated Person

which is a corporation have been or will be duly authorized by all necessary corporate or other action and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the charter or by-laws of said Affiliated Person or any agreement by which such Affiliated Person or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree.

The truth and correctness of each of the foregoing representations and warranties is a condition precedent to the payment of each Installment.

The foregoing representations and warranties are being made by the General Partners to, among others, the Investor Partnership in consideration for and prior to the acquisition of interests in the Partnership by the Investor Partnership. In the event of the incorrectness or breach of any of the foregoing representations and warranties, the Investor Partnership may maintain an action against the General Partners without being required to dissolve the Partnership.

The General Partners shall indemnify promptly and hold harmless the Partnership and the Limited Partners from and against any and all damages and liabilities which the Partnership and the Limited Partners may incur by reason of the (a) past, present or future actions or omissions of the General Partners or any Affiliated Person, or (b) any liabilities to which either the Partnership or the Property is subject on the date of this Agreement; provided, however, that the foregoing indemnification shall not apply to the Mortgage, reasonable contractual obligations normally incurred pursuant to the Commitments in connection with the operation of the Property or to acts for which the General Partners may be entitled to indemnification under Section 6.6.

Each General Partner agrees that he will not at any time become personally liable nor permit any of his Affiliated Persons to become liable for the payment of interest or principal under the Mortgage and will use his best efforts to prevent any other Partner from becoming so liable.

Section 6.6 Indemnification

Each General Partner shall be indemnified by the Partnership for any act performed by it within the scope of the authority conferred upon it by this Agreement; provided, however, such indemnity shall be payable only if the General Partner acted in good faith and in a manner it reasonably believed to be in, or not opposed to, the best interests of the Partnership and the Partners, and the General Partner had no reasonable grounds to believe that its conduct was negligent or unlawful. No indemnification may be

made in respect of any claim, issue or matter as to which the General Partner shall have been adjudged to be liable for negligence or misconduct in the performance of its duty to the Partnership unless, and only to the extent that, either (a) the Partnership's liability insurance policy provides coverage, or (b) the court in which the action or suit was brought determines that, despite the adjudication of liability, but in view of all circumstances of the case, such General Partner is fairly and reasonably entitled to indemnity for those expenses which the court deems proper. Any indemnity under this Section 6.6 shall be paid from, and only to the extent of, Partnership assets, and no Limited Partner shall have any personal liability on account thereof.

Section 6.7 Liability of General Partners to Limited Partners

No General Partner shall be liable, responsible or accountable for damages or otherwise to any Limited Partner for any act performed within the scope of the authority conferred by this Agreement, except for acts of fraud or gross negligence or for damages arising from breach of fiduciary duty, misrepresentation of a material fact or breach of covenant or warranty and except as provided in Sections 5.3, 6.4, 6.5, 6.8 and 6.9.

Section 6.8 Obligation to Complete Construction

A. The General Partners shall use their best efforts to cause the Improvements to be constructed in the manner set forth in the Construction Contract. In the event the proceeds of the Mortgage and net rental income prior to Final Endorsement are insufficient to acquire the Land, complete construction of the Project in accordance with the Construction Contract and the Commitments, arrive at Final Endorsement in conformity with the Project Documents, and to meet all development and other fees and expenses (including payment of the principal and interest on the promissory note issued for the fee described in Section 6.10.A, escrow payments, and all payments owing to the general contractor under the Construction Contract) required to (i) complete construction of the Property and achieve Final Endorsement and (ii) pay all Project Expenses accrued through Final Endorsement or required to be paid at or prior to Final Endorsement, the General Partners shall advance to the Partnership all such funds which shall be necessary to accomplish the foregoing at such time as those costs, expenses or fees become due and payable. Any such advances (other than those described in Section 6.9.B) shall be represented by Construction Completion Notes which shall not bear interest and shall be repayable only out of Mortgage proceeds or net rental income received by the Partnership at or before Final Endorsement, or refunds of deposits or escrows advanced by the General Partners (in each case to the extent such use is permitted by FHA) and, to the extent not so repaid, the Construction Completion Notes shall be repayable only as provided in Article X hereof. Construction Completion Notes may not be repaid from Capital Contributions or from Cash Flow.

Section 6.9 Obligation to Provide for Project Expenses

A. The General Partners agree that, in the event the Partnership requires any funds for Project Expenses during the Operating Guarantee Period, they will lend to the Partnership all such funds which may be required to pay, when due, all such Project Expenses; provided, however, that the General Partners shall not be obligated to advance any additional funds for such purpose if, and as long as, the aggregate outstanding amount of such loans equals or exceeds \$150,000. Such obligatory loans shall be Subordinated Loans which shall not bear interest and shall be repayable only in accordance with the provisions of Article X of this Agreement.

B. Any funds (i) advanced against the Initial Operating Deficit Letter of Credit which may be required by FHA, or (ii) prepaid or placed in escrow at Final Endorsement for real property taxes, casualty insurance premiums or mortgage insurance premiums, shall be deemed to be Subordinated Loans and shall be credited against the amount of obligatory loans required to be made by the General Partners pursuant to this Section 6.9.

Section 6.10 Certain Payments to the General Partners and Others

A. For their services in supervising to completion the construction of the Property, the Partnership shall be required to pay to the General Partners from the Capital Contributions of the Investor Partnership a total fee of \$716,299. The fee determined under the preceding sentence shall be reduced by 24.969% of the excess, if any, of \$4,472,000 over the face amount of the Mortgage at Final Endorsement. This fee shall be payable \$89,000 from the First Installment of Capital Contribution of the Investor Partnership and \$173,820 from the Second Installment. At the time of each such Installment the Partnership shall issue a check to the General Partners in the amount then payable and such check shall specifically identify the fee being paid. On the later of the May 15, 1982 or the Substantial Completion Date the Partnership shall issue a promissory note in the form of Exhibit A hereto for the unpaid balance, if any, of this fee which amount shall not be more than \$453,479 reduced by 24.969% of the excess, if any, of \$4,472,000 over the face amount of the Mortgage at Final Endorsement. This note shall bear simple interest at a rate of eighteen percent (18%) per annum and shall be paid on the due dates of the Third, Fourth and Fifth Installments of the Capital Contribution of the Investor Partnership. Principal and interest on this note shall be paid only with (i) funds supplied by the Third, Fourth and Fifth Installments of Capital Contributions and only to the extents that such funds are not intended to pay other fees pursuant to the remaining paragraphs of this Section 6.10, or (ii) funds supplied by the General Partners pursuant to Section 6.8 in return for a Construction Completion Note. If the principal of the note is reduced by reason of \$4,472,000 being in excess of the face amount of the Mortgage at Final Endorsement, the reduction shall be

effective on the due date of the Third Installment so that interest prior to such date is calculated on the original principal amount and interest after such date is calculated on the reduced principal amount. The note shall state all of these limitations. The terms described herein shall govern in any event even if the note is not physically executed.

B. The Partnership shall pay the Management Agent a rent-up fee of \$55,000 from the Capital Contribution of the Investor Partnership for its services in connection with the initial rent-up of the Project. Such fee shall be payable as follows: (i) \$20,000 from the First Installment of the Capital Contribution of the Investor Partnership, \$20,000 from the Second Installment and \$15,000 from the Third Installment.

C. The Partnership shall pay the General Partners a commitment fee of \$50,000 from the Capital Contributions of the Investor Partnership for their commitment to make Subordinated Loans pursuant to Section 6.9. This fee shall be payable \$12,500 from each of the Second through Fifth Installments.

D. The Partnership shall pay the General Partners a repurchase fee of \$110,000 from the Capital Contributions of the Investor Partnership for their commitment to repurchase the interest of the Investor Partnership in the event a repurchase event occurs as described in Section 5.3 and for their commitment to advance their own funds, if necessary to complete construction, pursuant to Section 6.8. This fee shall be payable \$55,000 from each of the First and Second Installments.

E. The Partnership shall pay the General Partners a fee of \$80,000 from the Capital Contributions of the Investor Partnership for their services in connection with the initial administration of Partnership affairs for the five year period beginning with the date hereof. This fee shall be payable \$16,000 from each of the First through Fifth Installments.

F. The Partnership may pay the Management Agent the Project Management Bonus as an incentive for the efficient operation of the Project.

G. For its services and expenses in causing the Project to rent up quicker and with less expense than anticipated, the Partnership may pay the Rapid Rent Up Bonus to the Management Agent.

H. For their continuing services after January 1, 1986, the Partnership may pay the GP Annual Administration Fee to the General Partners beginning on such date. Such services include reporting to the Investor Partnership pursuant to Section 12.4, maintaining the records required by Sections 12.1 and 12.7, acting as attorney in fact pursuant to Section 13.2 and amending the certificate pursuant to Section 13.3.

I. For their services and expenses in organizing the Partnership, the General Partners shall be paid an organizational

fee of \$20,000 from the Capital Contribution of the Investor Partnership, payable from the First Installment.

J. No portion of the fees described in paragraphs G and H for any year may be paid unless and until distributions for such year under Section 10.2.A First and Second have been made to the full extent contemplated by such Section. No portion of the bonus described in paragraph F for any year may be paid unless and until all distributions and payments under Section 10.2.A First, Second and Third have been made to the full extent contemplated by such Sections.

K. For providing the FHA required GNMA discount letter of credit, the Partnership shall pay Winthrop or an affiliate thereof a fee of \$11,680 from the Second Installment of Capital Contribution of the Investor Partnership.

L. Except as otherwise provided in this Section 6.10 or in Section 6.2, neither a General Partner nor any other Affiliated Person shall be entitled to any other fee or allowance (for example, the Builder's and Sponsor's Profit and Risk Allowance) except that a General Partner or an Affiliated Person shall be entitled to any other fees or allowances, including but not limited to architectural, legal, organizational, general construction requirements, construction overhead, and management costs, which are permitted by FHA as flat allowances or certifiable costs (including increases in the payments under the Construction Contract) of the Project payable out of Mortgage proceeds or net rental income prior to Final Endorsement and to any refund of deposits or escrows advanced by him on behalf of the Partnership not otherwise utilized to repay Construction Completion Notes.

Section 6.11 Survival of Obligations

Except as otherwise provided herein, the obligations set forth in Sections 5.3, 6.5, 6.8 and 6.9 shall survive any Retirement of any General Partner from the Partnership for any reason and shall continue to be the obligations of the Retired General Partner as well as the remaining General Partners.

Section 6.12 Nature of Obligations

The obligations of the General Partners set forth herein, including without limitation those set forth in Sections 5.3, 6.5, 6.8 and 6.9, shall be both joint and several.

ARTICLE VII

Retirement of a General Partner

Section 7.1 Retirement

A. Except as provided in Section 7.1.A. or C., no General Partner shall have the right to Voluntarily Withdraw from the

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Partnership or sell, assign, transfer, encumber or otherwise dispose of all or any portion of his interest in the Partnership without the approval of the FHA, if required, and the Consent of the Investor Partnership. Whether or not Realty has become a General Partner, it shall have the right at any time to Retire from the Partnership without obtaining the consent of any Person. Any assignee of the Percentage Interest of Realty or a General Partner may become a General Partner only in accordance with Section 4.1.

B. In the event of the Voluntary Withdrawal of a General Partner for any reason whatsoever except as permitted by Section 7.1.A or C, the Voluntarily Withdrawing General Partner shall (i) sell his Percentage Interest as a General Partner to Lawrence R. Laikin or James L. Churco if such individual then remains as a General Partner, otherwise to Realty, or its designee, for the sum of \$100, (ii) forfeit to Lawrence R. Laikin or James L. Churco if such individual then remains as a General Partner, otherwise to the Partnership, his rights to be repaid for any sums advanced to the Partnership under Sections 6.8 and 6.9 hereof and (iii) forfeit his rights to receive payments under Section 6.10 to the extent then unpaid. In addition, such Voluntarily Withdrawing General Partner shall remain liable for the performance of all of his obligations under this Agreement as provided in Sections 6.11 and 6.12 hereof.

C. After the expiration of the Operating Guarantee Period, a General Partner may Voluntarily Withdraw from the Partnership provided that (i) either Lawrence R. Laikin or James R. Churco remains as a General Partner, or (ii) prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner is admitted to the Partnership with the Consent of the Investor Partnership (which consent shall not be unreasonably withheld) and, if required, the approval of HUD and FHA and the net worth of such substitute General Partner would be sufficient, if the substitute were a sole corporate General Partner, to permit the Partnership to obtain an advance ruling from the Internal Revenue Service that the Partnership would be classified as a partnership for tax purposes rather than an association taxable as a corporation.

D. If a General Partner Retires due to Involuntary Withdrawal, then the Percentage Interest, as a General Partner, held by such General Partner (or his successor) immediately after the Involuntary Withdrawal shall be converted to a Class B Limited Partner interest subject to the adjustment specified in Section 10.4.B. The successor (other than a trustee in bankruptcy) to the interest of a General Partner who Involuntarily Withdraws may propose a substitute General Partner to be admitted in accordance with Section 4.1 within 90 days of the Involuntary Withdrawal.

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

F. The forfeitures and sales provided in this Section 7.1 shall not be construed as a limitation upon the remedies of the

Investor Partnership in the event of a violation by a General Partner of the provisions of this Section 7.1.

Section 7.2 Right to Continue

A. Upon the Retirement of a General Partner, any remaining General Partner or General Partners, if any, or, if none, the Retired General Partner or his heirs, successors or assigns, shall immediately send notice of such Retirement (the "Retirement Notice") to each Limited Partner. In such event the Partnership (i) shall be dissolved (unless it is continued by all of the partners as provided in paragraph B) if there is no remaining General Partner and Realty is unable or unwilling to become a General Partner, or (ii) shall be continued by any remaining General Partner who so elects. The failure of a remaining General Partner to elect to continue the Partnership, after notice from the Investor Partnership, shall constitute a Voluntary Withdrawal of such General Partner.

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

Section 7.3 Interest of a Retired General Partner

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

Section 7.4 Retirement; Grant of Security Interest; Suspension of Capital Contributions

A. Subject to the provisions of this Article VII, a General Partner shall be automatically Retired from the Partnership upon

the occurrence of any of the events specified in Article I under the definition of "Retirement".

B. Each General Partner hereby grants to the Partnership and to each of the Limited Partners as their interests may exist a security interest in his Percentage Interest as General Partner and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

C. Upon the Retirement of a General Partner any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement by the General Partner, except as provided in Section 7.1.D, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

D. From and after the date of the occurrence of (i) an Event of Bankruptcy as to the Managing General Partner or (ii) any Retirement of all General Partners for any reason whatsoever, the obligations of the Investor Partnership under Section 5.1 to make Capital Contributions to the Partnership shall be suspended, and such obligations shall be reinstated only when such Event of Bankruptcy or Retirement shall have been cured; provided that before any amounts are thereafter paid to any General Partner, such Capital Contributions of the Investor Partnership shall be applied to the satisfaction of all obligations of the Partnership and of the General Partners, including, without limitation, completion of construction of the Improvements.

E. Each General Partner hereby irrevocably nominates and appoints Realty and each of its corporate officers, with full power of substitution, as the true and lawful attorney-in-fact of such General Partner, in his name, place and stead, to make, execute and deliver any and all amendments to the Certificate, business certificates and instruments of like tenor which may be necessary or appropriate to (i) give effect to the provisions of this Article VII or to (ii) effect the filing of an amendment to the Certificate reflecting any Retirement of a General Partner regardless of the circumstances thereof.

F. Inasmuch as the interest of the General Partners and the Limited Partners under this Agreement depends on the continuing existence of viable General Partners willing and able to perform the functions of General Partners under this Agreement, the rights of, and payments to, the General Partners have been agreed on in consideration, among other things, of their agreement and ability to perform such functions, and the inclusion of this Article VII in this Agreement has been a material inducement to the Investor Limited Partnership to enter into this Agreement.

Transferability of Limited Partner Interests

Section 8.1 Limited Right to Assign

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

Section 8.2 Restrictions

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

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

C. The Managing General Partners may require as a condition of any sale, transfer, exchange or other disposition of any interest in the Partnership, that the transferor (i) assume all costs incurred by the Partnership in connection therewith and (ii) furnish him with a legal opinion satisfactory to counsel for the Partnership that such sale, transfer, exchange or other disposition complies with applicable Federal and state securities laws.

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

Section 8.3 Substitute Limited Partners

Except as may otherwise be provided in Section 5.3, no Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in his exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner.

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

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of such Substitute Limited Partner, and an amendment to the Certificate reflecting such admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the Managing General Partner to signify his agreement to be bound by all of the provisions of this Agreement.

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

Section 8.4 Assignees

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

ARTICLE IX

Loans

Section 9.1 In General

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

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his capital contribution or affect in any way his share of the profits, losses or distributions of the Partnership. Except as otherwise provided in Section 6.8 and Section 6.9, the amount of any loan made by a Partner to the Partnership is not to be considered a Subordinated Loan or Construction Completion Note. Except as otherwise provided,

any such loan shall be repayable, together with interest thereon at the rate then prevailing for comparable loans, to the same extent and in the same manner as a loan made by a lender who is not a Partner.

Section 9.2 Preexisting Advances and Liabilities

Section 9.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons all advances actually made to, or for the benefit of, the Partnership prior to the date of this Agreement for expenditures permitted by FHA as flat allowances or certifiable costs of the Project payable out of Mortgage proceeds or income prior to Final Endorsement.

ARTICLE X

Profits & Losses; Distributions

Section 10.1 Profits and Losses

A. For federal and state income tax purposes, except as provided in Section 10.1.B, all profits and losses shall be allocated to the Partners according to their Percentage Interests.

B. For federal and state income tax purposes, the net profits, if any, arising from (i) the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of a substantial portion of the assets of the Partnership or (ii) any other transaction the proceeds of which do not constitute Cash Flow shall be allocated as follows:

(i) First, an amount of gain equal to the excess, if any, of (a) the recognized gain from the disposition or transaction, over (b) the Sale or Refinancing Proceeds from the disposition or transaction, shall be allocated to the Partners according to their Percentage Interests;

(ii) Second, to each Partner who has received or will receive a distribution under Section 10.2.C Third, Fifth or Eighth out of the Sale or Refinancing Proceeds resulting from such disposition or transaction an amount equal to such distribution; and

(iii) Third, the balance of any such net profits, 54% to the Investor Partnership, 1% to Realty, and 45% to the General Partners.

If the amount of net profits available to be allocated pursuant to clause (i) or (ii) above is less than the excess referred

to in such clause, the allocation of net profits among the Partners pursuant to such clause shall be made on a pro rata basis, according to the amount which would have been allocated if the full amount were available to allocate.

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

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

E. For the purposes of prorating the amount of profits and losses allocated under the provisions of this Section 10.1 there shall be taken into account adjustments to the tax basis of the Property under Section 754 of the Code so as to insure that the benefits or detriments attributable to an adjustment of basis under Section 754 inure to the benefit or detriment of those Partners as to whom the election under Section 754 of the Code was made.

Section 10.2 Distributions Prior to Termination of the Partnership

A. Subject to any applicable FHA regulations, Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

First, to the Partners in accordance with Percentage Interests, an aggregate amount equal to the sum of (i) the product of \$3,033 multiplied by the number of full or partial years (including the year for which the calculation is made) ending after Final Endorsement, to the extent not previously distributed under this clause (i), plus (ii) 55% of the net profits, if any, for tax purposes computed under Section 10.1.D for such year.

Second, to the repayment of the outstanding balance, if any, of Subordinated Loans; and

Third, to the Partners in accordance with Percentage Interests, an aggregate amount equal to the product of \$32,861 multiplied by the number of full or partial years (including the year for which the calculation is made) ending after Final Endorsement, to the extent not previously distributed under this clause Third.

Fourth, the balance thereof to the Partners in accordance with Percentage Interests.

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

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

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

(a) Depreciation of building, improvements and personal property, amortization of any fee and other non-cash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions from Cash Flow.

(b) Mortgage amortization, repayment of the debts of the Partnership, including loans from Partners other than Subordinated Loans and Construction Completion Notes, and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow.

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

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

(e) Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition or all, or any substantial portion of, the

Property (other than the proceeds of any business or rental interruption insurance), or from the liquidation of the Property following a dissolution of the Partnership shall not be included in determining Cash Flow.

(f) The Rapid Rent Up Bonus and Project Management Bonus shall be considered as deductions in determining Cash Flow, except as provided in Article I.

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

C. Distributions of Other Than Cash Flow. Prior to termination and winding up of the Partnership, subject to any applicable FHA regulations, if there is cash available for distribution from sources other than Cash Flow (such as, for example, from Sale or Refinancing Proceeds), such cash shall be distributed within 60 days of the close of the calendar year in which the event generating the cash occurs as follows:

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

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

Third, if the funds being distributed result from a Qualifying Sale which was effected without obtaining the Consent of the Investor Partnership, the Investor Partnership shall receive a distribution of an amount equal to the sum of (i) the product of \$3,000 multiplied by the number of full or partial years ending, as of the date of distribution, after Final Endorsement, to the extent not previously distributed to the Investor Partnership under this clause (i) or under Section 10.2.A. First(i); plus (ii) the paid in capital contribution of the Investor Limited Partners to the Investor Partnership (up to \$1,325,000); plus (iii) the hypothetical tax that would be payable on the Investor Partnership's share of the Partnership's gain from the Qualifying Sale, assuming that the taxable income of the Investor Partnership were subject to tax with capital gains being taxed at an effective rate of 28% and ordinary income being taxed at an effective rate of 55%.

Fourth, to the payment of outstanding Subordinated Loans, if any.

Fifth, unless the funds being distributed result from a Qualifying Sale effected without obtaining the

Consent of the Investor Partnership, to the Investor Partnership, an amount equal to the product of \$3,000 multiplied by the number of full or partial years ending, as of the date of distribution, after Final Endorsement, to the extent not previously distributed under this clause Fifth or under Section 10.2.A.First(i).

Sixth, to the payment of the cumulative unpaid amount of the GP Annual Administration Fee.

Seventh, to the payment of outstanding Construction Completion Notes, if any, but only to the extent of the sum of (i) the portion of the GNMA discount not funded by Mortgage proceeds or net rental income prior to Final Endorsement, (ii) any excess (up to \$70,000) of the General Partners' cost of acquiring the Land over the amount funded for the Land from Mortgage proceeds or net rental income prior to Final Endorsement, and (iii) \$100,000.

Eighth, (i) unless the funds being distributed result from a Qualifying Sale effected without obtaining the Consent of the Investor Partnership, to the Investor Partnership, an amount equal to the excess, if any, of the Investor Limited Partners' paid in capital contributions to the Investor Partnership (up to \$1,325,000) over the aggregate amount of distributions theretofore made to the Investor Partnership under clause Fourth of Section 10.2.A; and (ii) to the payment of the balance of outstanding Construction Completion Notes, if any; sub-clauses (i) and (ii) to be pro-rata in proportion to the total amount called for under each such sub-clause.

Ninth, to each Partner with a positive balance in his Capital Account, after taking into account distributions pursuant to clauses First through Eighth, above, the amount of such positive balance.

Tenth, the balance thereof, 54% to the Investor Partnership, 1% to Realty, and 45% to the General Partners.

Notwithstanding the foregoing, in no event shall the General Partners, as a single class, receive as an aggregate distribution under this Section 10.2.C less than 1/99 of the aggregate of the amounts distributed to the Limited Partners under this Section 10.2.C. In the event that the aggregate amount distributable to the General Partners, as a single class, under Clauses Ninth and Tenth does not equal 1/99 of the aggregate amount distributable to the Limited Partners without regard to this provision, then the

amounts otherwise distributable to the Limited Partners under Clauses Third, Fifth, Eighth, Ninth and Tenth shall be reduced in order to assure the General Partners of their 1/99 share.

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

Section 10.3 Distributions and Payments Upon Termination and Winding Up

A. Upon termination and winding up of the Partnership, the remaining assets of the Partnership (or the proceeds of sales or other dispositions in liquidation of the Partnership assets, as may be determined by the remaining or surviving General Partner(s)) shall be applied and distributed to the Partners in the priorities set forth in Section 10.2.C, First through Tenth.

B. All distributions to the Partners under this Section 10.3 shall be shared by the Partners according to the provisions of Section 10.2.D hereof. If any assets of the Partnership are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled. The fair market value of such assets shall be equal to the average of three appraisals, one of which will be prepared by an appraiser chosen by the Investor Partnership, one prepared by an appraiser chosen by the Managing General Partner and one by a third appraiser chosen by the first two appraisers. In the event that the first two appraisers cannot agree upon a third appraiser, the latter shall be selected by the then president of the Harford County Board of Realtors, or similar or successor.

C. Upon termination and winding up of the Partnership and distribution or liquidation of substantially all of the assets of the Partnership, any negative balance in a Partner's Capital Account, after adding to such Capital Account all gains on the disposition of Partnership assets allocated to such Partner, shall be considered an asset of the Partnership and shall be paid by such Partner to the Partnership upon demand, to be applied and distributed in accordance with Section 10.3.A.

Section 10.4. Class B Limited Partners.

A. For purposes of allocating profits and losses under Section 10.1 and distributions under Sections 10.2 and 10.3, and for such purposes only, (i) the General Partners and the Class B Limited Partners shall be considered as a single class of Partners, (ii) the term "General Partners" shall include the Class B Limited

Partners, and (iii) the amount of profits and losses allocated to the General Partners and the distributions to the General Partners shall be prorated as required between the Class B Limited Partners, if any, and the General Partners to reflect the conversion of a General Partner interest to a Class B Limited Partner interest pursuant to Section 7.1.

B. In the event that Lawrence R. Laikin and James L. Churco have both Retired and no substitute General Partner (other than Realty or its designee) has been admitted to the Partnership prior to or contemporaneous with the later of such Retirements or, if the later of such Retirements is an Involuntary Withdrawal, within 90 days of the Involuntary Withdrawal, there shall be an increase in Realty's interest from 1% to 23 1/2%, and a corresponding and pro rata decrease in the interests of Lawrence R. Laikin and James L. Churco or their successors, in distributions pursuant to Section 10.2.C and 10.3 and allocations pursuant to Section 10.1.B, the GP Annual Administration Fee shall be payable to Realty or its designee rather than Lawrence R. Laikin or James L. Churco or their successors, and Realty shall then have the right to appoint the Management Agent.

ARTICLE XI

Management Agent

Section 11.1 Management Agent.

The General Partners shall have responsibility for obtaining a Management Agent. The General Partners shall cause the Partnership to enter into an agreement with the Management Agent, which may be an Affiliated Person. Except as provided herein or otherwise required by FHA, such agreement may not be delegated, assigned, or terminated without the consent of Realty which consent will not be unreasonably withheld. If at any time after Final Endorsement (i) the Property shall be subject to a substantial building code violation or violations which shall not have been cured within a reasonable time not exceeding six months after notice from the applicable governmental agency or department or from the Investor Partnership, or (ii) any action is commenced to foreclose under the Project Documents or any other lien against the Property unless bonds are given or funds are deposited in escrow as to stay the action, then the General Partners shall forthwith give to the Limited Partners notice of such event, and thereafter the Partnership shall, subject to FHA approval, within 30 days terminate its management agreement with the Management Agent, unless the consent of Realty, or the Consent of the Investor Partnership if Realty is not then a Partner, is obtained to the retention of the Management Agent as the manager of the Property. Unless such consent is so obtained, the General Partners shall immediately proceed to select a new Management Agent for the Property which selection shall be subject to the consent of Realty or the Consent of the Investor Partnership if Realty is not then a Partner, which consent shall

not be unreasonably withheld. The General Partners shall have the duty to manage the Property during any period when there is no Management Agent. In all cases, except if otherwise required by FHA, no Management Fee shall be payable to any person unless the management contract with any such person shall provide for termination of the same upon the occurrence of any of the events described in this Section 11.1.

ARTICLE XII

Books and Records, Accounting, Tax Elections, Etc.

Section 12.1 Books and Records

The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions with respect to the conduct of the Partnership's business, which shall be maintained in accordance with sound accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, or Winthrop at any and all reasonable times during normal business hours at the office of the Partnership. The Partnership may maintain such books and records and may provide such financial or other statements, including those required from time to time by FHA or any other appropriate administrative agency, as the General Partners may deem advisable.

Section 12.2 Bank Accounts

The bank accounts of the Partnership shall be maintained in such banking institutions permitted by FHA as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits (including security deposits and other funds required to be escrowed by FHA) and other funds not needed in the operation of the business shall be deposited, to the extent permitted by applicable FHA and Mortgage requirements, in insured interest-bearing accounts or invested in short-term United States Government or state or municipal obligations maturing within one year.

Section 12.3 Accountants

The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners with the Consent of the Investor Partnership, which consent shall not be unreasonably withheld. The Accountants shall prepare for execution by the General Partners, all tax returns of the Partnership and shall audit and certify all annual financial reports to the Partners in accordance with generally accepted accounting principles.

Section 12.4 Reports to the Investor Partnership

The General Partners, upon the request of Winthrop shall comply with the following provisions:

A. The General Partners shall within 45 days after the end of each quarterly period ending on the March 31, June 30, and September 30 next occurring after the admission of the Investor Partnership and upon request from the Investor Partnership within 30 days after the end of each calendar quarter in each fiscal year of the Partnership, cause to be prepared and sent to the Investor Limited Partners through Winthrop a comparison of the budget for the quarter and actual expenditures, and a summary of the cash receipts and disbursements, and the unpaid liabilities including loans payable, if any, of the Partnership for such quarter, potential gross annual income at 100% occupancy, actual income collected within the quarter, amount of income due over 30 days old, an unaudited income statement prepared on the accrual basis of accounting and cumulative for the current fiscal year, an estimate of the profit or loss for the entire fiscal year and such additional information as shall be reasonably requested by Winthrop.

B. Until Final Endorsement, the General Partners shall, within 45 days after the end of each quarterly period commencing with the quarter ending December 31, 1980, cause to be prepared and sent to the Investor Partnership a report which shall state, in addition to the information specified in paragraph A, (i) the percentage of completion furnished to the Mortgage Lender in the most recent submission for a Mortgage advance, (ii) the anticipated date of completion of construction of the Improvements, (iii) whether there are any anticipated cost overruns, and, if so, the amount thereof, (iv) a narrative summary of any material deviations from the original plans for construction or commencement of rent-up of the Property, (v) the number of units available for occupancy, and (vi) the actual number of units occupied.

C. After Final Endorsement such reports shall state, in addition to the information specified in paragraph A, (i) the current rental occupancy level for the quarter, (ii) the number of units vacated and number of evictions within the month and the previous quarter, (iii) if an operating deficit is being incurred or is anticipated by the Managing General Partner, and if so, the amount thereof and the manner in which such deficit shall be funded, and (iv) the Cash Flow statement of the Partnership for the preceding quarter indicating the cash available to be escrowed for a distribution to the Limited Partners.

D. After Final Endorsement, an annual operating pro forma budget shall be prepared by the General Partners and distributed to each Limited Partner through Winthrop within 45 days of the beginning of each fiscal year.

E. Within 75 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to the Investor Partnership (i) a balance sheet and the related statements of income and retained earnings and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statement has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountant in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountant takes exception and stating, to the extent practicable, the effect of each such exception on such financial statement; (ii) a certification by the General Partners that (a) all Mortgage payments and taxes and insurance premiums with respect to the Property are current as of the date of the year-end report, (b) no notice has been received of any defaults under the Mortgage, management agreement or this Agreement, or if there be any such default, a description thereof, and (c) no notice has been received of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Property of a material nature or, if there be any such notice, a description of the violation in question; (iii) that information specified in Paragraph B or C above as it relates to the final quarter of the fiscal year in question; and (iv) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of the Investor Partnership for further information with respect to any matter covered in items (i), (ii), (iii) or (iv) above, the General Partners shall furnish such information within 15 days of receipt of such request. All necessary tax information shall be furnished to the Investor Partnership within 75 days of the end of each calendar year.

F. Instantaneous notice shall be given to Winthrop of any delay or default in Mortgage payments or of any litigation of material significance or any other action or circumstance that could potentially have any adverse effect on the Investor Partnership, and of any deferments granted by the Mortgage Lender. As soon as the amount of the Mortgage as Finally Endorsed is determined, documentation shall be supplied to Winthrop for transmission to the Investor Partnership setting forth the exact amount of the Mortgage, the date initiating permanent financing, the interest rate, life of mortgage, and debt service parameters.

G. Prior to May 1 of each year, the General Partners shall cause to be prepared and sent to the Investor Partnership a current estimate of the Investor Partnership's share of the profits or losses of the Partnership for Federal income tax purposes for the current fiscal year.

Section 12.5 Depreciation and Elections

With respect to all depreciable assets the Partnership shall elect to use, so far as permitted by the provisions of the Code, accelerated depreciation methods. However, on the advice of the Accountants the Partnership shall elect or change to some other method of depreciation so long as such other method is, in the opinion of the Accountants, most advantageous to the Investor Partnership.

Subject to the provisions of Section 12.7, all other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in such manner as will, in the opinion of the Accountants, be most advantageous to the Investor Partnership.

Section 12.6 Other Expenses

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

Section 12.7 Special Basis Adjustments

In the event of (1) a transfer of all or any part of the interest of any Partner, including a transfer of an interest pursuant to Article VII, or (2) a transfer by any Investor Limited Partner of all or any part of his interest in the Investor Partnership, the Partnership shall elect, pursuant to Section 754 of the Code (or corresponding provisions of succeeding law), to adjust the basis for the Partnership property. Notwithstanding anything contained in Article X of this Agreement, any adjustments made pursuant to Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner and Investor Limited Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 12.8 Fiscal Year and Accounting Method

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

ARTICLE XIIIGeneral ProvisionsSection 13.1 Restrictions on Transfer

A. Notwithstanding any other provision of this Agreement, except as otherwise provided in this paragraph, no sale or exchange

of any Partner's interest in the Partnership may be made if the interest sought to be sold or exchanged, when added to the total of all other interests in the Partnership sold or exchanged within the period of twelve consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code (or any successor statute). However, such a sale or exchange may be made if (i) at the time of such transfer no part of the Improvements are occupied or ready for occupancy or (ii) prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his interest in the Partnership. This Section 13.1 shall in no event impair, or be a defense to, the obligation of the General Partners to purchase the interests of the Investor Partnership provided in Section 5.3 hereof and to the extent that such Sections are inconsistent, Section 5.3 shall control.

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

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

Section 13.2 Amendments to Certificate

Within 90 days after the end of any fiscal year in which the Investor Partnership shall have received any distributions under Article X hereof, the General Partners shall cause to be filed as required under the law of the State and elsewhere as the General Partners deem appropriate an amendment to the Certificate reducing by the amount of its allocable share of such distribution the amount of Capital Contribution of the Investor Partnership as stated in the last previous amendment to the Certificate. Nothing in this Section 13.2 shall authorize, however, any change in the Schedule to this Agreement nor shall the filing of any such amendment affect the computation of any Partner's share of distributions, profits, losses or any other item shared by the Partners under Article X. In no event shall any such amendment reduce the amount of any such Capital Contribution below \$1.00.

Section 13.3 Notices

Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given

only if in writing and sent registered or certified mail, postage prepaid, to the party or parties for whom such notices are intended.

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

All notices required to be given by the Partnership or the General Partner to the Investor Partnership shall be deemed to have been duly given if such notice is given to Winthrop in the name of the Investor Partnership herein provided at Suite 1110, 225 Franklin Street, Boston, Massachusetts 02110, or such other address as may be designated by it in writing, at least three business days prior to the last day on which the notice in question may be timely given.

Section 13.4 Word Meanings

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

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

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

Section 13.5 Binding Provisions

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

Section 13.6 Applicable Law

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

Section 13.7 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the Managing General Partner. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 13.8 Survival of Representations and Warranties

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

Section 13.9 Separability of Provisions

Each provision of this Agreement shall be considered separable and (a) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (b) if for any reason any provision or provisions herein would cause the Investor Partnership to be bound by the obligations of the Partnership (other than the rules and regulations of the FHA) under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 13.10 Paragraph Titles

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

Section 13.11 Meeting of Partners

Investor Limited Partners holding at least 25% in interest of the total Investor Limited Partner interest in the Investor Partnership may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland within 30 days of the receipt of the Investor Limited Partners' request. The General Partners shall give 21 days' written notice to all Partners of the meeting.

Section 13.12 Amendment Procedure

This Agreement may be modified or amended only with the written consent of all Partners of the Partnership.

Section 13.13 FHA Provisions

The following provisions shall prevail over any contrary provision in this Agreement:

A. By the execution of this Agreement each Partner (General and Limited) agrees to be bound by the Regulatory Agreement and other documents required in connection with the Mortgage loan insured under the National Housing Act, as amended, to the same extent and on the same terms as the other Partners of his class.

B. In addition to the business of the Partnership as set forth in this Agreement, the Partnership shall be specifically empowered and authorized to (i) apply for and obtain from the Department of Housing and Urban Development contracts of mortgage insurance pursuant to the National Housing Act, as amended, and (ii) enter into, with the Department of Housing and Urban Development, a Regulatory Agreement governing the operation and maintenance of the Project.

C. The Partnership, through the General Partners, shall have the right to apply for and obtain from the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, a contract or contracts of mortgage insurance pursuant to the provisions of Section 221(d)(4) or any other Section of the National Housing Act, as amended, covering bonds, notes, and other evidences of indebtedness issued by the Partnership and any indenture of mortgage or deed of trust securing the same. The Partnership is authorized to execute a note, or notes, and mortgage, or mortgages (the term "mortgage" being hereby defined to include "deed of trust") in order to secure a loan or loans to be insured by the Secretary of Housing and Urban Development and to execute one or more Regulatory Agreements and other documents required by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, in connection with such loan or loans. Any incoming Partner shall, as a condition of receiving an interest in the Partnership, agree to be bound by the Regulatory Agreement and other documents required in connection with the loan insured under the National Housing Act, as amended, to the same extent and on the same terms as the other Partners. Upon any dissolution of the Partnership, no title or right to possession and control of the rental housing Project or Projects, and no right to collect the rents therefrom shall pass to any person who is not bound by the Regulatory Agreement in a manner satisfactory to the Secretary of Housing and Urban Development while any mortgage on Partnership property is insured under the National Housing Act, as amended. The General Partners are authorized and empowered, on behalf of the Partnership, to negotiate, obtain and comply with such amendments of the contract of mortgage insurance, mortgage, note, Regulatory Agreement, plans and specifications, and related documents as may be acceptable to the Federal Housing Administration. The aforesaid Regulatory Agreement shall be binding upon the Partnership, its successors and assigns, so long as a mortgage on the property of the Partnership, which is insured or held by HUD, is outstanding. The Partnership shall comply in every respect with the Regulatory Agreement and all applicable Federal, state and local statutes and regulations including, without limitation, HUD regulations applicable to a partnership mortgagor. Any requirements imposed on a partnership mortgagor under the National Housing Act and the Regulatory Agreement, if inconsistent with any provision of this Agreement, shall be controlling and shall govern the rights and obligations of the parties hereto.

D. 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 FHA rules and regulations applicable thereto.

WITNESS the execution under seal as of the day of 1981.

WITNESS: MANAGING GENERAL PARTNER

David Kohen

Lawrence R. Laikin

WITNESS: GENERAL PARTNER

David Kohen

James L. Churco

WITNESS: CLASS A LIMITED PARTNER WFC REALTY CO., INC. [SEAL]

David Kohen

By [Signature]

WITNESS: LIMITED PARTNER HARBORSIDE HOUSING PARTNERS

David Kohen

By: Winthrop Financial Co., Inc. general partner [SEAL]
[Signature]

WITNESS: WITHDRAWING PARTNER LARRIN BUILDING CORP. [SEAL]

David Kohen

By: Lawrence R. Laikin

State OF Maryland,
City OF Balto., to wit:

On this 27 day of January, 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared LAWRENCE R. LAIKIN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Amended and Restated Limited Partnership Agreement and Certificate and acknowledged that he signed the same as his free and voluntary act and as the free and voluntary act of LARRIN BUILDING CORP., for the purposes therein set forth.

WITNESS my hand and notarial seal.

[Signature]
Notary Public
My commission expires: *7-1-82*

State OF Maryland,
City OF Baltimore, to wit:

On this 7 day of June, 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared James L. Churco, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Amended and Restated Limited Partnership Agreement and Certificate and acknowledged that he signed the same as his free and voluntary act for the purposes therein set forth.

WITNESS my hand and notarial seal.

[Signature]
Notary Public
My commission expires:

State OF Maryland,
County OF Baltimore, to wit:

On this 7 day of June, 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared *James L. Churco*, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Amended and Restated Limited Partnership Agreement and Certificate and acknowledged that: (i) he is the *owner and president* of Winthrop Financial Co., Inc. (ii) Winthrop Financial Co., Inc. is the general partner of Harborside Housing Partners, (iii) he signed as the free and voluntary act of Winthrop Financial Co., Inc. in its capacity as general partner of Harborside Housing Partners, and (iv) he has due authority to sign for Harborside Housing Partners.

WITNESS my hand and notarial seal.

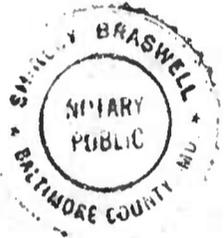


[Signature]
Notary Public
My commission expires: *7-1-82*

State OF Maryland ,
County OF Baltimore , to wit:

On this 20th day of January , 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared JOHN M. NELSON, IV, known to me (or satisfactorily proven) to be the person whose named is subscribed to the foregoing Amended and Restated Limited Partnership Agreement and Certificate and acknowledged that (i) he signed as the free and voluntary act of WFC REALTY CO., INC. (ii) he is the Treasurer of WFC REALTY CO., INC., and (iii) he has due authority to sign in such capacity.

WITNESS my hand and notarial seal.



Shirlis Braswell
Notary Public
My commission expires: 7-1-82

SCHEDULE A
TO
HARBORSIDE LIMITED PARTNERSHIP
AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

<u>Name and Address</u>	<u>Capital Contributions</u>	<u>Percentage Interest</u> 1
<u>GENERAL PARTNERS:</u>		
Lawrence R. Laikin 29-28 41st Avenue Long Island City, New York	\$ <u>75.00</u> ²	<u>.75%</u>
James L. Churco R.D. No. One T.T. - 14 Monroevia, Maryland 21770	\$ <u>25.00</u> ²	<u>.25%</u>
	<u>\$100.00</u>	<u>1.0%</u>
<u>LIMITED PARTNERS</u>		
<u>Class A Limited Partner</u>		
WFC Realty Co., Inc. Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$ 10.00 ³	0.1%
<u>Investor Partnership</u>		
Harborside Housing Partners Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$1,199,000 ⁴	98.9%
	<u>\$1,199,010</u>	<u>99.0%</u>

Notes:

- Partners' percentage interests are subject to modification and adjustment as set forth in the Agreement.
- Contributed in cash on or about
- Contributed in case on the date of this Agreement
- The timing of and possible downward adjustments in the contributions of the Investor Partnership are set forth in the Agreement.

REC'D & RECORDED *HDC*
NO 3 FOLIO 11
JAN 10 1981
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

FIRST AMENDMENT TO
CERTIFICATE OF LIMITED PARTNERSHIP
OF
CHRISTINA LIMITED PARTNERSHIP

THE UNDERSIGNED, constituting all of the General and Limited Partners of Christina Limited Partnership, a Maryland limited partnership, do hereby amend the Certificate of Limited Partnership recorded on August 29, 1974 in Liber H.D.C. No. 957, Folio 505 of the Land Records of Harford County, Maryland as follows:

448-3-81 A #29725 *****12.00

1. Paragraph III shall be amended by deleting same in its entirety and substituting in lieu thereof the following:

"III. The location of the principal place of business of the Partnership is c/o Developers General Corporation, 8725 Loch Raven Boulevard, Towson, Maryland 21204."

2. Paragraph IV shall be amended by deleting same in its entirety, including any reference therein to Exhibit A attached to the Certificate, and substituting in lieu thereof the following:

"IV. (a) The names and addresses of the General Partners(s) are:

Homesite Developers Corporation
8725 Loch Raven Boulevard
Towson, Maryland 21204

(b) The names and addresses of the Limited Partners are:

Homesite Developers Corporation
8725 Loch Raven Boulevard
Towson, Maryland 21204

Daniel J. Loden
104 Croydon Road
Baltimore, Maryland 21204

3. Paragraph VI shall be amended by deleting same in its entirety, including any reference therein to Exhibit A attached to the Certificate, and substituting in lieu thereof the following:

"VI. The Limited Partners shall contribute, in cash, to the capital of the Partnership, the sums designated after their names.

<u>Limited Partners</u>	<u>Initial Captial Contribution</u>
Homesite Developers Corporation	\$795
Daniel J. Loden	\$ 5

4. Paragraph IX shall be amended by deleting same in its entirety, including any reference therein to Exhibit A attached to the Certificate, and substituting in lieu thereof the following:

" IX. The share of the profits or other compensation by way of income (participation percentage) of the Limited Partner(s) shall be as follows:

<u>Limited Partners</u>	<u>Percentage Participation</u>
Homesite Developers Corporation	79.5%
Daniel J. Loden	.5%

The aforesaid percentage participation of the Limited Partners is subject to Sections 6, 7, 11, 12, and 17 of the Limited Partnership Agreement.

5. Except as otherwise provided herein, the terms and provisions of the aforesaid Certificate of Limited Partnership and all Exhibits thereto are hereby ratified and affirmed.

IN WITNESS WHEREOF, Commercial and Industrial Properties, Inc., Debtor-In-Possession, assigning General and Limited Partner, Homesite Developers Corporation, Substitute General and Limited Partner, and Daniel J. Loden, Limited Partner, acknowledge that this Amendment is the respective act of each of them, and further acknowledge under penalties of perjury, to the best of its (his) knowledge, information and belief, that the matters and facts

set forth herein are true in all material respects, and that the respective parties have executed this First Amendment of Certificate of Limited Partnership as of this 27TH day of FEBRUARY, 1981.

ATTEST:

[Signature]

COMMERCIAL AND INDUSTRIAL PRO-
PERTIES, INC., DEBTOR-IN-POSSESSION

By: [Signature]
Randall C. White, Jr., President

ASSIGNING GENERAL AND LIMITED PARTNER

HOMESITE DEVELOPERS CORPORATION

[Signature]

By: [Signature]
Randall C. White, Jr., President

SUBSTITUTE GENERAL AND LIMITED PARTNER

WITNESS:

[Signature]

[Signature]
Daniel J. Loden

LIMITED PARTNER

RECD & RECORDED 748C
NO 3 FOLIO 65
MAR 3 11 37 AM '81
HARFORD CO.
H. DOUGLAS CHILGOAT
CLERK

ABERDEEN HOUSING ASSOCIATES

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

APR -3-81 B #23067 ***185.00

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Mailed to: Sentinel Title Corp, 2505 One N. Charles St., Balto., Md. 21201

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ABERDEEN HOUSING ASSOCIATES

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

Preliminary Statement

AGREEMENT dated this day of , 1981 by and among A & R - WATERFORD JOINT VENTURE, a joint venture of A & R Development Corporation and The Waterford Group, Inc., both Maryland corporations, and THEO C. RODGERS, JAMES L. GINSBURG, NEIL F. LEMON and LAWRENCE A. MENEFEY, JR. as General Partners, THOMAS P. HARKINS, INC., a Maryland corporation, as Original Limited Partner, WFC REALTY CO., INC., a Massachusetts corporation, as a Class A Limited Partner, and ABERDEEN PARTNERS, a Maryland limited partnership, as Limited Partner.

Now, therefore, it is hereby agreed that the Limited Partnership Agreement and Certificate of Aberdeen Housing Associates shall be the following:

ARTICLE I

Defined Terms

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

"Accountants" means Reznick, Fedder & Silverman, of Bethesda, Md., or such other firm of certified public accountants as may be engaged by the Managing General Partner with the Consent of the Investor Partnership.

"Affiliated Person" means any (i) Partner, (ii) member of the Immediate Family of any Partner, (iii) legal representative, successor or assignee of any Person referred to in the preceding clauses (i) through (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (20% or more) or partner, of any Person referred to in the preceding Clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 20% or more of the beneficial interest or the voting power of the appropriate Entity.

"Agreement" means this Limited Partnership Agreement and Certificate as it may be amended from time to time.

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

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

"Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Partnership interest of such then Partner.

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

"Certificate" means the Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Circuit Court of Harford County, Maryland as said Certificate may be amended from time to time in accordance with the terms hereof and the Uniform Act.

"Class A Limited Partners" means Realty.

"Class B Limited Partner" shall have the meaning provided in Section 7.1.D.

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

"Consent of the Investor Partnership" means the prior written approval of Winthrop as general partner of the Investor Partnership.

"Commitments" means the commitment of FHA to insure the construction and the permanent Mortgage and the commitments given to the Partnership by the Mortgage Lender to advance funds under the construction and permanent Mortgage. The term "Commitments" shall also include the Construction Contract, the Building Loan Agreement, the Agreement to Enter into HAP Contract, the commitment of the Government National Mortgage Association to purchase

the Mortgage after Final Endorsement and any other instruments (i) delivered to, or required by, FHA in connection with the FHA commitment to insure the Mortgage, or (ii) delivered to, or required by, the Mortgage Lender in connection with the Mortgage.

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

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

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

"Event of Bankruptcy" means as to a General Partner

(a) his or its admission in writing of his or its inability to pay his or its debts generally as they become due;

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

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

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

(e) his or its being adjudicated a bankrupt;

(f) 120 days after the entry of a court order appointing a receiver or trustee for all or a substantial part of his or its property without his or its consent so long as such order shall not have been vacated, set aside or stayed; or

(g) 120 days after the inception of the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of his or its property, so long as such custody or sequestration shall not have been suspended or terminated.

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

"Final Endorsement" means the date upon which the credit instrument evidencing the permanent Mortgage is finally endorsed for insurance by the Federal Housing Commissioner after completion of the Project.

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

"HAP Contract" means the Housing Assistance Payments Contract with HUD to provide Housing Assistance Payments for eligible tenants of the Project under the Section 8 Program of the United States Housing Act of 1937, as amended by Section 201 of the Housing and Community Development Act of 1974.

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

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

"Improvements" means the proposed apartment development and related facilities to be constructed on the Land as described in the Commitments with respect to the FHA Project No. 052-35336-PM-L/8.

"Initial Endorsement" means the date on which the credit instrument evidencing the construction Mortgage is initially endorsed by the Federal Housing Commissioner for insurance of approved advances.

"Initial Management Fee" shall have the meaning provided in Section 6.10.G.

"Interim Loan Note" means the promissory note issued pursuant to Section 6.8 and repaid pursuant to Section 9.3.

"Investor Limited Partner" means each Person designated as an Investor Limited Partner in the schedule to the partnership agreement of the Investor Partnership.

"Investor Partnership" means Aberdeen Partners, a Maryland limited partnership.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control, including, without limitation, death, insanity, incompetence, and physical or mental incapacity.

"Land" means the parcel known as 601 Cornell Street, Aberdeen, Harford County, Maryland and referred to in the Commitments with respect to FHA Project No. 052-35336-PM-L/8.

"Limited Partner" or "Limited Partners" shall mean and include each Person designated as a Limited Partner in the Schedule or any Person who becomes a Limited Partner as provided herein, including the Investor Partnership, the Class A Limited Partner, a Class B Limited Partner, if any, the Original Limited Partner and any Substitute Limited Partner, in each such Person's capacity as a Limited Partner.

"MGP Annual Administration Fee" means the cumulative annual fee of \$5,000 payable to the Managing General Partner after the payment of all other expenses, costs and other items and amounts which are deducted in determining Cash Flow, prorated for any portion of a fiscal year, for the continuing services of the Managing General Partner. Such fee shall commence at Final Endorsement and shall be deemed an operating expense of the Partnership for all purposes hereunder. The MGP Annual Administration Fee which is deemed an operating expense of the Partnership for all purposes hereunder, shall be accrued as a liability of the Partnership, but shall not be paid until after the cumulative distributions provided for under Section 10.2.A First and Second.

"Management Agent" means the managing and rental agent for the Project.

"Management Fee" means the amount payable from time to time by the Partnership to the Management Agent on an annual basis for management services in accordance with a management contract approved by FHA, or when the Project is not subject to FHA regulation, in accordance with a reasonable and competitive fee arrangement.

"Managing General Partner" means A & R - Waterford Joint Venture, a joint venture of A & R Development Corporation and The Waterford Group, Inc.

"Mortgage" means the loan made to the Partnership by the Mortgage Lender and insured by FHA to provide funds for the acquisition, development and construction of the Project, and where the context admits, any mortgage or deed of trust on the Land and any related regulatory agreement, security agreement, modification agreement, or financing statement, and the promissory note or other credit instrument evidencing the debt thereunder and any other instrument in connection with the Mortgage which is binding on the

Partnership. In case the Mortgage is replaced by any subsequent mortgage or mortgages, the term Mortgage shall refer to any such subsequent mortgage or mortgages.

"Mortgage Lender" means ABG Associates, Inc., 100 Light Street, Baltimore, Maryland.

"Operating Guarantee Period" means the period beginning on Final Endorsement and ending on December 31 of the year in which the Sixth Installment of Capital Contribution is payable by the Investor Partnership.

"Partner" means any General Partner or Limited Partner.

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

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

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

"Project" means the Land and the multifamily residential housing project constructed or to be constructed thereon, including the dwelling units, common areas, any commercial areas and amenities, known as Aberdeen Housing for the Elderly.

"Project Documents" means and includes the Mortgage, the Commitments, the Regulatory Agreement, the HAP Contract, and all other documents related to the Project and signed by the Managing General Partner.

"Project Expenses" means all the costs and expenses of any type (other than the MGP Annual Administration Fee) incurred incident to the ownership and operation of the Project, including, without limitation, taxes, payments of principal (if amortization of the Mortgage has commenced) and interest on the Mortgage, the cost of operations, maintenance, repairs, to the Project subsequent to Final Endorsement, and the funding of any reserves, deposits, or escrow accounts required to be maintained by FHA.

"Rapid Rent-Up Bonus" shall mean \$60,000, payable solely from the Cash Flow of the Partnership (determined for this sole purpose prior to the deduction of this Bonus) from Final Endorsement to December 31, 1985 remaining after all distributions under Section 10.2.A First and Second for such years have been made in full. If \$60,000 is in excess of the Cash Flow remaining after

such distributions have been made, the Rapid Rent-Up Bonus shall be reduced to the amount of the remaining Cash Flow for such period and the excess shall not be payable at any time. The Rapid Rent-Up Bonus shall be further reduced by the amount of the MGP Annual Administration Fees paid or accrued prior to December 31, 1985.

"Realty" means WFC Realty Co., Inc. a Massachusetts corporation, its successors and assigns.

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

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

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

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

"Substantial Completion Date" means the date on which FHA certifies that the Project is substantially complete.

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

"Uniform Act" means the Maryland Uniform Limited Partnership Act as embodied in Title 10, Corporations and Associations Article of the Annotated Code of Maryland.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal) by which the General Partner (i) ceases to be a General Partner in the Partnership, (ii) causes a dissolution, termination or winding up of the Partnership, (iii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of his interest in the Partnership, excluding however, transfers or assignments solely for security purposes, (iv) dissolves or (v) commits or suffers an Event of Bankruptcy.

"Winthrop" means Winthrop Financial Co., Inc., a Massachusetts corporation, its successors and assigns.

ARTICLE II

Formation; Name; and Purpose

Section 2.1 Formation

The parties hereto hereby form the limited partnership known as Aberdeen Housing Associates pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office

The Partnership shall be conducted under the name and style of Aberdeen Housing Associates. The principal office of the Partnership shall be c/o A & R Development Corporation, 306 Metro Plaza, Baltimore, Maryland 21215. The Managing General Partner may at any time change the location of such principal office and shall give due notice of any such change to the Limited Partners.

Section 2.3 Purpose

The purpose of the Partnership is to acquire, construct, develop, improve, maintain, operate, lease, sell, dispose and otherwise deal with the Project in manner consistent with its status as a rental housing project under Section 8 of the United States Housing Act of 1937, as amended by Section 201 of the Housing and Community Development Act of 1974 and under Section 221(d)(4) of the National Housing Act. The Partnership and the General Partners shall use their best efforts to operate the Project in accordance with any applicable FHA, HUD or other governmental regulations. The Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts

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

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

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

(iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and to secure the same by mortgage, pledge or other lien on the Project or any other assets of the Partnership; provided, however, that the proceeds of such borrowings, except as otherwise permitted by Article X, shall not be used directly or indirectly to pay Subordinated Loans or Construction Completion Notes.

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

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

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

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

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

(ix) To bring and defend actions at law and in equity.

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

(xi) 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 preformed by a partnership under the laws of the State of Maryland.

Section 2.5 Term and Dissolution

The Partnership shall continue in full force and effect until December 31, 2031, except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

A. The sale or other disposition of all or substantially all of the assets of the Partnership in accordance with Section 3.2, provided however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets.

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

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

Upon dissolution of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.3. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, either (i) defer liquidation of,

and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (other than Construction Completion Notes) or (ii) distribute the assets to the Partners in kind; provided, however, that the proceeds of any sale or other disposition of Partnership assets shall be distributed in the fiscal year of the Partnership in which the sale or other disposition occurs, or in the year in which the Partnership collects a deferred installment payment, if later.

ARTICLE III

Mortgage and Regulatory Agreement

Refinancing and Disposition of Project

Section 3.1 Mortgage and Regulatory Agreement

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

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

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

Section 3.2 Refinancing and Disposition of the Project

The Managing General Partner, on behalf of the Partnership, and with FHA approval, may decrease or increase the Mortgage at or before Final Endorsement. The Managing General Partner on behalf of the Partnership may also refinance the Mortgage, including any required transfer or conveyance of Partnership assets for security or mortgage purposes, and sell, lease, exchange or otherwise transfer or convey all or substantially all of the assets of the Partnership; provided, however, that any such refinancing, sale, lease, exchange or other transfer, or conveyance prior to December 31, 2021 and the terms thereof must receive the Consent of

the Investor Partnership, before such transaction shall be binding on the Partnership. The Managing General Partner shall give Winthrop at least thirty (30) days written notice of any transaction described above which requires the Consent of the Investor Partnership.

ARTICLE IV

Partners; Capital

Section 4.1 General Partners

The General Partners of the Partnership are A & R - Waterford Joint Venture, Theo C. Rodgers, James L. Ginsburg, Neil F. Lemon and Lawrence A. Menefee, Jr. and their Capital Contributions are as set forth in the Schedule. The Managing General Partner is A & R - Waterford Joint Venture. Upon the Retirement of A & R - Waterford Joint Venture, the Managing General Partners shall be Theo C. Rodgers and James L. Ginsburg. A substitute or additional General Partner will be admitted to the Partnership if such admission receives the consent of each of the General Partners, other than Realty if it is a General Partner, the Consent of the Investor Partnership and, if required, the approval of FHA.

Section 4.2 Original Limited Partner

The Original Limited Partner is Thomas P. Harkins, Inc. and its Capital Contribution is set forth in the Schedule. The Managing General Partner shall have the right to purchase the entire partnership interest of the Original Limited Partner for a total price of \$100 at any time after Final Endorsement. Payment of this purchase price may be made by assuming the Original Limited Partner's obligation to pay its capital contribution to the Partnership if such capital contribution then remains unpaid. After the purchase, any reference to the Original Limited Partner in Article X hereof shall be deemed to be references to the Managing General Partner.

Section 4.3 Partnership Capital

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

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

Section 4.4 Withdrawal of Capital

Except as otherwise provided, no Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2031. No Partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 4.5 Liability of Limited Partners

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

Section 4.6 Limited Partners

A. The Managing General Partner shall have the right to admit the Investor Partnership as a Limited Partner which shall agree to contribute \$659,736 to the capital of the Partnership pursuant to the provisions of Article V.

B. The Class A Limited Partner is Realty. Realty may become a General Partner at any time, at its option subject only to the approval of FHA, if required. The provisions of Sections 5.3, 6.4, 6.5, 6.7, 6.8, 6.9, 6.11, 6.12, 7.1.B, 7.1.C and 12.4 shall not apply to Realty.

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

D. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the Circuit Court of Harford County, Maryland. Each Limited Partner may become signatory hereto by signing a conformed copy of this

Agreement in such manner as the Managing 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 this Agreement, provided, however, that no such copy shall be binding until it has been signed by the Managing General Partner.

ARTICLE V

Capital Contributions of Investor Partnership

Section 5.1 Payments

The Investor Partnership to be admitted under Section 4.6 hereof shall make its Capital Contribution in six installments as follows:

(1) \$100,000 (the "First Installment") shall be payable upon the later of (i) Initial Endorsement, or (ii) date of admission of the Investor Partnership to the Partnership.

(2) \$14,736 (the "Second Installment") shall be payable on the date of the admission of Investor Limited Partners in the Investor Partnership.

(3) \$180,000 (the "Third Installment") shall be payable on the later of (i) February 15, 1982 or (ii) the date on which the construction of the Improvements is 50% complete as certified by the supervising architect for the Project and concurred in by FHA and the Mortgage Lender by advancing funds under the Mortgage against a requisition stating that such percentage of completion has been obtained.

(4) \$101,636 (the "Fourth Installment") shall be payable on the later to occur of (i) February 15, 1983, or (ii) Final Endorsement.

(5) \$103,364 (the "Fifth Installment") shall be payable on the latest to occur of (i) February 15, 1984 or (ii) 12 months after Final Endorsement.

(6) \$160,000 (the "Sixth Installment") shall be payable on the latest to occur of (i) February 15, 1985 or (ii) 24 months after Final Endorsement.

The Investor Partnership will be obligated to execute a non-interest bearing promissory note to the Partnership evidencing

its obligation to make payment of the Second through Sixth Installments of its Capital Contribution and will assign as security for this promissory note the promissory notes of the Investor Limited Partners in an amount equal to \$545,000. The Managing General Partner, on behalf of the Partnership, may assign the promissory note of the Investor Partnership and the Investor Limited Partners to any person (including an Affiliated Person) in order to secure or obtain loans to the Partnership or to secure certain letters of credit or a line of credit which may be required by FHA.

The obligation of the Investor Partnership to make each of the Installments of Capital Contributions hereunder is subject to the condition that the Managing General Partner shall have delivered a written certificate (the "MGP Certificate") (i) stating that, all preconditions and agreements applicable to such Installment have been satisfied and all representations and/or warranties contained in Section 6.5 are true and correct, and (ii) stating that, to the best of the knowledge, information and belief of the Managing General Partner as to the Managing General Partner or any other Affiliated Person, no material default has occurred and is continuing under the Agreement, or any of the Project Documents. The MGP Certificate shall be delivered to Winthrop as general partner of the Investor Partnership and as representative of the Investor Limited Partners and to Winthrop Securities Co., Inc., acting on its own behalf and as agent for all other broker-dealers participating in the offering of Units in the Investor Partnership on the date hereof and on the date of admission of the Investor Limited Partners to the Investor Partnership as a condition and partial inducement for payment by the Investor Partnership of the First Installment of its Capital Contribution. As to the Second, Third, Fourth, Fifth and Sixth Installments, the Managing General Partner shall give Winthrop as general partner of the Investor Partnership and as representative of the Investor Limited Partners not less than 15 days advance written notice of the due date therefor and shall deliver the MGP Certificate to it not less than 10 days prior to the due date set forth in said notice. The General Partners agree that the Investor Limited Partners of the Investor Partnership may rely on the MGP Certificates issued to the Investor Partnership. If an installment is deferred because of the inability of the Managing General Partner to issue the MGP Certificate, then that Installment shall be due 15 days after notice and 10 days after the MGP Certificate is given with respect to such Installment, and each subsequent Installment shall be due no earlier than 90 days after the deferred payment date of the immediately preceding Installment.

Section 5.2 Defaults by Investor Partnership

The Investor Partnership agrees that it will pay to the Partnership its Installments of capital contributions within 3 days of the receipt of the Capital Contributions of the Investor Limited Partners of the Investor Partnership but not before

the due date of any Installment. Winthrop hereby guarantees payment to the Partnership of the Capital Contributions of the Investor Partnership as and when due under Section 5.1; provided, however, that Winthrop shall not be liable for the payment of all or any portion of an Installment of the Capital Contribution of the Investor Partnership until 30 days after the due date of such Installment under Section 5.1. Winthrop's obligation under this Section 5.2 shall begin to bear interest, payable on demand, at a rate one percentage point above the prime rate charged by the First National Bank of Boston to its prime commercial customers, on the 31st day after an Installment is due under Section 5.1, if such Installment is then still in default.

Section 5.3 Repurchase Obligation of the General Partners

If (i) prior to Final Endorsement, the Mortgage Lender shall have commenced proceedings to foreclose the Mortgage or shall have irrevocably refused to make further advances under the Mortgage, and, within 60 days after such commencement or such refusal (a) the breach asserted by the Mortgage Lender in such foreclosure action has not been cured and (b) the Mortgage Lender has not voluntarily terminated such foreclosure proceedings or (ii) Final Endorsement shall not have taken place on or before September 30, 1982; provided, however, that such time period shall be automatically extended to any date up to a maximum of 12 months thereafter if the Commitments have similarly been extended and remain in full force and effect, or (iii) prior to Final Endorsement, the Partnership shall have been in material default under any of the Project Documents, and within 120 days after notice thereof is given, such material default shall not have been (a) waived in writing by the Mortgage Lender or (b) cured to the satisfaction of the Mortgage Lender, or (iv) construction of the Improvements shall have been abandoned or permanently enjoined, or (v) prior to the expiration of the Operating Guarantee Period, Rodgers and Ginsburg Voluntarily Withdraw from the Partnership, or (vi) the Commitments of FHA, GNMA, HUD, or the Mortgage Lender expire and have not been renewed within 30 days of the date of expiration thereof, or (vii) the HAP Contract has not been entered into by Final Endorsement or any material default occurs on such HAP Contract prior to Final Endorsement, or (viii) the General Partners fail to meet the requirements of Section 6.9; then, within 30 days after the occurrence of such event, the Managing General Partner shall send written notice of such event to the Investor Partnership and offer to purchase the entire interest of the Investor Partnership. The Investor Partnership shall send to the Managing General Partner written notice of its intent to sell its interest to the Managing General Partner within 60 days after its receipt of the notice from the Managing General Partner. The purchase shall be made by the Managing General Partner within 30 days after the receipt of such Investor Partnership's notice. The purchase price shall be an amount in cash, without interest, equal to the paid-in capital contribution of the Investor Limited Partners to the Investor Partnership plus

the outstanding balance of the loan made by Winthrop to the Investor Partnership (which loan balance shall not exceed \$100,000 plus interest and shall be repaid out of the Capital Contributions of the Investor Limited Partners to the Investor Partnership) to the extent that such paid-in capital contribution and such loan has been paid to the Partnership as part of the Capital Contribution of the Partnership or to the Managing General Partner, Winthrop, or an affiliate or advisor of Winthrop as a fee less the total amount of cash distributions, if any, theretofore made to the Investor Partnership pursuant to this Agreement. Upon such payment, the interest as a Partner of the Investor Partnership shall terminate, and the Investor Partnership shall have no further obligation to pay any Subsequent Installment(s) of its Capital Contribution.

The Managing General Partner shall indemnify the Investor Partnership against any claims (other than for income taxes) of unrelated third parties made against the Investor Partnership by reason of the payments made to it pursuant to this Section 5.3.

ARTICLE VI

Rights, Powers and Duties of the General Partners

Section 6.1 Restriction on Authority

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

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

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

(3) to become personally liable on, or to guarantee the Mortgage, or

(4) to refinance (except as otherwise provided in Section 3.2), sell or otherwise dispose of the Project.

Except as otherwise specifically authorized by this Agreement, the General Partners do not have the authority, without the written consent of each Limited Partner, to do any act required to be approved or ratified by the limited partners under the Uniform Act.

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

Section 6.2 Business Management and Control

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

Section 6.3 Personal Services

A. In addition to the power enumerated in Section 6.2, the Managing General Partner, on behalf of the Partnership, may acquire property or services from an Affiliated Person. Any transaction by the Partnership with an Affiliated Person pursuant to this Section 6.2 shall be on terms reasonably competitive with those which may be obtained from a non-Affiliated Person.

B. Any Partner may engage independently or with others in other business ventures of every nature and description including, without limitation, the ownership, operation, management, syndication and development of real estate, and neither the Partnership nor any Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Section 6.4 Duties and Obligations

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

B. The Managing General Partner will use its best efforts to cause the Partnership at all times after Final Endorsement to comply with and to perform its obligations under the

Mortgage, the Regulatory Agreement and any other applicable requirements of FHA or HUD.

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

D. Nothing herein shall impose any obligation on the Managing General Partner to advance funds to or for the benefit of the Partnership except as expressly required by the provisions of this Agreement.

Section 6.5 Representations and Warranties

The following representations and warranties are the representations and warranties referred to in Section 5.1 which the Managing General Partner makes at the time of each Installment of the Capital Contributions:

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

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

(iii) To the best of the Managing General Partner's knowledge and belief, all payments and expenses required to be made or incurred in order to complete construction of the Improvements in conformity with the Commitments and in order to satisfy all requirements under the Commitments or which form the basis for determining the principal sum of the Mortgage, including, without implied limitation, interest during construction and any escrow payments, have been paid or provided for by, or for the account of, the Partnership utilizing only (a) the funds available from the Mortgage, (b) the Capital Contributions of the Investor Limited Partnership, (c) the net rental income, if any, earned by the Project prior to Final Endorsement, and (d) funds furnished or to be furnished

by the Managing General Partner pursuant to Section 6.8 or Section 6.9.

(iv) To the best of the Managing General Partner's knowledge and belief, no event, occurrence or proceeding is pending which would (a) materially adversely affect the Partnership or its properties by leading to a foreclosure of the Mortgage or a deed in lieu thereof or (b) materially adversely affect the ability of the Managing General Partner or any Affiliated Person to perform their respective obligations hereunder or under any other agreement with respect to the Project or (c) prevent the completion of construction of the Improvements in conformity with the Commitments and the Construction Contract other than legal proceedings which have been bonded against in such manner as to stay the proceedings.

(v) No notice has been received from the Mortgage Lender, HUD or any other governmental agency that a material default (or event which, with the giving of notice or the passage of time or both, would constitute a default) on the part of the Partnership or the General Partners has occurred and is continuing under any of the Commitments, the Project Documents, or any other agreement affecting the Project.

(vi) Neither the Partnership nor any Partner has any personal liability with respect to the Mortgage except as may otherwise be provided in this Agreement.

(vii) The Partnership owns the fee simple interest in the Project, subject to no material liens, charges or encumbrances other than those which are both permitted by the Commitments and set forth in the title policy for the Project issued at Initial Closing, if any. The use of the land for construction and operation of the Project is not in material violation of applicable zoning, and there are no density restrictions, building or use laws, planning rules, regulations, ordinances or requirements or environmental procedures applicable to the Project which would materially inhibit or materially adversely affect the development of the Project by leading to a significant interruption or delay of construction or a foreclosure

of the Mortgage or a deed in lieu thereof or by preventing occupancy of any significant portion of the Project.

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

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

The truth and correctness of each of the foregoing representations and warranties is a condition precedent to the payment of each Installment. The inability of the Managing General Partner to give any of the foregoing representations and warranties or the breach of any of the foregoing representations and warranties (other than an intentional breach) shall not result in any liability to or obligation upon the General Partners beyond that provided for in Section 5.3. Nothing in this Section 6.5 shall impair any liability of the General Partners provided for in any other Section of this Agreement.

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

Section 6.6 Indemnification

The Partnership shall indemnify and hold harmless each General Partner and each partner of the Managing General Partner (herein the "Indemnified Parties") from and against any loss, expense, damage or injury suffered or sustained by him by reason of any acts, omissions or alleged acts or omissions arising out of his activities on behalf of the Partnership or in furtherance of the interests of the Partnership, including, but not limited to, any judgment, award, settlement, reasonable attorney's fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim and including any

payments made by a corporate partner of the Managing General Partner to any of its officers or directors pursuant to an indemnification agreement no broader than this Section 6.6; provided that the acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claims are based were in good faith and were not performed or omitted fraudulently or in bad faith or as a result of gross negligence by such Indemnified Party. Such indemnification shall be made only to the extent of assets of the Partnership and no Limited Partner shall have any liability on account thereof.

Section 6.7 Liability of General Partners to Partnership or Limited Partners

Neither the General Partners, nor either partner of the Managing General Partner, nor any officer or director of a corporate partner of the Managing General Partner, shall be liable, responsible or accountable in damages or otherwise to the Partnership or any Limited Partner for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the General Partners by this Agreement or by law unless such action or omission was performed or omitted fraudulently or in bad faith or constituted gross negligence. The foregoing shall not limit the liability of a General Partner for damages arising from willful breach of a covenant or warranty or from liability for failure to perform the obligations described in Sections 5.3, 6.8 and 6.9 hereof.

Section 6.8 Obligation to Complete Construction

A. The Managing General Partner shall use its best efforts to cause the Improvements to be constructed in the manner set forth in the Construction Contract. In the event that (a) the proceeds of the Mortgage plus (b) available net rental income of the Project prior to Final Endorsement (to the extent the use thereof is allowed by FHA), plus (c) \$335,000 of the paid in Capital Contribution of the Investor Partnership, are insufficient to acquire the Land, complete construction of the Project in accordance with the Construction Contract and the Commitments, arrive at Final Endorsement in conformity with the Project Documents, and to meet all development and other fees and expenses (including payments of the principal and interest on the Interim Loan Notes, if any, and the contractual obligation issued for the fee described in Section 6.10.C, escrow payments, and all payments owing to the general contractor under the Construction Contract) required to (i) complete construction of the Project and achieve Final Endorsement and (ii) pay all Project Expenses accrued through Final Endorsement or required to be paid at or prior to Final Endorsement, the Managing General Partner shall advance to the Partnership all such funds which shall be necessary to accomplish the foregoing at such time as those costs, expenses or fees become due and payable.

B. In the event the Managing General Partner has advanced or set aside funds pursuant to this Section 6.8 prior to Final Endorsement in addition to the use of \$335,000 of Capital Contributions, then on the later of February 15, 1983 or Final Endorsement, the Partnership shall issue to the Managing General Partner an Interim Loan Note for the amount of such advances up to \$80,529 and such Note shall bear interest at the rate of 18% per annum. The Interim Loan Note shall be paid as provided in Section 9.3.

C. Any such advances pursuant to this Section 6.8, which do not constitute Interim Loan Notes, shall be represented by Construction Completion Notes issued by the Partnership, which shall not bear interest and which shall be repayable only out of Mortgage proceeds received by the Partnership on or before Final Endorsement, future Capital Contributions of the Investor Partnership (to the extent available after payment of principal and interest on the contractual obligation described in Section 6.10.C), refunds of deposits or escrows advanced by the General Partners on behalf of the Partnership (to the extent such use thereof is allowed by FHA) or net rental income of the Project prior to Final Endorsement (to the extent such use thereof is allowed by FHA); and, to the extent not so repaid, such Notes shall be repayable only as provided in Article X hereof. The foregoing provisions of Section 6.8 notwithstanding, if the Managing General Partner defaults in the performance of its obligations under this Section 6.8, it shall be obligated to proceed under the repurchase obligation specified in Section 5.3, and upon such purchase, the Managing General Partner shall have no further liability to any Limited Partner provided that the Managing General Partner's default shall have resulted solely from a good faith determination that the costs of construction have become so burdensome as to make further investment in the Project unwarranted after they shall have, if appropriate, diligently pursued all remedies against, and shall have taken all reasonable steps to enforce the liability of, the general contractor under the Construction Contract and the bonding company or companies, if any.

Section 6.9 Obligation to Provide for Project Expenses

The Managing General Partner agrees that, in the event the Partnership requires any funds for Project Expenses during the Operating Guarantee Period, it will, subject to the approval of FHA, if required, lend to the Partnership all such funds which may be required to pay, when due, all such Project Expenses; provided, however, that the Managing General Partner shall not be obligated to advance any additional funds for such purpose if, and as long as, the aggregate outstanding amount of such loans equals or exceeds \$100,000. Such obligatory loans shall be Subordinated Loans which shall not bear interest and shall be repayable only in accordance with the provisions of Article X of this Agreement. Any funds (i) advanced against one or more operating deficit letters of credit

which may be required by the FHA, or (ii) used to prepay expenses or fund escrow accounts at Final Endorsement, shall be deemed to be Subordinated Loans and shall be credited against the amount of obligatory loans required to be made by the Managing General Partner pursuant to this Section 6.9.

Section 6.10 Certain Payments to the General Partners and Affiliated Persons

A. For its services and expenses in organizing the Partnership, the Partnership shall pay to the Managing General Partner an organizational fee equal to \$15,000 from the Fourth Installment of Capital Contribution of the Investor Partnership.

B. For providing letters of credit as security for the FHA-required GNMA discount and working capital letters of credit, the Partnership shall pay \$14,736 to Winthrop from the Second Installment of Capital Contribution of the Investor Partnership.

C. For its services in supervising to completion the construction of the Project, the Partnership shall be required to pay to the Managing General Partner from the Capital Contribution of the Investor Partnership a total fee of \$415,529. The fee determined under the preceding sentence shall be reduced by the aggregate amount in excess of the sum of (i) the proceeds of the Mortgage, plus (ii) the available net rental income of the Project prior to Final Endorsement, which excess amount is used, in accordance with Section 6.8, to complete construction of the Project, to achieve Final Endorsement and pay Project Expenses accrued through Final Endorsement. On the later of (i) February 15, 1983, or (ii) Final Endorsement, the unpaid balance of this fee shall begin to bear simple interest at a rate of eighteen percent (18%) per annum and shall be paid as provided in Section 9.3; provided, however, that the amount which bears interest shall not be more than \$80,529 reduced by the amount of any Interim Loan Notes issued pursuant to Section 6.8.B hereof for purposes of this Section 6.10.C. Project Expenses shall not include any fees payable pursuant to Section 6.10.A, B, C, D, E or G.

D. The Partnership shall pay the Managing General Partner from the Fifth Installment of the Capital Contribution of the Investor Partnership a rent-up fee of \$35,480 for its services in connection with the initial rent-up of the Project.

E. The Partnership shall pay the Managing General Partner a total commitment fee of \$50,000 with \$29,000 being paid from the Fifth Installment of the Capital Contribution of the Investor Partnership and \$21,000 being paid from the Sixth Installment of the Capital Contribution of the Investor Partnership for the Managing General Partner's commitment to make Subordinated Loans pursuant to Section 6.9.

F. The Partnership shall pay the Managing General Partner the Rapid Rent-Up Bonus for its services in causing the

Project to rent-up quicker and with less expense than anticipated. Such Bonus shall be paid during the period from Final Endorsement to December 31, 1985 at the same times as distributions are made under Section 10.2.A.

G. The Partnership shall pay the Managing General Partner from the Capital Contributions of the Investor Partnership an Initial Management fee of \$80,000 in connection with the administration of Partnership affairs from April 2, 1981 to the end of the Operating Guarantee Period. Such fee shall be payable to the Managing General Partner in installments of \$11,636, \$38,884 and \$29,480 on the due dates of the Fourth, Fifth and Sixth Installments of Capital Contribution of the Investor Partnership.

H. For its services, including maintaining the records and reporting to the Limited Partners pursuant to Section 12.4 and acting as attorneys-in-fact pursuant to Section 13.2, the Partnership shall be required to pay to the Managing General Partner the MGP Annual Administration Fee.

I. Except as otherwise provided in this Agreement, neither a General Partner nor any other Affiliated Person shall be entitled to any other fee or allowance (for example, the Builder's and Sponsor's Profit and Risk Allowance) except that a General Partner or any Affiliated Person shall be entitled to any other fees or allowances, including but not limited to architectural, legal, organizational, general construction requirements, construction overhead, relocation and management costs, which are permitted by FHA as flat allowances or certifiable costs (including increases in the payments under the Construction Contract) of the Project payable out of Mortgage proceeds or income prior to Final Endorsement and to any refund of deposits or escrows advanced by it on behalf of the Partnership not otherwise utilized to repay Construction Completion Notes. The Managing General Partner will also receive a Repurchase Fee of \$70,000 from the Investor Partnership in consideration of its obligations under Section 5.3 of this Agreement. Such fee shall be payable to the Managing General Partner in installments of \$20,000, \$25,000 and \$25,000 on the due dates of the Third, Fourth and Fifth Installments of Capital Contribution of the Investor Partnership.

Section 6.11 Survival of Obligations

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

Section 6.12 Nature of Obligations

The obligations of the General Partners set forth herein, including without limitation those set forth in Sections 5.3, 6.5, 6.8 and 6.9, shall be both joint and several.

Section 6.13 Guarantee

William L. Adams and all of the General Partners hereby jointly and severally guarantee full, complete and timely performance and satisfaction of all obligations imposed on the Managing General Partner pursuant to Sections 5.3, 6.8 and 6.9 of the Agreement.

ARTICLE VIIRetirement of a General PartnerSection 7.1 Retirement

A. Except as provided herein, no General Partner shall have the right to voluntarily Retire from the Partnership or sell, assign, transfer, encumber or otherwise dispose of all or any portion of its interest in the Partnership without the approval of FHA, if required, and the Consent of the Investor Partnership. Whether or not Realty has become a General Partner, it shall have the right at any time to Retire from the Partnership without obtaining the consent of any Person. Any assignee of the Percentage Interest of Realty or a General Partner may become a General Partner only in accordance with Section 4.1.

B. In the event of the Retirement of a General Partner, due to Voluntary Withdrawal prior to expiration of the Operating Guarantee Period, the Retiring General Partner, (i) shall sell all the interest he holds, directly or indirectly, as a General Partner in the Partnership to the remaining General Partners or, if none, to Realty, or its designee, for the sum of \$10, (ii) shall forfeit to the remaining General Partners or, if none, to the Partnership his rights to be repaid for any sums advanced to the Partnership under Sections 6.8 and 6.9 hereof and (iii) shall forfeit his rights to receive payments under Section 6.10 to the extent then unpaid. In addition, such Retiring General Partner shall remain liable for the performance of all of his obligations under this Agreement as provided in Sections 6.11 and 6.12 hereof.

C. After the expiration of the Operating Guarantee Period, any General Partner may Retire from the Partnership without obtaining the consent of any Person as long as Theo C. Rodgers or James L. Ginsburg remains as a General Partner or if prior to or contemporaneous with such Retirement a substitute General Partner is admitted to the Partnership in accordance with Section 4.1, provided, however, that in either case described herein, the remaining General Partner or substitute General Partners, as the case may be, must have sufficient net worth to satisfy all guidelines promulgated by the Internal Revenue Service for the purposes of obtaining an advance ruling that the Partnership is classified as a partnership, and the Retiring General Partner furnishes the Investor Partnership an opinion of counsel to its satisfaction that the Partnership will continue to be taxed as a partnership.

D. In the event of a Retirement of a General Partner at any time due to Involuntary Withdrawal, there shall be no forfeiture of the General Partner's interest. If the Partnership is terminated, the General Partner, or his successor in interest, shall receive all payments and distributions to which he otherwise would have been entitled under any provisions of this Agreement. If the Partnership is continued pursuant to Section 7.2, then the interest of the General Partner or his successor shall be converted into a Class B Limited Partner interest and the holder of such interest shall receive all payments, distributions and allocations to which the General Partner would have been entitled under any provision of this Agreement had there been no Retirement.

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

F. The forfeitures and sales provided in this Section 7.1 shall be the exclusive remedy of the Investor Limited Partnership in the event of a violation by a General Partner of the provisions of this Section 7.1.

Section 7.2 Obligation to Continue

A. Upon the Retirement of a General Partner, any remaining General Partner or General Partners, if any, or, if none, the Retired General Partner or his heirs, successors or assigns, shall immediately send notice of such Retirement (the "Retirement Notice") to each Limited Partner. In such event the Partnership (i) shall be dissolved (unless it is continued by all of the Partners as provided in paragraph B) if there is no remaining General Partner or (ii) shall be continued by any remaining General Partners who so elect within 15 days after the retirement of the General Partner.

B. If, following the retirement of a General Partner, there is no remaining General Partner or Substitute General Partner of the Partnership who elects to continue the Partnership, the Limited Partners may, within ninety (90) days after notice of such Retirement, elect to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Section 2.5 by selecting a Substitute General Partner by unanimous consent of the Limited Partners. If the Limited Partners elect to reconstitute the Partnership and admit a Substitute General Partner, the relationship of the Partners and of any person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement. Upon the Retirement of the sole remaining General Partner, Winthrop shall immediately be vested with and shall in fact have all of the power and authority to act as a General Partner, excluding the power to continue the Partnership under Section 7.2.A, but only until such time as a Substitute General Partner has been admitted into the Partnership. If Winthrop does in fact act as a General Partner, it shall be entitled to all of the rights and

benefits of a General Partner (including, but not limited to, indemnification).

Section 7.3 Interest of a Retired General Partner

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

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

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

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

C. From and after the date of the occurrence of (i) an Event of Bankruptcy as to the Managing General Partner or (ii) any Retirement of all General Partners for any reason whatsoever, the obligations of the Investor Partnership under Section 5.1 to make Capital Contributions to the Partnership shall be suspended, and such obligations shall be reinstated only when such Event of Bankruptcy or Retirement shall have been cured in a manner which receives the Consent of the Investor Partnership; provided that before any amounts are thereafter paid to the General Partners, such Capital Contributions of the Investor Partnership shall be applied to the satisfaction of all obligations of the Partnership and of the General Partners, including, without limitation, completion of construction of the improvements.

D. Each General Partner hereby irrevocably nominates and appoints the Managing General Partner or, if the Managing General Partner has Retired, Realty and each of its corporate officers, with full power of substitution, as the true and lawful attorney-in-fact of such General Partner, in his name, place and stead, to

make, execute and deliver any and all amendments to the Certificate, business certificates and instruments of like tenor which may be necessary or appropriate to (i) give effect to the provisions of this Article VII or to (ii) effect the filing of an amendment to the Certificate reflecting any Retirement of a General Partner regardless of the circumstances thereof.

ARTICLE VIII

Transferability of Limited Partner Interests

Section 8.1 Limited Right to Assign

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

Section 8.2 Restrictions

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

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

C. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any interest in the Partnership, that the transferor (i) assume all costs incurred by the Partnership in connection therewith and (ii) furnish them with a legal opinion satisfactory to counsel for the Partnership that such sale, transfer, exchange or other disposition complies with applicable Federal and state securities laws.

D. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 8.2 shall be void and ineffectual and shall not bind or be recognized by the Partnership. Nothing contained in this Agreement shall prohibit the offering and sale of Units of Investor Limited Partner interest in the Investor Partnership or the substitution or admission of partners in the Investor Partnership.

Section 8.3 Substitute Limited Partners

Except as may otherwise be provided in Section 5.3, no Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in their exclusive discretion to consent to the

admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partners' failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

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

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of such Substitute Limited Partner, and an amendment to the Certificate reflecting such admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of an Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner interest as set forth in the Schedule.

Section 8.4 Assignees

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

ARTICLE IX

Loans

Section 9.1 In General

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

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

Section 9.2 Preexisting Advances

Section 9.1 to the contrary notwithstanding, the Managing General Partner is authorized to repay to himself and Affiliated Persons all advances actually made to, or for the benefit of, the Partnership prior to the date of this Agreement.

Section 9.3 Payment of Interim Loan Note and Contractual Obligation

The principal of the Interim Loan Note issued pursuant to Sections 6.8 and the contractual obligation incurred pursuant to Section 6.10.C and all accrued interest thereon shall become due and payable on the due date of the Sixth Installment of the Capital Contribution as follows: first, all accrued interest on both obligations shall be paid; second, principal on the Interim Loan Note shall be paid until that obligation is satisfied; and third, principal on the contractual obligation shall be paid until that obligation is satisfied. The Partnership shall pay the principal and interest of the Interim Loan Note and the principal and interest on the interest bearing portion of the contractual obligation described in the third sentence of Section 6.10.C only from the Sixth Installment of the Capital Contribution of the Investor Partnership.

ARTICLE X

Profits & Losses; Distributions

Section 10.1 Profits and Losses

A. For Federal and State income tax purposes, except as provided in Section 10.1.B, all profits and losses shall be allocated 1% to the General Partners, 1% to the Original Limited Partner, .1% to Realty and 97.9% to the Investor Partnership.

B. The net profits arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, or substantially all of, the Project, or from the liquidation of all, or substantially all, of the assets of the Partnership (by reason of sale, exchange, condemnation, or similar

eminent domain taking, casualty or other disposition), shall be allocated for Federal income tax purposes in the following order of priority:

(i) First, to the Partners, the amount which will result in the elimination of the negative balances, if any, of the Capital Accounts of the Partners as of the date on which this allocation under Section 10.1.B First is made without giving effect to the distributions under Section 10.2.C. arising from the same transaction as the profit;

(ii) Second, to each Partner who has received or will receive a distribution under Section 10.2.C Fourth, Sixth or Eighth, an amount equal to such distribution; and

(iii) Third, the balance of any such net profits, 49% to the Investor Partnership, 49% to the Managing General Partner, 1% to the other General Partners and 1% to Realty.

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

C. All profits and losses shared by the Partners or a class of Partners shall be shared by the Partners or members of the class in the ratios of their Percentage Interests, one to the other.

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

Section 10.2 Distribution Prior to Dissolution

A. Subject to any applicable FHA regulations, Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

First, an aggregate amount equal to the sum of (i) \$3,050 per year on a cumulative basis for each fiscal year of the Partnership ending after Final Endorsement, plus (ii) 50% of the net profits, if any, for tax purposes computed under Section 10.1.D for the calendar year shall be distributed 1% to the General Partners, 1% to the Original Limited Partner,

.1% to Realty and 97.9% to the Investor Limited Partnership;

Second, irrespective of whether there are net profits, to the repayment of the outstanding balance, if any, of Subordinated Loans; and

Third, the balance thereof 1% to the General Partners, 1% to the Original Limited Partner, .1% to Realty and 97.9% to the Investor Partnership.

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

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

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

(a) Depreciation of building, improvements and personal property, amortization of any fee and other non-cash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions from Cash Flow.

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

(c) If the Managing General Partner shall so determine, reasonable reserves shall be established to provide for working capital needs, funds for improvements or replacements or for any other contingencies of the Partnership and the amount allocated to such reserve

or reserves from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when and to the extent the Managing General Partner no longer regards such reserves as reasonably necessary in the efficient conduct of the affairs of the Partnership.

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

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

(f) The Rapid Rent-Up Bonus shall be considered as a deduction for the purpose of determining Cash Flow.

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

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

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

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

Third, to the payment of outstanding Interim Loan Notes and Subordinated Loans, if any.

Fourth, to the Partners, the amount by which \$3,050 per year on a cumulative basis for each fiscal year of the Partnership ending after Final Endorsement exceeds the aggregate amount previously distributed to the Partners under Section 10.2.A First and this Section 10.2.C Fourth.

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

Sixth, to the Investor Partnership, an amount equal to the excess, if any, of the aggregate amount of the Investor Limited Partners' capital contributions to the Investor Partnership over the aggregate amount of distributions theretofore made to the Investor Partnership under this Clause Sixth.

Seventh, to the payment of outstanding Construction Completion Notes, if any.

Eighth, to each Partner with a positive balance in his capital account on the date on which distribution under this Section 10.2.C Eighth is to be made, after taking into account distributions pursuant to Section 10.2.C. First through Seventh, the amount of such positive balance.

Ninth, the balance thereof, 49% to the Investor Partnership, 49% to the Managing General Partner, 1% to the other General Partners, and 1% to Realty.

Notwithstanding the foregoing, in no event shall the General Partners, as a single class, receive as an aggregate distribution under this Section 10.2.C less than 1/99 of the aggregate of the amounts distributed to the Limited Partners under this Section 10.2.C. In the event that the aggregate amount distributable to the General Partners, as a single class, under Clauses Eighth and Ninth does not equal 1/99 of the aggregate amount distributable to the Limited Partners without regard to this provision, then the amounts otherwise distributable to the Limited Partners under Clauses Fourth, Sixth, Eighth and Ninth shall be reduced in order to assure the General Partners of their 1/99 share.

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

Section 10.3 Distributions Upon Dissolution

Upon dissolution, after payment of, or adequate provision for, the debts and obligations of the Partnership, excluding Subordinated Loans and Construction Completion Notes, the remaining assets of the Partnership (or the proceeds of sales or other dispositions in liquidation of the Partnership assets, as may be determined by the remaining or surviving General Partner(s)) shall be distributed to the Partners in the priority set forth in Section 10.2.C, Second through Ninth.

All distributions to the Partners under this Section 10.3 shall be shared by the Partners according to the provisions of Section 10.2.D hereof. If any assets of the Partnership are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled. The fair market value of such assets shall be equal to the average of three appraisals, one of which will be prepared by an appraiser chosen by the majority in interest of the Limited Partners, one prepared by an appraiser chosen by the General Partners and one by a third appraiser chosen by the first two appraisers. In the event that the first two appraisers cannot agree upon a third appraiser, the latter shall be selected by the then president of the Real Estate Board of Harford County, Maryland or similar or successor Entity.

Section 10.4 Class B Limited Partners

For purposes of allocating profits and losses under Section 10.1 and distributions under Sections 10.2 and 10.3, and for such purposes only, (i) the General Partners and the Class B Limited Partners shall be considered as a single class of Partners, (ii) the term "General Partners" shall include the Class B Limited Partners, and (iii) the amount of profits and losses allocated to the General Partners and the distributions to the General Partners shall be prorated as required between the Class B Limited Partners, if any, and the General Partners to reflect the conversion of a General Partner interest to a Class B Limited Partner interest pursuant to Section 7.1.

ARTICLE XIManagement Agent

The Managing General Partner shall have responsibility for obtaining a Management Agent. The Managing General Partner shall cause the Partnership to enter into an agreement with the Management Agent, which may be an Affiliated Person. Except as provided herein or otherwise required by FHA, such agreement may not be delegated, assigned, or terminated without the consent of Realty. If at any time after Final Endorsement (i) the Project shall be subject to a substantial building code violation or violations which shall not have been cured within a reasonable time not exceeding six months after notice from the applicable governmental agency or department or from Realty or (ii) any action is commenced to foreclose under the Project Documents or any other lien against the Project unless bonds are given or funds are deposited in escrow as to stay the action, then the Managing General Partner shall forthwith give to the Investor Partnership notice of such event, and thereafter the Partnership shall, subject to FHA approval, within 30 days terminate its management agreement with the Management Agent, unless the consent of Realty is obtained for the retention of the Management Agent as the manager of the Property. Unless such consent is so obtained, the Managing General Partner shall immediately proceed to select a new Management Agent for the Project which selection shall be subject to the Consent of Realty. The Managing General Partner shall have the duty to manage the Project during any period when there is no Management Agent. In all cases, except if otherwise required by FHA, no Management Fee shall be payable to any person unless the management contract with any such person shall provide for termination of the same upon the occurrence of any of the events described in this Article XI.

ARTICLE XIIBooks and Records, Accounting, Tax Elections, Etc.Section 12.1 Books and Records

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

Section 12.2 Bank Accounts

The bank accounts of the Partnership shall be maintained in such banking institutions permitted by FHA as the Managing General Partner shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the Managing General Partner shall determine.

Section 12.3 Accountants

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

Section 12.4 Reports to Investor Partnership

The Managing General Partner, upon the request of Winthrop and at the expense of the Partnership, shall comply with the following provisions:

A. The Managing General Partner shall within 30 days after the end of each quarterly period ending on the March 31, June 30, and September 30 next occurring after the admission of the Investor Partnership within 30 days after the end of each calendar quarter in each fiscal year of the Partnership, cause to be prepared and sent to the Investor Partnership a comparison of the budget for the quarter and actual expenditures, and a summary of the cash receipts and disbursements, and the unpaid liabilities including loans payable, if any, of the Partnership for such quarter, potential gross annual income at 100% occupancy, actual income collected within the quarter, amount of income due over 30 days old, an unaudited income statement prepared on the accrual basis of accounting and cumulative for the current fiscal year, an estimate of the profit or loss for the entire fiscal year and such additional information as shall be reasonably requested by Winthrop.

B. Until Final Endorsement, the Managing General Partner shall, within 30 days after the end of each quarterly period commencing with the quarter ending June 30, 1981, cause to be prepared and sent to the Investor Partnership a report which shall state, in addition to the information specified in paragraph A, (i) the percentage of completion furnished to the Mortgage Lender in the most recent submission for a Mortgage advance, (ii) the anticipated date of completion of construction of the Improvements, (iii) whether there are any anticipated cost overruns, and, if so, the amount thereof, (iv) a narrative summary of any material deviations from the original plans for construction or commencement of rent-up

of the Project, (v) the number of units available for occupancy, and (vi) the actual number of units occupied.

C. After Final Endorsement such reports shall state, in addition to the information specified in paragraph A, (i) the current rental occupancy level for the quarter, (ii) the number of units vacated and number of evictions within the month and the previous quarter, (iii) if an operating deficit is being incurred or is anticipated by the Managing General Partner, and if so, the amount thereof and the manner in which such deficit shall be funded, and (iv) the Cash Flow statement of the Partnership for the preceding quarter indicating the cash available for distribution to the Investor Partnership.

D. Within 90 days after the end of each fiscal year, the Managing General Partner shall cause to be prepared and sent to the Investor Partnership (i) a balance sheet and the related statements of income and retained earnings and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statement has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountant in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountant takes exception and stating, to the extent practicable, the effect of each such exception on such financial statement; (ii) a certification by the Managing General Partner that (a) all Mortgage payments and taxes and insurance premiums with respect to the Project are current as of the date of the year-end report, (b) no notice has been received of any defaults under the Mortgage, management agreement or this Agreement, or if there be any such default, a description thereof, and (c) no notice has been received of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Project of a material nature or, if there be any such notice, a description of the violation in question; (iii) that information specified in Paragraph B or C above as it relates to the final quarter of the fiscal year in question; and (iv) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Investor Limited Partner for further information with respect to any matter covered in items (i), (ii), (iii) or (iv) above, the Managing General Partner shall furnish such information within 30 days of receipt of such request. All necessary tax information shall be furnished to the Investor Partnership within 75 days of the end of each calendar year.

E. Prior to May 1 of each year, the Managing General Partner shall cause to be prepared and sent to the Investor Partnership a current estimate of the Investor Partnership's share of the

profits or losses of the Partnership for Federal income tax purposes for the current fiscal year.

Section 12.5 Depreciation and Elections

With respect to all depreciable assets the Partnership shall elect to use, so far as permitted by the provisions of the Code, accelerated depreciation methods. However, on the advice of the Accountants the Partnership shall elect or change to some other method of depreciation so long as such other method is, in the opinion of the Accountants, most advantageous to the Investor Limited Partnership.

Subject to the provisions of Section 12.7, all other elections required or permitted to be made by the Partnership under the Code shall be made by the Managing General Partner in such manner as will, in the opinion of the Accountants, be most advantageous to the Investor Partnership.

Section 12.6 Other Expenses

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

Section 12.7 Special Basis Adjustments

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

Section 12.8 Fiscal Year and Accounting Method

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

ARTICLE XIII

General Provisions

Section 13.1 Restrictions

A. Notwithstanding any other provision of this Agreement, except as otherwise provided in this paragraph, no sale or exchange of any Partner's interest in the Partnership may be made if the interest sought to be sold or exchanged, when added to the total of all other interests in the Partnership sold or exchanged within the period of twelve consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code (or any successor statute). However, such a sale or exchange may be made if (i) at the time of such transfer no part of the Improvements are occupied or ready for occupancy or (ii) prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his interest in the Partnership. This Section 13.1 shall in no event impair, or be a defense to, the obligation of the General Partners to purchase the interest of the Investor Limited Partnership provided in Section 5.3 hereof and to the extent that such Sections are inconsistent, Section 5.3 shall control.

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

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

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

Each Limited Partner hereunder (including a substitute or additional Limited Partner) hereby irrevocably appoints and empowers the Managing General Partner his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any and all amendments to the Schedule of this Agreement necessary to reflect any change or transfer of a Partner's Partnership interest and any other amendments to this Agreement adopted pursuant to Section 13.12.

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

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

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

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

The appointment by each Limited Partner of the Managing General Partner as attorney-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited and General Partners under this Agreement will be relying upon the power of the Managing General Partner to act as contemplated by this Agreement in such filing and other action by it on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his interest hereunder.

Section 13.3 Notices

Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and sent registered or certified mail, postage prepaid, to the party or parties for whom such notices are intended.

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

Section 13.4 Word Meanings

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

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

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

Section 13.5 Binding Provisions

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

Section 13.6 Applicable Law

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

Section 13.7 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the Managing General Partner. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 13.8 Survival of Representations and Warranties

The dissolution and final liquidation of the Partnership shall not terminate any representations and warranties herein except to the extent that a representation or warranty expressly provides otherwise.

Section 13.9 Separability of Provisions

Each provision of this Agreement shall be considered separable and (a) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (b) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership (other than the rules and regulations of FHA) under the laws of the State of Maryland as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 13.10 Investment Representation

Each Limited Partner other than Aberdeen Partners represents that he is acquiring his interest as a Limited Partner for his own account for investment and not with a view to the distribution or resale thereof and with no present intention of distributing or reselling any portion. Each such Limited Partner agrees that he will not sell or offer to sell all or any portion of his interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any person or persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership interest in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Section 13.11 Paragraph Titles

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

Section 13.12 Amendment Procedure

This Agreement may be modified or amended with the written consent of the General Partners and the Consent of the Investor Partnership.

Section 13.13 No Third Party Beneficiary

Any agreement to pay an amount and any assumption of liability herein contained, express or implied, shall be only for the benefit of the Partners and the parties to this Agreement and their respective successors and assigns, and such agreements and assumption shall not inure to the benefit of the obligees of any indebtedness or any other party whomsoever, it being the intention of the Partners and parties hereto that no one shall be deemed to be a third party beneficiary of this contract.

Section 13.14 FHA Provisions

The following provisions shall prevail over any contrary provision in this Agreement:

A. By the execution of this Agreement each Partner (General and Limited) agrees to be bound by the Regulatory Agreement and other documents required in connection with the Mortgage loan insured under the National Housing Act, as amended, or required by the Mortgage Lender or any participating lender in the Mortgage loan, to the same extent and on the same terms as the other Partners of his class.

B. In addition to the business of the Partnership as set forth in this Agreement, the Partnership shall be specifically empowered and authorized to (i) apply for and obtain from the Department of Housing and Urban Development contracts of mortgage insurance pursuant to the National Housing Act, as amended, and (ii) enter into, with the Department of Housing and Urban Development, a Regulatory Agreement governing the operation and maintenance of the Project.

C. The Partnership, through the Managing General Partner, shall have the right to apply for and obtain from the Secretary of Housing and Urban Development acting by and through the Federal Housing Commissioner, a contract or contracts of mortgage insurance pursuant to the provisions of Section 221(d)4) or any other Section of the National Housing Act, as amended, covering bonds, notes, and other evidences of indebtedness issued by the Partnership and any indenture of mortgage or deed of trust securing the same. The Partnership, through the Managing General Partner, is authorized to execute a note, or notes, and mortgage, or mortgages (the term "mortgage" being hereby defined to include "deed of trust") in order to secure a loan or loans to be insured by the Secretary of Housing and Urban Development and to execute one or more Regulatory Agreements and other documents required by the Secretary of Housing and Urban Development acting by and through the Federal Housing Commissioner, by the Mortgage Lender or by any lender participating in the Mortgage loan, in connection with such loan or loans. Any incoming Partner shall, as a condition of receiving an interest in the Partnership, agree to be bound by the Regulatory Agreement and any other documents required in connection with the loan insured under the National Housing Act, as amended, to the same extent and on the same terms as the other Partners. Upon any dissolution of the Partnership, no title or right to possession and control of the rental housing Project or Projects, and no right to collect the rents therefrom shall pass to any person who is not bound by the Regulatory Agreement in a manner satisfactory to the Secretary of Housing and Urban Development while any mortgage on Partnership property is insured under the National Housing Act, as amended. The Managing General Partner is authorized and empowered, on behalf of the Partnership, to negotiate, obtain and comply with such

amendments of the contract of mortgage insurance, mortgage, note, Regulatory Agreement, plans and specifications, and related documents as may be acceptable to the Federal Housing Administration. The aforesaid Regulatory Agreement shall be binding upon the Partnership, its successors and assigns, so long as a mortgage on the property of the Partnership, which is insured or held by HUD, is outstanding. The Partnership shall comply in every respect with the Regulatory Agreement and all applicable Federal, state and local statutes and regulations including, without limitation, HUD regulations applicable to a partnership mortgagor. Any requirements imposed on a partnership mortgagor under the Regulatory Agreement, if inconsistent with any provision of this Agreement, shall be controlling and shall govern the rights and obligations of the parties hereto.

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

E. The approval and/or acceptance of this Agreement by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, shall not constitute a prior consent by the Secretary to any actions by the Partnership which would otherwise require the consent of the Secretary under the Regulatory Agreement or any of the other documents executed by the Partnership in connection with the mortgage loan insured under the National Housing Act, as amended.

SCHEDULE A
TO
ABERDEEN HOUSING ASSOCIATES
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

Name and Address	Capital Contributions	Percentage Interest
<u>GENERAL PARTNERS:</u>		
A & R - Waterford Joint Venture 306 Metro Plaza Baltimore, Maryland 21215	\$ 50.00	.500%
Theo C. Rodgers 9762 Basket Ring Road Columbia, Maryland 21045	\$ 12.50	.125%
James L. Ginsburg 5604 Wexford Road Baltimore, Maryland 21209	\$ 12.50	.125%
Neil F. Lemon 538 Park Avenue Towson, Maryland 21204	\$ 12.50	.125%
Lawrence A. Menefee, Jr. 208 Club Road Baltimore, Maryland	\$ 12.50	.125%
	\$ 100.00	1.000%
<u>LIMITED PARTNERS:</u>		
<u>CLASS A LIMITED PARTNER</u>		
WFC REALTY CO., INC. Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$ 10.00	.1%
<u>ORIGINAL LIMITED PARTNER</u>		
Thomas P. Harkins, Inc. 8720 Georgia Avenue Silver Spring, Maryland 20910	\$ 100.00	1.0%
<u>INVESTOR PARTNERSHIP</u>		
Aberdeen Partners Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$659,736.00	97.9%
	\$659,846.00	99.0%

WITNESS the execution under seal as of the 3rd day of April, 1981.

General Partners

WITNESS:

[Handwritten Signature]

A & R - WATERFORD JOINT VENTURE

By: A & R Development Corporation,
joint venturer

By [Handwritten Signature]
Theo C. Rodgers, President

WITNESS:

[Handwritten Signature]

By: The Waterford Group, Inc.,
joint venturer

By [Handwritten Signature]
James L. Ginsburg, President

WITNESS:

[Handwritten Signature]

THEO C. RODGERS

[Handwritten Signature]

WITNESS:

[Handwritten Signature]

JAMES L. GINSBURG

[Handwritten Signature]

WITNESS:

[Handwritten Signature]

NEIL F. LEMON

[Handwritten Signature]

WITNESS:

[Handwritten Signature]

LAWRENCE A. MENELEE, JR.

[Handwritten Signature]

Limited Partners

WITNESS:

~~THOMAS P. HARKINS, INC.
Original Limited Partner~~

By _____

WITNESS:

/ WFC REALTY CO., INC.
Class A Limited Partner

[Signature]

By *[Signature]*

WITNESS:

/ ABERDEEN PARTNERS
By: Winthrop Financial Co., Inc.,
General Partner

[Signature]

By *[Signature]*

Parties other than Partners

/ WINTHROP FINANCIAL CO., INC.
Guarantor pursuant to the
provisions of Section 5.2

[Signature]

By *[Signature]*

WITNESS:

~~William L. Adams
Guarantor pursuant to the
provisions of Section 6.13~~

Limited Partners

WITNESS:

/ THOMAS P. HARKINS, INC.
Original Limited Partner

[Handwritten Signature]

By [Handwritten Signature]
Pres.

WITNESS:

~~WFC REALTY CO., INC.
Class A Limited Partner~~

By _____

WITNESS:

~~ABERDEEN PARTNERS
By: Winthrop Financial Co., Inc.,
General Partner~~

By _____

Parties other than Partners

~~WINTHROP FINANCIAL CO., INC.
Guarantor pursuant to the
provisions of Section 5.2~~

By _____

WITNESS:

[Handwritten Signature]

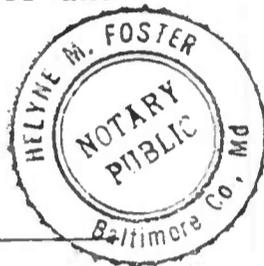
William L. Adams
William L. Adams
Guarantor pursuant to the
provisions of Section 6.13

STATE OF MARYLAND)
County) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 2nd day of April, 1981, before me, the subscriber, a Notary Public of the State and City County aforesaid, personally appeared THEO C. RODGERS, President of A&R DEVELOPMENT CORPORATION, who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate in his official capacity for said body corporate as a joint venturer and in his individual capacity as General Partner.

WITNESS my hand and notarial seal.

Helyne M. Foster
Notary Public



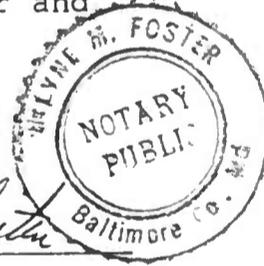
My commission expires:
7/1/82

STATE OF MARYLAND)
County) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 2nd day of April, 1981, before me, the subscriber, a Notary Public of the State and City County aforesaid, personally appeared JAMES L. GINSBURG, President of THE WATERFORD GROUP, INC., who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate in his official capacity for said body corporate as joint venturer and in his individual capacity as General Partner.

WITNESS my hand and notarial seal.

Helyne M. Foster
Notary Public



My commission expires:
7/1/82

BOOK 3 PAGE 123

STATE OF MARYLAND)
~~_____~~) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY that on this 2nd day of April, 1981, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared NEIL F. LEMON, known to me (or satisfactorily proven), who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate as his individual act.

WITNESS my hand and Notarial Seal.

Kimberly Ann Comstock
Notary Public

My Commission expires:

July 1, 1982

STATE OF MARYLAND)
~~_____~~) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY that on this 3rd day of April, 1981, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared LAWRENCE A. MENEFE, JR., known to me (or satisfactorily proven), who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate as his individual act.

WITNESS my hand and Notarial Seal.

Kimberly Ann Comstock
Notary Public

My Commission expires:

July 1, 1982

STATE OF MARYLAND)
CITY OF BALTIMORE) SS:

I HEREBY CERTIFY that on this 3rd day of April, 1981, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared THOMAS P. HARKINS of THOMAS P. HARKINS, INC., who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate in his official capacity for said body corporate.

WITNESS my hand and Notarial Seal.

Robert Mearns
Notary Public

My Commission expires:

7-1-82

STATE OF MARYLAND)
CITY OF BALTIMORE) SS:

I HEREBY CERTIFY that on this _____ day of _____, 1981, before me, the subscriber, personally appeared JOHN M. NELSON, IV, Treasurer of WFC REALTY CO., INC., and Senior Vice President of WINTHROP FINANCIAL CO., INC., who acknowledged that he executed the foregoing Limited Partnership Agreement in his official capacity for WFC REALTY CO., INC. as Class A Limited Partner and for WINTHROP FINANCIAL CO., INC. on behalf of ABERDEEN PARTNERS.

WITNESS my hand and Notarial Seal.

Notary Public

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY that on this _____ day of _____, 1981, before me, the subscriber, a Notary Public of the State and City of _____ aforesaid, personally appeared THOMAS P. HARKINS, INC., who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate in his official capacity for said body corporate.

WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS)
) SS:
CITY OF BOSTON)

I HEREBY CERTIFY that on this 1st day of April, 1981, before me, the subscriber, personally appeared DAVID C. HEWITT, Vice President of WFC REALTY CO., INC., and President of WINTHROP FINANCIAL CO., INC., who acknowledged that he executed the foregoing Limited Partnership Agreement in his official capacity for WFC REALTY CO., INC. as Class A Limited Partner and for WINTHROP FINANCIAL CO., INC. on behalf of ABERDEEN PARTNERS.

WITNESS my hand and Notarial Seal.

Patricia A. Williams
Notary Public

My Commission Expires: 7/15/87

RECD & RECORDED HPC

NO 3 FOLIO 68

APR 3 4 16 PM '81

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

THE INVESTOR LIMITED PARTNER UNITS IN THIS PARTNERSHIP ARE BEING SOLD WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES, IN RELIANCE UPON EXEMPTIONS THEREFROM. CONSEQUENTLY, INVESTOR LIMITED PARTNER UNITS IN THE PARTNERSHIP MAY NOT BE SOLD OR TRANSFERRED WITHOUT REGISTRATION OF SUCH UNITS UNDER THE ACT AND SUCH SECURITIES LAWS UNLESS SUCH UNITS ARE SOLD IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION THEREUNDER. ADDITIONAL LIMITATIONS ON TRANSFER OF THE INVESTOR LIMITED PARTNER UNITS ARE CONTAINED HEREIN.

APR -3-81 B #23068 ****102.00

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ABERDEEN PARTNERS

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

Preliminary Statement

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE by and among WINTHROP FINANCIAL CO., INC., a Massachusetts corporation, as general partner, and LINNAEUS BOSTON REALTY COMPANY, a Massachusetts partnership and those persons signing as INVESTOR LIMITED PARTNERS, as limited partners.

The purposes of this Limited Partnership Agreement and Certificate are (i) to form a limited partnership pursuant to the provisions of the Maryland Uniform Limited Partnership Act, (ii) to admit Winthrop Financial Co., Inc. as General Partner, (iii) to admit Linnaeus Boston Realty Company as a Limited Partner (iv) to enable the Partnership to admit investors as Investor Limited Partners, and to set out fully the rights, obligations and duties of the General Partner and the Limited Partners.

Now, therefore, it is hereby agreed that the Partnership Agreement and Certificate of Aberdeen Partners shall be the following:

ARTICLE I

Defined Terms

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

"Accountants" means Reznick, Fedder & Silverman of Bethesda, Md., or such other firm of certified public accountants as may be engaged by the General Partner.

"Admission Date" means, as to each Investor Limited Partner, the date on which he is admitted to the Partnership in accordance with Section 3.6 hereof.

"Agreement" means this Limited Partnership Agreement and Certificate as it may be amended from time to time.

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

"Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Partnership interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 9.2.B.

"Certificate" means the Certificate of Limited Partnership establishing the Partnership, which will be filed in the Office of the Clerk of the Circuit Court for Harford County, Maryland as said Certificate may be amended from time to time in accordance with the terms hereof and the Uniform Act.

"Consent of the Limited Partners" means the written consent or approval of Investor Limited Partners holding a Percentage Interest of at least 51%, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"General Partner" means Winthrop Financial Co., Inc.

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

"Investor Limited Partners" means each Person designated as an Investor Limited Partner in the Schedule or any Person who becomes an Investor Limited Partner as provided herein, including a Substitute Investor Limited Partner, in each such Person's capacity as an Investor Limited Partner.

"Limited Partner" or "Limited Partners" shall mean and include Linnaeus Boston Realty Company and the Investor Limited Partners.

"Operating Partnership" means Aberdeen Housing Associates, a Maryland limited partnership formed and existing pursuant to a Limited Partnership Agreement and Certificate by and among A & R - Waterford Joint Venture, a joint venture of A & R Development Corporation and The Waterford Group, Inc., both Maryland corporations, as Managing General Partner, Theo C. Rodgers, James L. Ginsburg, Neil F. Lemon and Lawrence A. Menefee, Jr., as General Partners, Thomas P. Harkins, Inc., a Maryland corporation, as Original Limited Partner, WFC Realty Co., Inc., as Class A Limited Partner

and Aberdeen Partners, the Investor Partnership, as a Limited Partner.

"Operating Partnership Agreement" means the Limited Partnership Agreement and Certificate of the Operating Partnership, as it may be amended from time to time.

"Partner" means any General Partner or Limited Partner.

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

"Percentage Interest" means, as to a Partner, the applicable percentage specified in the Schedule. The percentage specified in the column headed "Initial Percentage Interest" on the Schedule shall be the Partner's Percentage Interest during the period beginning on the date that this Agreement has been duly executed by the General Partner and Linnaeus Boston Realty Company and ending on the date that the first Investor Limited Partner is admitted to the Partnership pursuant to Section 3.6 of this Agreement. Thereafter, the Partner's Percentage Interest shall be the percentage specified in the column headed "Final Percentage Interest" on the Schedule; provided, however, that if Investor Limited Partners owning less than 20 Units are admitted to the Partnership, Linnaeus Boston Realty Company's Percentage Interest shall include the Percentage Interest allocable to any unsold Units up to and including the last day of the month preceding the month in which any such Unit, or part thereof, is sold.

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

"Project" means the Project as defined in Article I of the Operating Partnership Agreement.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.3.

"Uniform Act" means the Maryland Uniform Limited Partnership Act as embodied in Title 10, Corporations and Associations Article, Annotated Code of Maryland.

"Unit" means an interest in the Partnership held by an Investor Limited Partner representing a Percentage Interest of 4.9 percent and a Capital Contribution of \$46,250.

"Winthrop" means Winthrop Financial Co., Inc., a Massachusetts corporation, its successors and assigns.

ARTICLE II

Formation; Name; and Purpose

Section 2.1 Formation

The parties hereto hereby form the partnership known as Aberdeen Partners as a limited partnership pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office

The Partnership shall be conducted under the name and style of Aberdeen Partners. The principal office of the Partnership shall be Suite 1110, 225 Franklin Street, Boston, Massachusetts 02110. The Maryland office of the Partnership shall be Suite 1100, 36 S. Charles St., Baltimore, Maryland 21201. The General Partner may at any time change the location of such principal office and shall give due notice of any such change to the Limited Partners.

Section 2.3 Purpose

The purpose of the Partnership is to acquire a limited partner interest in the Operating Partnership, to hold, own, maintain, sell, transfer, convey, exchange, otherwise dispose of or deal in or with such partnership interest, and in connection therewith to exercise all of the powers of a limited partner in the Operating Partnership, and further to invest the assets of the Partnership in interim short-term investments as authorized elsewhere herein. The Partnership shall not engage in any other business or activity, except that it may engage in any business or activity which is within the scope of the purposes of the Operating Partnership.

Section 2.4 Authorized Acts

In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

(ii) To invest in interest-bearing accounts and short-term investments, including without limitation obligations of federal and state governments and their agencies, commercial paper, and certificates of deposit of commercial banks, savings banks or savings and loan associations.

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

(iv) To borrow money on the general credit of the Partnership for use in the Partnership business.

(v) 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.

(vi) 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.

(vii) To take any action necessary to allow the amendment of the Operating Partnership Agreement, to give its consent as a limited partner of the Operating Partnership, and to take any other action which is contemplated to be taken by a limited partner of the Operating Partnership.

Section 2.5 Term and Dissolution

The Partnership shall continue in full force and effect until December 31, 2031, except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

A. The sale or other disposition of all or substantially all the assets of the Partnership and the collection in full of the sales price of such assets.

B. The Retirement of a General Partner if no General Partner remains and the Partnership is not continued as provided in Section 6.1.

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

Upon dissolution of the Partnership, the General Partner (or its trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, and shall, unless the Partnership is continued pursuant to Section 6.1, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 9.3. Notwithstanding the foregoing, in the event such liquidating General Partner shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partner may, in order to avoid such loss, either (i) defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations or (ii) distribute the assets to the Partners in kind; provided, however, that the proceeds of any sale or other disposition of Partnership assets shall be distributed in the fiscal year of the Partnership in which such proceeds are collected by the Partnership.

ARTICLE III

Partners; Capital

Section 3.1 General Partners

A. The General Partner is Winthrop and its capital contribution is as set forth in the schedule.

B. The General Partner shall have the right to admit any Person as an additional or substitute General Partner provided such admission receives the Consent of the Limited Partners. The Limited Partners recognize that this procedure is necessary for the orderly and efficient operation and continuation of the business of the Partnership. Each Limited Partner hereby consents to any General Partner admitted in accordance with this Section 3.1.B.

Section 3.2 Limited Partners

The Limited Partners are Linnaeus Boston Realty Company and the Investor Limited Partners.

Section 3.3 Partnership Capital

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

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

Section 3.4 Withdrawal of Capital

No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2031. No Partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.5 Liability of Limited Partners

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

Section 3.6 Investor Limited Partners

A. The General Partners shall have the right to admit as Limited Partners, Investor Limited Partners who shall agree to contribute up to a total of \$925,000. At the time of admission of the Investor Limited Partners, the Percentage Interest of Linnaeus Boston Realty Company shall be reduced from 99% to 1%.

B. Any Limited Partner shall, by his execution of this Agreement or as a result of being admitted to the Partnership as a Substitute Limited Partner pursuant to Article VII and as a condition of receiving any interest in the Partnership property, agree to be bound by the terms and provisions of the following documents concerning the Project: deed of trust, regulatory agreement, housing assistance payments contract,

the Operating Partnership Agreement, and any other documents required in connection therewith to the same extent and on the same terms as the Investor Limited Partners admitted pursuant to Section 3.6.A hereof. Any Limited Partner shall also agree to accept such other terms and conditions set forth in writing to him at the time of admission as the General Partner may reasonably determine.

C. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the Clerk of the Circuit Court of Harford County, Maryland. Each Limited Partner may become signatory hereto by signing a conformed copy of this 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 this Agreement, provided, however, that no such copy shall be binding until it has been signed by the General Partner.

ARTICLE IV

Capital Contributions of Investor Limited Partners

Section 4.1 Payments

A. The Investor Limited Partners to be admitted under Section 3.6 hereof shall make their Capital Contributions in 20 Units or multiples or fractions thereof. Payment for each such Unit shall be made in five installments as follows:

(1) \$6,500 per Unit (the "First Installment") shall be payable on the Admission Date.

(2) \$12,200 per Unit (the "Second Installment") shall be payable on February 1, 1982.

(3) \$10,550 per Unit (the "Third Installment") shall be payable on February 1, 1983.

(4) \$9,000 per Unit (the "Fourth Installment") shall be payable on February 1, 1984.

(5) \$8,000 per Unit (the "Fifth Installment") shall be payable on February 1, 1985.

B. If at the time payments of Capital Contributions are made by the Investor Limited Partners pursuant to this Section 4.1, the Partnership does not promptly utilize such amounts to make its capital contributions to the Operating Partnership,

to pay its expenses, or otherwise in accordance with this Agreement, the Partnership shall invest such amounts pursuant to Section 2.4(ii) hereof, pending their use for such purposes. If the General Partner, in its sole discretion, determines that such invested amounts will not be needed by the Partnership for an extended period of time, the Partnership shall return to the Investor Limited Partners their pro rata share of such funds plus any interest earned thereon. Thereafter, the Investor Limited Partners shall repay to the Partnership any of the Capital Contributions returned to them within 15 days of receipt of notice from the General Partner that such funds are due.

C. The Investor Limited Partners will be obligated to execute promissory notes to the Partnership evidencing their unconditional obligations to make payment of the Second through Fifth Installments of their Capital Contributions. The General Partner, on behalf of the Partnership, may assign an interest in those promissory notes to secure the Partnership's obligation to make capital contributions to the Operating Partnership. In addition, the General Partner may assign an interest in such promissory notes to itself, to one of its affiliates or to a third party which makes a loan to the Partnership pursuant to Section 8.2 of this Agreement.

D. The obligation of the Investor Limited Partners to pay the First Installment is subject to the delivery on the date of the First Installment of the legal opinion of Messrs. Piper & Marbury, counsel to the General Partner and the Partnership, substantially in the form set forth as an exhibit to the Confidential Memorandum prepared in connection with the offering for sale of Units in the Partnership and to the truth and correctness of the representations given by the General Partner in Section 5.5.

Section 4.2 Defaults

A. In the event any Investor Limited Partner fails to pay any Installment of his Capital Contribution on or prior to the time therefor set forth in Section 4.1, he shall be deemed to be in default hereunder (the "Defaulting Limited Partner") and the amount of Installment defaulted upon will bear interest at the lesser of (i) 18% per annum, or (ii) the maximum rate permitted by applicable law, until the date of payment. The obligation to pay interest will be the obligation of only the Defaulting Limited Partner, regardless of whether his interest in the Partnership is purchased pursuant to this Section 4.2. Upon the occurrence of such default, the General Partner shall give notice of such default to all Investor Limited Partners ("Default Notice") specifying the nature of the default and the aggregate amount of Capital Contributions theretofore

contributed by the Defaulting Limited Partner. The non-defaulting Investor Limited Partners shall have the option to purchase, for the price hereinafter specified, each Defaulting Limited Partner's entire interest as an Investor Limited Partner including all profits, losses and distributions attributable to such interest. Such option may be exercised by a Limited Partner (the "Purchasing Limited Partner") by mailing to the Partnership, within 15 days of the mailing of the Default Notice, written notice of his desire to purchase all or part of the Defaulting Limited Partner's interest as an Investor Limited Partner (the "Purchase Notice") specifying the percentage which the Purchasing Limited Partner desires to purchase. Whether or not this option is exercised, the Defaulting Limited Partner shall have no right to receive such profits, losses, and distributions, but any successor to his interest shall receive the benefits of the same.

In the event one or more Purchasing Limited Partners desire to purchase all or part of the Defaulting Limited Partner's interest as an Investor Limited Partner and the total of the percentages they desire to purchase (the "Total Percentage") is equal to or less than the total of such interest of the Defaulting Limited Partner, each Purchasing Investor Limited Partner shall be allowed to purchase the percentage specified in the Purchase Notice on the terms listed below. If any part of such interest is not so purchased by Purchasing Limited Partners, the General Partner, or the General Partners if there are more than one (the Purchasing General Partner(s)), in proportion to their Percentage Interest as General Partners, shall have the option to purchase on the same terms and conditions the remaining part of the interest as an Investor Limited Partner of the Defaulting Limited Partner.

If any portion of the interest of the Defaulting Limited Partner remains unpurchased after being offered to the Limited Partners and the General Partner, as described above, the General Partner may offer such portion to any person not then a Partner, on the terms and conditions hereinafter specified in this Section 4.2.

In the event two or more Purchasing Limited Partners desire to purchase a Total Percentage greater than the interest of the Defaulting Limited Partner, and they are unable to agree as to the appointment thereof, they shall be entitled to purchase portions of such interest based on the ratio which the Percentage Interest of each Purchasing Limited Partner bears to the total Percentage Interest of all Purchasing Limited Partners. Any Purchasing Limited Partner shall become a Substitute Investor Limited Partner to the extent of any portion of any interest as an Investor Limited Partner which it may purchase hereunder. Any purchaser of the interest of a Defaulting Limited Partner who, at the time of such purchase, is not a Partner of the Partnership

shall become an assignee and, with the consent of the General Partner, a Substitute Investor Limited Partner.

The purchase price to be paid to the Defaulting Limited Partner pursuant to this Section 4.2 shall be an amount of cash equal to 75 percent of the paid-in Capital Contribution of the Defaulting Limited Partner less the sum of (i) the total amount of cash distributions, if any, theretofore made to the Defaulting Limited Partner under Article IX of this Agreement, (ii) an amount equal to 50 percent of the amount of the net losses reported by the Partnership for Federal income tax purposes attributable to the interest of the Defaulting Limited Partner which have been or will be allocated to such interest and (iii) any expenses incurred by the Partnership or the purchaser of the interest in question in connection with such purchase. Each purchaser shall also (i) pay to the Partnership his pro rata share of the Installment as to which the default occurred and (ii) assume his pro rata share of all other obligations of the Defaulting Limited Partner, if any, to the Partnership. Notwithstanding the foregoing, however, the obligations of the Defaulting Limited Partner to the Partnership hereunder shall not be extinguished by the existence of any such option, or by its exercise, but only by, and to the extent of, the Capital Contributions made in his place by the purchaser of his interest hereunder. If such option shall not be fully exercised within the foregoing periods, unless and until such default shall be cured, any distributions pursuant to Article IX hereof in respect of the interest of the Defaulting Limited Partner shall be applied first to interest of the defaulted amount at the rate specified in this Section 5.1.A, second to the defaulted amount and the excess, if any, remaining then shall be distributed to the General Partner, and the profits and losses in respect thereof shall be allocated to the General Partner. Exercise of the options provided by this Section 4.2 shall be suspended during any period in which exercise hereof would cause a termination of the Partnership referred to in Section 11.1.

As an alternative to commencing the procedure above provided in this Section 4.2, or in the event that any or all of the interest of a Defaulting Limited Partner remains unpurchased after following such procedure, the General Partner may proceed to pursue any and all available legal remedies against the Defaulting Limited Partner in order to collect the amount owing from him to the Partnership.

B. Notwithstanding any other provisions of this Agreement, the profits or losses attributable to a Defaulting Limited Partner's entire interest as an Investor Limited Partner shall be prorated for federal income tax purposes between the Defaulting Limited Partner and the successor(s) to his interest

on the basis of the number of days each has held such interest during the taxable year in accordance with the provisions of Section 706 of the Internal Revenue Code of 1954, as amended. For purposes of the foregoing sentence, the Defaulting Limited Partner will be deemed to have disposed of his interest on the day that his Capital Contribution as to which he is in default was due and the successor(s) shall be deemed to have acquired such interest on the next succeeding day.

Section 4.3 Repurchase Obligation

If any of the events occur under Section 5.3 of the Operating Partnership Agreement which entitle the Partnership to have its limited partner interest in the Operating Partnership repurchased by the general partners thereof, then the General Partner shall so notify the Investor Limited Partners. If Investor Limited Partners with aggregate Percentage Interests of at least 51% notify the General Partner of the Partnership of their desire that the Partnership shall sell its interest in the Operating Partnership to the general partners of the Operating Partnership, then the General Partners shall notify the Managing General Partner of the Operating Partnership of its intention to have the Partnership's limited partner interest in the Operating Partnership repurchased in accordance with Section 5.3 of the Operating Partnership Agreement. The proceeds of any such sale shall be distributed in accordance with Section 9.3.

Section 4.4 Fees to Certain Entities

A. For its services and expenses in securing the Investor Limited Partners and for all other syndication expenses including, without limitation, brokerage fees, registration fees, professional fees and printing costs, the Partnership shall pay to Winthrop Securities Co., Inc. a syndication fee equal to \$160,000.

B. For its services and expenses in organizing the Partnership, the Partnership shall pay to the General Partner an organizational fee equal to \$40,000.

C. For services and advice concerning income tax planning, the Partnership shall pay \$15,000 to the General Partner or its counsel or accountant.

D. For monitoring the Partnership's investment in the Operating Partnership, and its operations, for extra-ordinary services anticipated in connection with the Capital Contributions of the Investor Limited Partners and for supervising compliance with the Operating Partnership Agreement, the Partnership shall pay the General Partner a fee of \$142,780.

E. The Partnership shall pay a loan commitment fee of \$10,000 to the General Partner for the General Partner's Commitment to loan the Partnership the sum required for the Partnership's initial contribution to the Operating Partnership.

F. For its services in acting as attorney-in-fact, reviewing the tax returns of the Partnership and Operating Partnership, reporting to the Investor Limited Partners and maintaining records, the Partnership shall pay Winthrop an annual Investor Service Fee of \$3,000 for each fiscal year of the Partnership ending after Final Endorsement.

G. For its obligation to purchase the interest of the Partnership in the Operating Partnership, the Partnership shall pay A & R - Waterford Joint Venture a fee of \$70,000.

ARTICLE V

Rights, Powers and Duties of the General Partner

Section 5.1 Business Management and Control

The General Partner shall have the exclusive right to manage the business of the Partnership; provided, however, that the General Partner shall not have any authority to do any of the following acts without the Consent of the Limited Partners: (1) to become personally liable on, or to guarantee the mortgage loan secured by the Project, or (2) to sell, assign, transfer, encumber or otherwise dispose of all or any portion of the Partnership's limited partner interest in the Operating Partnership. No limited Partner (except one who may also be a General Partner), and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law. The Limited Partners hereby consent to the exercise by the General Partner of the powers conferred on it by this Agreement.

Section 5.2 Duties and Obligations

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

Section 5.3 Indemnification

Each General Partner shall be indemnified by the Partnership for any act which it reasonably believed was performed by it within the scope of the authority conferred upon it by this Agreement. Any indemnity under this Section 5.3 shall be paid from, and only to the extent of, Partnership assets, and no

Limited Partner shall have any personal liability on account thereof.

Section 5.4 Liability of the General Partner to Limited Partners

No General Partner shall be liable, responsible or accountable for damages or otherwise to any Limited Partner for any act performed within the scope of the authority conferred by this Agreement, except for acts of fraud or gross negligence or for damages arising from misrepresentation of a material fact or willful breach of a covenant or warranty.

Section 5.5 Representations and Warranties

A. The General Partner hereby represents to each Limited Partner that, as of the date hereof and to the best of its knowledge, the following are true or will be true upon the filing of the Certificate:

(i) The General Partner is a corporation duly organized, validly existing, and in good standing under the laws of Massachusetts, with full power and authority to act as general partner of the Partnership.

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

(iii) Neither the Partnership nor any Partner has any personal liability with respect to the mortgage loan secured by the Project.

(iv) The General Partner has net worth of not less than \$500,000.

B. The General Partner agrees that it will not at any time become personally liable for the payment under the mortgage loan secured by the Project and will use its best efforts to prevent any other Partner from becoming so liable.

ARTICLE VI

Retirement of a General Partner

Section 6.1 Retirement; Dissolution; Continuation

A. A General Partner may withdraw voluntarily from the Partnership only if another General Partner, including a substitute additional General Partner admitted pursuant to Section 3.1, remains.

B. Upon the Retirement of a General Partner, any remaining General Partner or General Partners, if any, or if none, the Retired General Partner or its heirs, successors or assigns, shall immediately send notice of such Retirement (the "Retirement Notice") to each Limited Partner. In such event the Partnership (i) shall be dissolved (unless it is continued by all of the partners as provided in paragraph C) if there is no remaining General Partner, or (ii) shall be continued by the remaining General Partner(s) if the remaining General Partner, in its sole discretion, so elects.

C. If, following the retirement of a General Partner, there is no remaining General Partner or Substitute General Partner of the Partnership, the Limited Partners may, within ninety (90) days after notice of such Retirement, elect to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Section 2.5 by selecting a substitute General Partner by unanimous consent of the Limited Partners. If the Limited Partners elect to reconstitute the Partnership and admit a Substitute General Partner, the relationship of the Partners and of any person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement.

Section 6.2 Retirement; Event of Bankruptcy as to General Partner

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

B. Notwithstanding any other provisions of this Agreement, if the Retirement of a General Partner shall have occurred by reason of an Event of Bankruptcy, any fees otherwise payable to the bankrupt General Partner and not paid at the time of the Event of Bankruptcy in question shall be retained by the Partnership for such purposes as the remaining General Partners shall determine.

ARTICLE VII

Transferability of Limited Partner Interests

Section 7.1 Limited Right to Assign

A. Subject to the provisions of this Article VII (as qualified by Section 11.1), no Limited Partner shall have the right to assign or transfer all or any portion of his interest in the Partnership without the prior written consent of the General Partner.

B. Notwithstanding Section 7.1.A, a Limited Partner may, by written instrument, designate any Person to become the assignee of all or a portion of his interest as a Limited Partner immediately upon his death. Such a designee, if he is then living, shall become an assignee immediately upon the assignor's death without requirement of any action on the part of the legal representatives of the assignor Limited Partner; and such legal representatives and the estate of such deceased Limited Partner shall have no interest whatsoever in the Partnership. Any such designation must be filed with the General Partner during such Limited Partner's lifetime. Such designation may be revoked from time to time and a new such designation made and filed with the General Partner. The Partnership need not recognize such designated assignee as a Substitute Limited Partner until (i) duly notified in writing of the death of the assignor Limited Partner and (ii) furnished with a legal opinion acceptable to the General Partner to the effect that such designation is valid under the applicable laws of testate and intestate succession.

C. In the event of the death or incapacity of any Limited Partner who has not filed a valid designation under Section 7.1.B, his legal representatives shall have the same rights as an assignee by designation of the Limited Partner as hereinabove provided. The death or incapacity of a Limited Partner shall not dissolve or terminate the Partnership.

D. Notwithstanding Section 7.1.A, a Limited Partner may assign gratuitously all or a portion of his interest in the Partnership to or for the benefit of a member or members of his Immediate Family.

E. If an assignment is made pursuant to Section 7.1.B, C or D then such assignee may become a Substitute Limited Partner only in accordance with Section 7.3 but, notwithstanding Section 7.4, in any event shall be entitled to the share of profits, losses and distributions in respect of the Percentage Interest so assigned.

Section 7.2 Restrictions

A. No sale or exchange of the interest of any Person as Limited Partner in the Partnership shall be made if such sale or exchange would violate Section 11.1.

B. In no event shall all or any part of a Limited Partner's interest in the Partnership be assigned or transferred to a minor (other than to a member of a Limited Partner's Immediate Family by reason of death) or to an incompetent. In no event shall a Limited Partner assign or transfer, without the written permission of the General Partner, an interest in the Partnership representing less than one-half of a Unit,

unless such interest constitutes his entire interest in the Partnership.

C. The General Partner may require as a condition of any sale, transfer, exchange or other disposition of any interest in the Partnership, that the transferor (i) assume all costs incurred by the Partnership in connection therewith and (ii) furnish it with a legal opinion satisfactory to counsel for the Partnership that such sale, transfer, exchange or other disposition complies with applicable Federal and state securities laws.

D. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.2 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.3 Substitute Limited Partners

No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partner shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partner shall be binding and conclusive without the consent or approval of any Limited Partner.

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

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of such Substitute Limited Partner, and an amendment to the Certificate reflecting such admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partner to signify his agreement to be bound by all of the provisions of this Agreement.

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

Section 7.4 Assignees

If the purported assignee of a Limited Partner does not become a Substitute Limited Partner in accordance with Section 7.3, the Partnership shall not recognize the assignment and the purported assignee shall not have any rights to receive any portion of the share of profits, losses and distributions of the Partnership to which the Limited Partner making the purported assignment would have been entitled if no such purported assignment had been made by such Limited Partner. Any such profits, losses and distributions shall continue to be allocated as if no assignment were ever attempted.

ARTICLE VIII

Loans

Section 8.1 In General

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his capital contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2 Loan from First Winthrop Corporation

In order for the Partnership to have sufficient funds to pay the first installment of its capital contribution to the Operating Partnership, First Winthrop Corporation, a Delaware corporation which owns all of the stock of the General Partner ("First Winthrop"), has lent \$100,000 to the Partnership. This loan shall be repaid with interest at the rate of 18% per annum from the proceeds of the Partner's Capital Contributions.

In the event that First Winthrop finds another person who is willing to loan money to the Partnership in place of First Winthrop, the Partnership will enter into a loan with this other person (the "new loan") and will use the loan proceeds to repay the loan from First Winthrop, to the extent of the new loan proceeds. If the Capital Contributions of the Investor Limited Partners are insufficient to repay the new loan in accordance with its terms, First Winthrop shall loan the Partnership at an interest rate of 18% per annum the amount of the Capital Contribution shortfall required to repay the new loan. If the interest expense on the loan from the outside party exceeds 18% per annum, First Winthrop shall reimburse the Partnership for such excess interest expense.

ARTICLE IX

Profits & Losses; Distributions

Section 9.1 Profits and Losses

A. For Federal and State income tax purposes, except as provided in Section 9.1.B, all profits and losses, shall be allocated to the Partners according to their Percentage Interest.

B. The net profits arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty, liquidation or other disposition of all, or substantially all, of the assets of the Partnership shall be allocated for Federal income tax purposes in the following order of priority:

(i) First, to each Partner with a negative balance in his Capital Account as of the date on which this allocation under Section 9.1.B First is made, the amount of such negative balance;

(ii) Second, to each Partner who will receive a distribution under Section 9.2.C Fourth or Fifth on or after the date on which the allocation under this Section 9.1.B is made, an amount equal to such future distribution; and

(iii) Third, the balance of any such net profits, in accordance with Percentage Interests.

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

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

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

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

Section 9.2 Distribution Prior to Dissolution

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed to the Partners according to their Percentage Interests. All distributions to the Partners shall be shared by the Partners in the ratio of their Percentage Interests, one to the other.

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

B. Definition of Cash Flow. For all purposes of this Agreement, the term "Cash Flow" shall mean any amount received by the Partnership as a distribution of the Cash Flow of the Operating Partnership, as determined under the Operating Partnership Agreement, less all expenses, including the Investor Service Fee, and current obligations of the Partnership.

C. Distributions of Other Than Cash Flow. Prior to dissolution, if there is cash available for distribution from sources other than Cash Flow (such as, for example, from a distribution from the Operating Partnership which is not a distribution of the Cash Flow of the Operating Partnership), such cash shall be distributed in the same calendar year in which the event generating the cash occurs as follows:

First, to the discharge, to the extent required by any lender or creditor, of debts and obligations of the Partnership.

Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partners.

Third, to the payment of the cumulative unpaid balance, if any, of the Investor Service Fee.

Fourth, to the Investor Limited Partners, an amount equal to the excess, if any, of the Investor Limited Partners' class Capital Contribution over the aggregate amount of distributions theretofore made to the Investor Limited Partners under this Clause Fourth.

Fifth, to each Partner with a positive balance in his Capital Account on the date on which distribution under this Section 9.2.C Fifth is made, after taking into account distributions pursuant to clauses First through Fourth above, the amount of such positive balance.

Sixth, the balance thereof, in accordance with Percentage Interests.

Notwithstanding the foregoing, in no event shall the General Partner, as a single class, receive as an aggregate distribution under this Section 9.2.C less than 1/99 of the aggregate of the amounts distributed to the Limited Partners under this Section 9.2.C. In the event that the aggregate amount distributable to the General Partner, as a single class, under Clause Fifth or Sixth does not equal 1/99 of the aggregate amount distributable to the General Partners without regard to this provision, then the amounts otherwise distributable to the Limited Partners under Clauses Fourth, Fifth and Sixth shall be reduced in order to assure the General Partners of their 1/99 share.

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

Section 9.3 Distributions Upon Dissolution

Upon dissolution, after payment of, or adequate provision for, the debts and obligations of the Partnership, the remaining assets of the Partnership (or the proceeds of sales or other dispositions in liquidation of the Partnership assets, as may be determined by the remaining or surviving General Partner(s) shall be distributed to the Partners in the Priority set forth in Section 9.2.C, Second through Sixth.

All distributions to the Partners under this Section 9.3 shall be shared by the Partners according to the provisions of Section 9.2.D hereof. If any assets of the Partnership are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled.

ARTICLE X

Books and Records, Accounting, Tax Elections, Etc.

Section 10.1 Books and Records

The General Partner shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions with respect to the conduct of the Partnership's business, which shall be maintained in accordance with sound accounting practices and shall be available at the principal office of the Partnership for

examination by any Partner, or his duly authorized representatives at any and all reasonable times during normal business hours at the office of the Partnership. The Partnership may maintain such books and records and may provide such financial or other statements as the General Partner may deem advisable.

Section 10.2 Bank Accounts

The bank accounts of the Partnership shall be maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partner shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in interest-bearing accounts or invested in short-term United States Government or state municipal obligations maturing within one year.

Section 10.3 Accountants

The Accounts for the Partnership shall be such firm of certified public accountants as shall be engaged by the General Partner. The Accountants shall prepare for execution by the General Partner all tax returns of the Partnership.

Section 10.4 Reports to Investor Limited Partners

The General Partner shall comply with the following provisions:

A. The General Partner shall, within a reasonable period after receipt thereof, distribute to each of the Investor Limited Partners a copy of all reports or other materials received pursuant to Section 12.4 of the Operating Partnership Agreement.

B. Within 90 days after the end of each fiscal year, the General Partner shall cause to be prepared and sent to all then Investor Limited Partners (i) a balance sheet and the related statements of income and retained earnings and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statement has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountant in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountant takes exception and stating, to the extent practicable, the effect of each such exemption on such financial statement; (ii) Schedule K-1 (Form 1065) or any successor or additional form required by the Investor Limited Partners to prepare their tax returns. Upon the written request of any

Investor Limited Partner for further information with respect to any matter covered in item (i) above, the General Partner shall furnish such information within 15 days of receipt of such request if such information is reasonably accessible. All necessary tax information shall be furnished to all then Investor Limited Partners within 30 days of the receipt by the General Partner of the necessary information from the Operating Partnership. Each Partner shall be entitled to receive, upon request, copies of all Federal, state and local income tax returns and informational returns, if any, which the Partnership is required to file.

Section 10.5 Tax Elections

Subject to the provisions of Section 10.6, all elections required or permitted to be made by the Partnership under the Code shall be made by the General Partner in such manner as will, in the opinion of the Accountants, be most advantageous to the Investor Limited Partners.

Section 10.6 Special Basis Adjustments

In the event of a transfer of all or any part of the interest of any Partner, including a transfer of an interest pursuant to Article VI, the Partnership shall elect, pursuant to Section 754 of the Internal Revenue Code of 1954, as amended, (or corresponding provisions of succeeding law), to adjust the basis for the Partnership property. Notwithstanding anything contained in Article IX of this Agreement, any adjustments made pursuant to Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 10.7 Fiscal Year and Accounting Method

The fiscal year of the Partnership shall be the calendar year.

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

ARTICLE XI

General Provisions

Section 11.1 Restrictions on Transfer

A. Notwithstanding any other provision of this Agreement, except as otherwise provided in this paragraph, no sale or exchange of any Partner's interest in the Partnership may be made if the interest sought to be sold or exchanged, when

added to the total of all other interests in the Partnership sold or exchanged within the period of twelve consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership or the Operating Partnership under Section 708 of the Internal Revenue Code of 1954, as amended, (or any successor statute). However, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his interest in the Partnership.

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

C. Any sale, exchange or other transfer in contravention of any of the provisions of this Section 11.1 shall be void and ineffectual, and shall not bind or be recognized by the Partnership.

Section 11.2 Appointment of General Partner as Attorney-in-Fact

Each Limited Partner hereunder (including a substitute or additional Investor Limited Partner) hereby irrevocably appoints and empowers each General Partner and the President, the Treasurer and the Secretary of each corporate General Partner, his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

(i) Any and all amendments to a Certificate of Limited Partnership that may be required by this Agreement or the laws of Maryland, including without limitation, amendments required to effect the admission of a successor or additional General Partner or additional or substitute Limited Partners pursuant to Sections 3.6 or 7.3;

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

(iii) any and all amendments to the Schedule of this Agreement necessary to reflect any change or transfer of a Partner's Partnership interest including, without limitation, transfers of a Defaulting Limited Partner's Partnership Interest pursuant to Section 4.2 and any other amendments to this Agreement adopted pursuant to Section 11.13.

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

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

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

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

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

Section 11.3 Notices

Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and sent registered or certified mail, postage prepaid, to the party or parties for whom such notices are intended.

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

Section 11.4 Word Meanings

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

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

Section 11.5 Binding Provisions

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

Section 11.6 Applicable Law

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

Section 11.7 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by a General Partner. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 11.8 Survival of Representations and Warranties

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

Section 11.9 Separability of Provisions

Each provision of this Agreement shall be considered separable and (a) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (b) if for any reason any provision or provisions herein would cause the Investor Limited Partners to be bound by the obligations of the Partnership under the laws of Maryland as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 11.10 Investment Representation

Each Limited Partner represents that he is acquiring his interest as an Investor Limited Partner for his own account for investment and not with a view to the distribution or resale thereof and with no present intention of distributing or reselling any portion. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any person or persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partner interest in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Section 11.11 Paragraph Titles

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

Section 11.12 Meeting of Partners

Investor Limited Partners whose Capital Contributions represent at least 25% in interest of the Investor Limited Partner Class Contribution may request in writing that the General Partner call a meeting of the Partners. The General Partner shall be required to call a meeting of the Partners in Boston, Massachusetts within 30 days of the receipt of the Investor Limited Partners' request. The General Partner shall give 21 days' written notice to all Partners of the meeting.

Section 11.13 Amendment Procedure

This Agreement may not be modified or amended except with the written consent of the General Partner and the Consent of the Limited Partners; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Investor Limited Partners (ii) extend the termination date specified in Section 2.5 hereof, (iii) change the method or accelerate the dates for the payment of such Capital Contributions or otherwise increase the liability of the Investor Limited Partners, (iv) affect the rights of the Investor Limited Partners under Article IX or (v) amend this Section 11.13 shall require the written consent of all Investor Limited Partners.

SCHEDULE A
TO
CENTER HOUSING PARTNERS
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

<u>Name and Address</u>	<u>Initial Capital Contributions</u>	<u>Final Capital Contributions</u>	<u>Initial Percentage Interest</u> 1	<u>Final Percentage Interest</u> 1
<u>GENERAL PARTNERS:</u>				
Winthrop Financial Co., Inc. Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$100 ³	\$ 100 ³	1%	1%
<u>LIMITED PARTNERS</u>				
Linnaeus Boston Realty Company Suite 1110 225 Franklin Street Boston, Massachusetts	\$100 ³	\$ 100 ³	99%	1%
<u>INVESTOR LIMITED PARTNERS</u>				
	<u>0</u>	\$ 925,000 ² <u>\$ 925,000</u>	<u>0</u> <u>\$100%</u>	<u>98%</u> <u>\$100%</u>

Notes: /

- Partners' percentage interests are subject to modification and adjustment as set forth in the Agreement.
- The timing of the contributions of the Investor Limited Partners is set forth in the Agreement.
- Contributed in cash on the date of this Agreement.

WITNESS the execution under seal as of the 2nd day of April, 1981.

WITNESS:

GENERAL PARTNER:

/ WINTHROP FINANCIAL CO., INC.

[Handwritten signature]

By: _____

[Handwritten signature]

LIMITED PARTNER:

) LINNEAUS BOSTON REALTY COMPANY

[Handwritten signature]

By: _____

[Handwritten signature]

COMMONWEALTH OF MASSACHUSETTS,
CITY OF BOSTON , TO WIT:

On this 1st day of April, 1981, before me, a Notary Public in and for the jurisdiction aforesaid personally appeared DAVID C. HEWITT, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Limited Partnership Agreement and Certificate and acknowledged that (i) he signed the same for the purposes therein set forth as the free and voluntary act of each of WINTHROP FINANCIAL CO., INC. and LINNAEUS BOSTON REALTY COMPANY, (ii) he is the President of WINTHROP FINANCIAL CO., INC. and a partner of LINNAEUS BOSTON REALTY COMPANY, and (iii) he has due authority to sign in each such capacity.

WITNESS my hand and notarial seal.

Patrice A. Williams
Notary Public

My Commission Expires: 7-16-87

RECD & RECORDED 7/10/91
NO 3 FOLIO 126
APR 3 4 17 PM '91
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

PARTNERSHIP DISSOLUTION AGREEMENT

THIS AGREEMENT, entered into this 19th day of January, 1981, between Claude J. Walker and Susan J. Walker, his wife, and Russell A. Jones and Frances B. Jones, his wife, all parties hereto residing in Harford County, State of Maryland.

WHEREAS, the parties have been and were until January 19, 1981 *****11.00 engaged in business together under the name of Walker and Jones Partnership, a partnership located at 2213 Allibone Road in Harford County, State of Maryland; and

WHEREAS, the parties did enter into a partnership agreement on the 29th day of November, 1978, a copy of which is annexed hereto; and

WHEREAS, the parties now desire to terminate said partnership and liquidate the same;

NOW, THEREFORE, it is mutually understood and agreed as follows:

(1) The said partnership existing between the parties hereto as set forth in the annexed partnership agreement is hereby terminated and the business of said partnership is to be liquidated as of the close of business on the 19th day of January, 1981.

(2) No further business shall be conducted by the partnership, or obligations entered into, except for the purpose of liquidating said partnership.

(3) Prior to any liquidation being carried out, a complete and accurate inventory shall be taken of all goods, fixtures, and assets on hand. All debts and legal obligations of the partnership remaining unpaid and unsatisfied and assets if any shall be paid in full or compromised if possible before proceeding with any dissolution.

(4) The books of said partnership shall be completed as of the close of business on the 19th day of January, 1981, at which time, on the basis of such books, an account shall be stated between the partners. Subject to the provisions of paragraph five (5) hereof, such statement of account shall show each partner's full share of the assets of the partnership

Mailed to: Frances B. Jones, 215 A Crocker Dr., Bel Air, Md. 21014

as indicated on such books. In arriving at the value of the partnership assets, it is hereby agreed by the partners that the value of the goodwill of said partnership, all of which is attributable to the partnership firm name, is zero dollars (\$0.00).

(5) Upon the liquidation of the partners' respective interests in the partnership, each partner shall be paid the value, if any, of his share of the partnership assets as indicated by the books and records of the partnership.

(6) Each of the partners agrees and hereby expressly acknowledges that the books of account of said firm have been fully, truly and completely kept and that they truly and completely show all transactions, assets, debts, liabilities and obligations of said partnership and its financial condition as of the date of this agreement, and their interests therein and shares thereof.

(7) Any disputes or disagreements pertaining to the possible liquidation and winding up of the affairs of said partnership that cannot be reconciled between the partners shall be submitted to a competent arbitrator, to be mutually selected by the partners, for determination and such determination shall be final and binding upon the parties.

(8) Each partner does hereby release and forever discharge the other and the executors, administrators and assigns of the other of all and from all claims, causes of action, debts, duties, liabilities and obligations of any and every sort or nature, wherever and however arising, which against the other he or she has or ever had or which he or she or his executors, administrators or assigns hereafter may or can have, past, present and future.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this 19th day of January, 1981.

Claude J. Walker

CLAUDE J. WALKER

Susan J. Walker

SUSAN J. WALKER

Russell A. Jones

RUSSELL A. JONES

Frances B. Jones

FRANCES B. JONES

RECD & RECORDED *HCC*
NO 3 FOLIO 150
JUL 1 11 45 AM '81
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

ABERDEEN MOTEL LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP dated this 9th day of July, 1981, by and among HERBERT J. De MARRAIS and VINCENT A. NESE (the "General Partners") and HERBERT J. De MARRAIS, VINCENT A. NESE and HARVEY E. ROBINS (the "Limited Partners").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows: 10-81 A #24168 *****71 00

1. A. Formation. The parties hereto hereby form a limited partnership pursuant to the provisions of the Maryland Uniform Limited Partnership Act, Title 10 of the Corporations and Associations Article of the Annotated Code of Maryland (1975 Edition and 1980 Cumulative Supplement) (the "Act"), and the Partnership shall be conducted under the firm name and style of: ABERDEEN MOTEL LIMITED PARTNERSHIP.

B. Character of the Business. The business of the Partnership is (i) to acquire a motel and the parcel of land on which it is situated in Aberdeen, Harford County, Maryland (the "Motel"), (ii) to refurbish and repair the Motel in accordance with specifications provided by Holiday Inns, Inc., (iii) to operate and manage the Motel, (iv) to enlarge, whether by purchase or otherwise, lease, sell, transfer, encumber (by mortgage, deed of trust, or other form or method of financing or refinancing) or otherwise deal with the Motel, and (v) to do and perform all acts necessary, incidental or convenient to carry out the Partnership's business purposes.

C. Principal Office and Resident Agent. The principal office of the Partnership shall be located at Holiday Inn, I-95

Mailed to: Colonial Title Co., 658 Kenilworth Dr., Towson, Md. 21204

and State Route 22, Aberdeen, Maryland 21001, or at such other location in the State of Maryland as may be determined by the General Partners, who shall give due notice of any such change to the Limited Partners. The resident agent of the Partnership is Kenneth B. Frank, Esquire, 1100 Charles Center South, 36 South Charles Street, Baltimore, Maryland 21201.

2. Partners. The names and addresses of the Partners are as set forth on Schedule A attached hereto and made a part hereof, as it may be amended from time to time.

3. Term. The Partnership shall continue until December 31, 2031 unless sooner terminated as hereinafter provided.

4. Capital Contributions and Percentage Interests.

(a) The capital of the Partnership shall consist of the capital contributions listed on Schedule A which have been contributed by the Partners, and the Percentage Interests of each of the Partners shall be as set forth on Schedule A.

(b) An individual capital account shall be maintained for each Partner. The capital interest of a Partner shall consist of his original capital contribution, as set forth on Schedule A, increased by (i) any additional capital contributions (ii) all income, gain or profits allocated to such Partner and decreased by (iii) all distributions to such Partner and (iv) all losses or deductions allocated to such Partner.

(c) No interest shall be paid on any present or future capital interest. Any Partner may, however, loan to the Partnership such additional funds as may be agreed upon by the General Partners.

(d) Except as otherwise specifically provided in this Agreement, no part of the capital of any Partner shall be withdrawn except upon the consent of all Partners.

(e) Notwithstanding any other provision contained in this Agreement or in the Act, no General Partner shall be personally liable for the return of the capital contribution or any portion thereof of any Limited Partner and any such return shall be made solely from assets of the Partnership.

(f) In the event that the Partnership shall need additional capital, each Partner agrees to contribute within 10 days of notice from the General Partners an amount equal to his Percentage Interest of the additional capital required. In the event that a Partner fails or refuses to make any advances, any other Partner or Partners may advance the defaulting Partner's share. To the extent that Partners advance additional capital in amounts that are not proportionate to their Percentage Interests, the Percentage Interests of all of the Partners shall be adjusted and Schedule A shall be amended accordingly.

5. Division of Profits and Losses.

(a) For purposes of this Agreement and for federal and state income tax purposes, any profits of the Partnership shall be shared among, and the losses of the Partnership shall be borne by, the Partners pro rata in proportion to their respective Percentage Interests.

(b) Notwithstanding the provisions of Paragraph 5(a), no Limited Partner, as such, shall be liable to third parties for any debts or other obligations of the Partnership for any amount in excess of his share of the capital of the Partnership.

(c) For purposes of Sections 702 and 704 of the Internal Revenue Code of 1954, or the corresponding sections of any future federal internal revenue law, or any similar tax law of any state or jurisdiction, the following provisions shall apply:

(1) Except as otherwise provided in subparagraph (2) hereof, the determination of each Partner's distributed share of all Partnership items of tax significance, whether income, gain, loss, deduction, credit or allowance, for any Partnership accounting year or other period shall be in proportion to such Partner's Percentage Interest.

(2) In the event of the transfer of all or any part of a Partnership interest (in accordance with the provisions of this Agreement) at any time other than the end of a Partnership accounting year, the distributive share of the aforesaid Partnership items (in respect of the Partnership interest so transferred), as computed for income tax purposes, shall be allocated between the transferor and the transferee in the same ratio as the number of days in such Partnership accounting year before and after such transfer, except that the provisions of this sentence shall not be applicable to a gain or loss on the sale of all, or substantially all, of the real property of the Partnership or to other extraordinary non-recurring items. Gain or loss on

any such sale shall be allocated as of the date of closing of the sale and extraordinary or non-recurring items of gain or loss shall be allocated on the basis of Partnership interests on the date the gain is realized or the loss incurred, as the case may be.

6. Distribution of Net Cash Flow.

(a) For all purposes of this Agreement, the term "Net Cash Flow" shall mean:

(1) The "Net Cash Flow" of the Partnership shall be taxable income or loss of the Partnership for federal income tax purposes (excluding profits and losses arising from the sale or other disposition of all or substantially all of the assets of the Partnership), plus depreciation and other non-cash charges deducted in determining such taxable income or loss, and minus (a) principal payments on all indebtedness, (b) property replacement reserves and capital expenditures when made from other than such reserves, (c) any other cash expenditures which have not been deducted in determining the taxable income or loss of the Partnership, and (d) any amount retained to maintain a reasonable working capital; plus

(2) In the event of the refinancing (which term "refinancing" is hereby defined for all purposes of this Agreement to include the recasting, modifying, increasing or extending) of any mortgage on all or any part of the Motel, such proceeds therefrom as are not used to finance capital improvements or

replacements, if any, remaining after payment or provisions for payment of (to the extent the General Partners may determine such payment to be appropriate) all liabilities to creditors of the Partnership (including the repaying of any loans made by the Partners to the Partnership); plus

(3) Any other funds (including amounts previously set aside as reserves by the General Partners, where and to the extent that they no longer reasonably regard such reserves as necessary in the efficient control of the Partnership business) deemed available for distribution by the General Partners.

(b) Net Cash Flow shall not include the net proceeds from the sale or other disposition of all or substantially all of the property of the Partnership. The Net Cash Flow of the Partnership shall be determined separately for each fiscal year and not cumulatively.

(c) In each fiscal year, the General Partners shall distribute so much of the "Net Cash Flow" as they deem available in their absolute discretion to all Partners in proportion to their respective Percentage Interests.

7. Management and Authority of the General Partners.

(a) The General Partners shall manage the Partnership and shall devote to the Partnership such time as may be reasonably required for the proper conduct of the Partnership business. The General Partners shall be reimbursed for reasonable costs and expenses advanced or incurred on Partnership business prior to and subsequent to the formation of the Partnership.

(b) Subject to the required consent of the Limited Partners as provided for in Paragraph 7(d), the General Partners shall have the power and authority to (i) acquire and finance the acquisition of the Motel; and (ii) refurbish, operate and manage the Motel. Such powers shall be deemed to include the power and authority to cause the Partnership to enter into a license agreement with Holiday Inns, Inc., and a management contract pursuant to which another person, firm or corporation (which person, firm or corporation may be affiliated with a Partner) will manage the Motel on behalf of the Partnership.

(c) The General Partners hereby agree to assign to the Partnership all of their right, title and interest in and to (i) the Agreement of Sale dated January 2, 1981 pertaining to acquisition of the Motel by and between Herbert J. DeMarrais and Robert J. Colonna as Buyer and Paradise Motors, Inc. as seller; (ii) the commitment from Virginia National Bank to provide interim financing for acquisition of the Motel, (iii) the commitment from The Aetna Casualty and Surety Company to provide permanent financing for acquisition of the Motel; (iv) the Commitment Agreement to Issue a License Agreement with Holiday Inns, Inc; and (v) any additional commitments, agreements or contracts pertaining to acquisition, financing or operation of the Motel.

(d) The General Partners shall not have any authority to do any of the following acts without the consent of the Limited Partners owning at least 66 2/3% of the Percentage Interests of all the Partners:

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

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

(3) to become personally liable on, or to guarantee any mortgage on the Motel, or

(4) to refinance, sell or convey the Motel.

8. Activities of Limited Partners. The Limited Partners shall take no part in the conduct or control of the Partnership business and shall have no right to act for or bind the Partnership.

9. Transfer or Assignment of Partnership Interest.

(a) Except as otherwise provided in paragraphs 9 (b) and (c) and 10 (a) and (d) of this Agreement, no General or Limited Partner shall assign, transfer, mortgage, pledge, sell or otherwise dispose of his interest, in whole or in part, in the Partnership or its assets.

(b) Except as permitted by paragraphs 9(c) and 10(a) and (d), if a Partner, at any time, shall desire to dispose of any portion or all his Partnership interest and shall have obtained a bona fide written offer from a financially responsible person to purchase the interest, in its entirety or a portion thereof, which offer the Partner desires to accept, the Partner must first offer to sell such interest or portion thereof to the other Partners or any person, firm or corporation which they may designate, upon the

exact terms and conditions contained in the offer from the prospective purchaser. The selling Partner shall send a notice of the offer setting forth all the terms and conditions of the proposed purchase to all of the other Partners. If exercised, the right of purchase shall be in the proportions of the Partners' respective Percentage Interests, and if a Partner does not desire to exercise his right of purchase, or if such Partner desires to exercise such right in part, then the unexercised portion may be exercised, pro rata, by the other Partners. If the Partners or their designee do not exercise their right to purchase the Partner's interest subject to the offer upon the same terms and conditions within 45 days following receipt of written notice of the offer from the selling Partner to the other Partners, then, such right of first refusal shall expire and the Partner may sell his Partnership interest subject to the offer to the prospective purchaser upon the terms and conditions specified in the offer; provided, however, that the purchaser may only become a Limited Partner and the transfer shall be subject to the provisions of Paragraph 9(e) of this Agreement regarding Substitute Limited Partners. In the event that the other Partners exercise their right of first refusal, settlement shall be held within the time required for settlement under the bona fide offer but not earlier than the expiration of 60 days from the date such option is exercised. If the selling Partner does not consummate the sale to the prospective purchaser within 90 days after the rejection by the other Partners of the right of first refusal, the other Partners shall have a continuing right of first refusal as to any subsequent sale of the interest of the selling Partner.

(c) Any Partner may transfer or dispose of all or a portion of his Partnership interest during his lifetime for value or as a gift or by inter vivos trust, or, otherwise, to or for the benefit of his immediate family; provided, however, that the interest of the Partner shall be or become a Limited Partnership interest and the transferor shall remain responsible for all of his obligations and those of his transferee as a Partner arising prior or subsequent to the time of transfer. "Immediate family" is hereby defined to mean such Partner's spouse, children, grandchildren, sisters, brothers, father, mother, father-in-law or mother-in-law. The transferee of such a Partnership interest, including a beneficial holder for a transferee, shall hold the interest subject to all of the terms and provisions of this Agreement and shall comply with Paragraph 9(e).

(d) Any permitted sale, transfer, assignment or other disposition of a General Partner's Partnership interest shall not result in the admission of an additional or substitute General Partner without the unanimous consent of all Partners, and if such unanimous consent is not given by all Partners, the transferee or assignee may only be admitted to the Partnership as a Limited Partner.

(e) As a condition to his admission as a Substitute General or Limited Partner, any assignee, distributee, or successor shall execute, acknowledge and deliver to the General Partners such instruments (in form and substance reasonably satisfactory to the General Partners) as the General Partners shall deem necessary or

desirable to effectuate the admission and to affirm the agreement of the person being admitted as a Substitute General or Limited Partner to be bound by all of the terms and provisions of this Agreement (or as the same may have been amended) with respect to the General or Limited Partnership interest so acquired. Such assignee, distributee or successor shall pay all reasonable costs and expenses incurred in connection with such admission as a Substitute General or Limited Partner, including, but not limited to, the cost of the preparation, filing and recording of any amendment of the Certificate of Limited Partnership deemed necessary or desirable by the General Partners in connection therewith.

10. Death, Insanity or Bankruptcy of a Partner.

(a) Upon the death, insanity or bankruptcy of a Partner, his General Partnership interest, if the deceased, insane or bankrupt Partner were a General Partner, shall be converted to a Limited Partnership interest; provided, however, that the deceased General Partner's estate or the person to whom he has bequeathed his Partnership interest shall remain liable for all liabilities and obligations of the deceased General Partner as a General Partner of the Partnership arising or incurred prior to his death.

(b) The death of a Limited Partner shall not dissolve or terminate the Partnership.

(c) Upon the death, insanity or bankruptcy of a Partner, the personal or legal representative and the successor in interest of the deceased, insane, or bankrupt Partner shall have all of the rights of the deceased, insane or bankrupt Partner

in the Partnership to the extent of his interest therein, subject, however, to the terms and conditions of this Agreement, and except that in the case of a General Partner, these rights shall be limited to those of a Limited Partner in the Partnership.

(d) Notwithstanding paragraph (c), a General or Limited Partner may, by written instrument, designate any person (including a corporate trustee) to become the assignee of all of his interest as a Limited Partner immediately upon his death. Such an assignee if he shall then be living, shall become a Substitute Limited Partner immediately upon the assignor's death without requirement of any action on the part of the legal representative of the assignor Partner; and such legal representative and the estate of such deceased Partner shall have no interest whatsoever in the Partnership; provided, however, that the estate of the deceased Partner shall remain liable for the liabilities of the deceased Partner to the Partnership. Any such designation must be filed with the General Partners during such Partner's lifetime. Such designation may be revoked from time to time and a new such designation made and filed with the General Partners. The Partnership need not recognize such designated assignee as a Substitute Limited Partner until (i) duly notified in writing of the death of the assignor Partner and (ii) furnished with a legal opinion acceptable to the General Partners to the effect that such designation is valid under the applicable laws of testate and intestate succession.

11. Withdrawal by Limited Partners. No Limited Partner shall have the right at any time to withdraw from the Partnership, except as hereinbefore provided.

12. Termination Prior to the End of the Term. The Partnership shall be terminated before the end of its term as specified in paragraph 3 upon the happening of any of the following events:

(a) The sale or other disposition of all or substantially all the assets of the Partnership; or

(b) The death, insanity, bankruptcy or retirement of a General Partner if no General Partner remains or none of the remaining General Partners elects to continue the Partnership or the Partnership is not continued as provided in Paragraph 13; or

(c) The election to dissolve the Partnership made in writing by the General and Limited Partners whose total Percentage Interests represent at least 66 2/3% of the Percentage Interests of all of the Partners.

13. Continuation of Partnership. Upon the death, insanity, bankruptcy or retirement of a General Partner, the remaining General Partner shall have the right to continue the Partnership. If the remaining General Partner does not elect to continue the Partnership, or if there is no remaining General Partner or Substitute General Partner of the Partnership, the Partnership shall terminate and be dissolved unless continued by the Limited Partners. The Limited Partners may, within sixty (60) days after notice of the death, insanity, bankruptcy or retirement of a General Partner and that the remaining General Partner, if any, does not elect to continue the Partnership, elect to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Paragraph 3 by selecting a Substitute General Partner by unanimous consent of the Limited Partners.

If the Limited Partners elect to reconstitute the Partnership and admit a Substitute General Partner, the relationship of the Partners and of any person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement. Upon the retirement of the sole remaining General Partner or the failure of the remaining General Partner to elect to continue the Partnership, Harvey E. Robins shall immediately be vested with and shall in fact have all of the power and authority to act as a General Partner but only until such time as a Substitute General Partner has been admitted to the Partnership. If Harvey E. Robins does in fact act as a General Partner, he shall be entitled to all of the rights and benefits of a General Partner (including, but not limited to, indemnification).

14. Procedure and Distribution on Termination.

(a) A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner (or the liquidating trustee) to minimize the normal losses attendant upon a liquidation. Each of the Partners shall be furnished with a statement prepared by the Partnership's then certified public accountant, which shall set forth the assets and liabilities of the Partnership as at the date of complete liquidation. Upon the General Partner (or liquidating trustee) complying with the distribution plan set forth below, the Limited Partners shall cease to be such, and the General Partner, as the sole remaining partner of the Partnership (or liquidating trustee), shall execute, acknowledge and cause to be filed a Certificate of Cancellation of the Partnership.

(b) On the event of the dissolution and termination of the Partnership, the General Partner (or liquidating trustee) shall proceed to liquidate the Partnership and the proceeds of such liquidation shall be applied and distributed in the following order of priority:

(1) To the payment of the debts and liabilities of the Partnership (excluding the payment of any loans of the Partners) and the expenses of liquidation and dissolution;

(2) To the repayment of any loans to the Partnership by the Partners; and

(3) The balance remaining, if any, shall be distributed to the Partners in proportion to their Percentage Interests.

(c) Notwithstanding the foregoing, in the event the liquidating General Partner (or liquidating trustee) shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partner (or liquidating trustee) may, in order to avoid such loss, either (i) defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (other than those to the Partners) or (ii) distribute the assets to the Partners in kind.

15. Indemnification. Each General Partner shall be indemnified by the Partnership for any act performed by him within the scope of the authority conferred upon him by this Agreement;

provided, however, such indemnity shall be payable only if the General Partner acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Partnership and the Partners. Any indemnity under this Paragraph 15 shall be paid from and only to the extent of Partnership assets, and no Limited Partner shall have any personal liability on account thereof.

16. Liability of General Partners to Limited Partners.

No General Partner shall be liable, responsible or accountable for damages or otherwise to any Limited Partner for any act performed within the scope of the authority conferred by this Agreement, except for acts of fraud or gross negligence.

17. Bank Accounts.

(a) 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 Partners.

(b) Withdrawal from any such bank account or accounts shall be made upon such signature or signatures as the General Partners may designate.

18. Accounting. The fiscal year of the Partnership shall be the calendar year. The Partnership shall keep and maintain adequate books of account and other financial records in accordance with sound accounting principles and shall be kept on the cash receipts and disbursements method or the accrual method as determined by the General Partners. Such books of account and other records shall be kept at the place or places approved by the

General Partners and shall be open to inspection by any of the Partners at any time during reasonable business hours. In the event such books of account and other records are requested to be examined by a firm of certified public accountants, the Partner requesting the examination shall pay the expense of the same.

19. Reports. The General Partners shall furnish progress reports at least annually to the Limited Partners with respect to the operations of the Partnership; and shall furnish to the Limited Partners at the end of each fiscal year a balance sheet and report of the receipts, disbursements, net profits and cash flow of the Partnership, and the share of the net profits and losses and cash flow of each Partner for the fiscal year, together with a schedule of unpaid liabilities, the cost of which financial reports shall be at the expense of the Partnership.

20. Notices.

(a) All notices given to the Partnership shall be given in writing by registered or certified mail, addressed to the Partnership at Holiday Inn, I-95 and State Route 22, Aberdeen, Maryland 21001.

(b) All notices given to the Partners shall be given in writing by registered or certified mail, to the address set forth opposite his name on Schedule A, or to such other address as the Partner may hereafter designate in writing.

21. Miscellaneous.

(a) Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall

be settled by arbitration in accordance with the rules, then prevailing, of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

(b) Maryland Law. It is the intention of the parties hereto that all questions with regard to the construction of this Agreement, and the rights and liabilities of the parties shall be determined in accordance with the laws of the State of Maryland.

(c) Definitions. In construction of this Agreement, words used in the singular shall include the plural, and the plural the singular, and words used in the masculine gender shall include the feminine and neuter, and vice versa, in all cases where such meanings would be appropriate.

(d) Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

(e) Counterparts. This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

22. Entire Agreement. This Agreement sets forth all (and is intended by all parties hereto to be an integration of all) of the promises, agreements, conditions, understandings, warranties and representations among the parties hereto with respect to the Partnership, the Partnership business and the Motel, and there are no promises, agreements, conditions, understandings, warranties or

representations, oral or written, express or implied, among them other than as set forth herein.

23. Other Business Activities. Any of the Partners may engage in and possess any interest in other business or real estate ventures of every nature and description, independently or with others, including but not limited to the ownership, financing, leasing, operation, management, syndication, brokerage and development of another motel; and neither the Partnership nor the Partners shall have any rights in and to said independent ventures or the income or profits derived therefrom.

24. Amendment. This Agreement may not be modified or amended except with the written consent of all of the Partners.

IN WITNESS WHEREOF the parties hereto have hereunto properly executed this document as of the date first appearing.

WITNESS

GENERAL PARTNERS:

[Handwritten signature]

[Handwritten signature]
HERBERT J. DeMARRAIS

[Handwritten signature]

[Handwritten signature]
VINCENT A. NESE

LIMITED PARTNERS:

[Handwritten signature]

[Handwritten signature]
HERBERT J. DeMARRAIS

[Handwritten signature]

[Handwritten signature]
VINCENT A. NESE

[Handwritten signature]

[Handwritten signature]
HARVEY E. ROBINS

Commonwealth of Pennsylvania
County of Allegheny, to wit:

LIBER

3 PAGE 180

On this 9th day of July, 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Herbert J. DeMarrais, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Agreement and Certificate of Limited Partnership and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and notarial seal.

Sharon Lee Walter
Notary Public

My commission expires:

SHARONLEE WALTERS, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission expires Mar. 1, 1982

Commonwealth of Pennsylvania,
County of Allegheny, to wit:

On this 9th day of July, 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Vincent A. Nese, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Agreement and Certificate of Limited Partnership and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and notarial seal.

Sharon Lee Walter
Notary Public

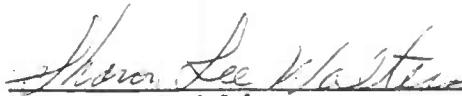
My commission expires:

SHARONLEE WALTERS, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission expires Mar. 1, 1982

Commonwealth OF Pennsylvania
County OF Allegheny , to wit: NUMBER 3 PAGE 181

On this 9th day of July , 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Harvey E. Robins, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Agreement and Certificate of Limited Partnership and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and notarial seal.



Notary Public

My commission expires:
SHARON LEE WASTNER, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Mar. 1, 1982

SCHEDULE A

TO

ABERDEEN MOTEL LIMITED PARTNERSHIP
 AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
GENERAL PARTNERS:		
Herbert J. DeMarrais 409 Old Farm Road Rosslyn Farms Carnegie, PA 15106	\$ 6,000	1%
Vincent A. Nese 17 Patrice Court Pittsburgh, PA 15221	<u>6,000</u>	<u>1</u>
	12,000	2
LIMITED PARTNERS:		
Herbert J. DeMarrais 409 Old Farm Road Rosslyn Farms Carnegie, PA 15106	\$ 244,000	50%
Vincent A. Nese 17 Patrice Court Pittsburgh, PA 15221	244,000	32
Harvey E. Robins 2212 Harmain Road Pittsburgh, PA 15235	<u>100,000</u>	<u>16</u>
	588,000	<u>98</u>
Total	<u>\$ 600,000</u>	<u>100%</u>

RECD & RECORDED *WAC*NO 3 FOLIO 161

JUL 10 4 12 PM '81

HARFORD CO.
 H. DOUGLAS CHILCOAT
 CLERK

ABERDEEN PARTNERS

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

THE INVESTOR LIMITED PARTNER UNITS IN THIS PARTNERSHIP ARE BEING SOLD WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES, IN RELIANCE UPON EXEMPTIONS THEREFROM. CONSEQUENTLY, INVESTOR LIMITED PARTNER UNITS IN THE PARTNERSHIP MAY NOT BE SOLD OR TRANSFERRED WITHOUT REGISTRATION OF SUCH UNITS UNDER THE ACT AND SUCH SECURITIES LAWS UNLESS SUCH UNITS ARE SOLD IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION THEREUNDER. ADDITIONAL LIMITATIONS ON TRANSFER OF THE INVESTOR LIMITED PARTNER UNITS ARE CONTAINED HEREIN.

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8-7-81 Mailed to: Piper & Marbury, 1100 Charles Center South, 36 S. Charles St., Balto., Md. 21201

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AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE by and among WINTHROP FINANCIAL CO., INC., a Massachusetts corporation, as general partner, and LINNAEUS BOSTON REALTY COMPANY, a Massachusetts partnership, and those persons signing as INVESTOR LIMITED PARTNERS, as limited partners.

ABERDEEN PARTNERS was formed as of April 2, 1981, as a limited partnership under the laws of the State of Maryland (the "Partnership") and the Limited Partnership and Certificate of Aberdeen Partners was filed in the Land Records of Harford County Maryland on April 3, 1981 and recorded in Book 3, Page 126.

The purposes of this Amended and Restated Limited Partnership Agreement and Certificate are to modify and set out more fully the rights, obligations and duties of the General Partner and the Limited Partners.

Now, therefore, it is hereby agreed that the Partnership Agreement and Certificate of Aberdeen Partners shall be the following:

ARTICLE I

Defined Terms

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

"Accountants" means Reznick, Fedder & Silverman of Bethesda, MD., or such other firm of certified public accountants as may be engaged by the General Partner.

"Admission Date" means, as to each Investor Limited Partner, the date on which he is admitted to the Partnership in accordance with Section 3.6 hereof.

"Agreement" means this Limited Partnership Agreement and Certificate as it may be amended from time to time.

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

"Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Partnership interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 9.2.B.

"Certificate" means the Certificate of Limited Partnership establishing the Partnership, which will be filed in the Office of the Clerk of the Circuit Court for Harford County, Maryland as said Certificate may be amended from time to time in accordance with the terms hereof and the Uniform Act.

"Consent of the Limited Partners" means the written consent or approval of Investor Limited Partners holding a Percentage Interest of at least 51%, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"General Partner" means Winthrop Financial Co., Inc.

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

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement. Reference to a majority, or specified percentage, in interest of the Limited Partners means Limited Partners whose combined Capital Contribution represents over 50% or such specified percentage, respectively, of the Capital Contribution of all Limited Partners. The ownership interests of the Limited Partners in the Partnership are sometimes referred to herein as "Units."

"Investor Limited Partners" means each Person designated as an Investor Limited Partner in the Schedule or any Person who becomes an Investor Limited Partner as provided herein, including a Substitute Investor Limited Partner, in each such Person's capacity as an Investor Limited Partner.

"Limited Partner" or "Limited Partners" shall mean any Person who is a Limited Partner, including Linnaeus Boston Realty Company, the Investor Limited Partners and any General Partner whose Interest is converted to that of a Limited Partner.

"Operating Partnership" means Aberdeen Housing Associates, a Maryland limited partnership formed and existing pursuant to a Limited Partnership Agreement and Certificate by and among A & R - Waterford Joint Venture, a joint venture of A & R Development Corporation and The Waterford Group, Inc., both Maryland corporations, as Managing General Partner, Theo C. Rodgers, James L. Ginsburg, Neil F. Lemon and Lawrence A. Menefee, Jr., as General Partners, Thomas P. Harkins, Inc., a Maryland corporation, as Original Limited Partner, WFC Realty Co., Inc., as Class A Limited Partner and Aberdeen Partners, the Investor Partnership, as a Limited Partner.

"Operating Partnership Agreement" means the Limited Partnership Agreement and Certificate of the Operating Partnership, as it may be amended from time to time.

"Partner" means any General Partner or Limited Partner.

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

"Percentage Interest" means, as to a Partner, the applicable percentage specified in the Schedule. The percentage specified in the column headed "Initial Percentage Interest" on the Schedule shall be the Partner's Percentage Interest during the period beginning on the date that this Agreement has been duly executed by the General Partner and Linnaeus Boston Realty Company and ending on the date that the first Investor Limited Partner is admitted to the Partnership pursuant to Section 3.6 of this Agreement. Thereafter, the Partner's Percentage Interest shall be the percentage specified in the column headed "Final Percentage Interest" on the Schedule; provided, however, that if Investor Limited Partners owning less than 20 Units are admitted to the Partnership, Linnaeus Boston Realty Company's Percentage Interest shall include the Percentage Interest allocable to any unsold Units up to and including the last day of the month preceding the month in which any such Unit, or part thereof, is sold.

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

"Project" means the Project as defined in Article I of the Operating Partnership Agreement.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.3.

"Uniform Act" means the Maryland Uniform Limited Partnership Act as embodied in Title 10, Corporations and Associations Article, Annotated Code of Maryland.

"Unit" means an interest in the Partnership held by an Investor Limited Partner representing a Percentage Interest of 4.9 percent and a Capital Contribution of \$46,250.

"Winthrop" means Winthrop Financial Co., Inc., a Massachusetts corporation, its successors and assigns.

ARTICLE II

Formation; Name; and Purpose

Section 2.1 Formation

The parties hereto hereby form the partnership known as Aberdeen Partners as a limited partnership pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office

The Partnership shall be conducted under the name and style of Aberdeen Partners. The principal office of the Partnership shall be Suite 1110, 225 Franklin Street, Boston, Massachusetts 02110. The Maryland office of the Partnership shall be Suite 1100, 36 S. Charles St., Baltimore, Maryland 21201. The General Partner may at any time change the location of such principal office and shall give due notice of any such change to the Limited Partners.

Section 2.3 Purpose

The purpose of the Partnership is to acquire a limited partner interest in the Operating Partnership, to hold, own, maintain, sell, transfer, convey, exchange, otherwise dispose of or deal in or with such partnership interest, and in connection therewith to exercise all of the powers of a limited partner in the Operating Partnership, and further to invest the assets of the Partnership in interim short-term investments as authorized elsewhere herein. The Partnership shall not engage in any other business or activity, except that it may engage in any business or activity which is within the scope of the purposes of the Operating Partnership.

Section 2.4 Authorized Acts

In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

- (i) To acquire by purchase, lease or otherwise any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.
- (ii) To invest in interest-bearing accounts and short-term investments, including without limitation obligations of federal and state governments and their agencies, commercial paper, and certificates of deposit of commercial banks, savings banks or savings and loan associations.
- (iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and to secure the same by mortgage, pledge or other lien on any of the assets of the Partnership.
- (iv) To borrow money on the general credit of the Partnership for use in the Partnership business.
- (v) 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.
- (vi) 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.

(vii) To take any action necessary to allow the amendment of the Operating Partnership Agreement, to give its consent as a limited partner of the Operating Partnership, and to take any other action which is contemplated to be taken by a limited partner of the Operating Partnership.

Section 2.5 Term and Dissolution

The Partnership shall continue in full force and effect until December 31, 2031, except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

A. The sale or other disposition of all or substantially all the assets of the Partnership and the collection in full of the sales price of such assets.

B. The Retirement of a General Partner if no General Partner remains and the Partnership is not continued as provided in Section 6.1.

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

Upon dissolution of the Partnership, the General Partner (or its trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, and shall, unless the Partnership is continued pursuant to Section 6.1, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 9.3. Notwithstanding the foregoing, in the event such liquidating General Partner shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partner may, in order to avoid such loss, either (i) defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations or (ii) distribute the assets to the Partners in kind; provided, however, that the proceeds of any sale or other disposition of Partnership assets shall be distributed in the fiscal year of the Partnership in which such proceeds are collected by the Partnership.

ARTICLE III

Partners; Capital

Section 3.1 General Partners

A. The General Partner is Winthrop and its capital contribution is as set forth in the schedule.

B. The General Partner shall have the right to admit any Person as an additional or substitute General Partner provided such admission receives the Consent of the Limited Partners. The Limited Partners recognize that this procedure is necessary for the orderly and efficient operation and continuation of the business of the Partnership. Each Limited Partner hereby consents to any General Partner admitted in accordance with this Section 3.1.B.

Section 3.2 Limited Partners

The Limited Partners are Linnaeus Boston Realty Company and the Investor Limited Partners.

Section 3.3 Partnership Capital

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

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

Section 3.4 Withdrawal of Capital

No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2031. No Partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.5 Liability of Limited Partners

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

Section 3.6 Investor Limited Partners

A. The General Partners shall have the right to admit as Limited Partners, Investor Limited Partners who shall agree to contribute up to a total of \$925,000. At the time of admission of the Investor Limited Partners, the Percentage

Interest of Linnaeus Boston Realty Company shall be reduced from 99% to 1%.

B. Any Limited Partner shall, by his execution of this Agreement or as a result of being admitted to the Partnership as a Substitute Limited Partner pursuant to Article VII and as a condition of receiving any interest in the Partnership property, agree to be bound by the terms and provisions of the following documents concerning the Project: deed of trust, regulatory agreement, housing assistance payments contract, the Operating Partnership Agreement, and any other documents required in connection therewith to the same extent and on the same terms as the Investor Limited Partners admitted pursuant to Section 3.6.A hereof. Any Limited Partner shall also agree to accept such other terms and conditions set forth in writing to him at the time of admission as the General Partner may reasonably determine.

C. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the Clerk of the Circuit Court of Harford County, Maryland. Each Limited Partner may become signatory hereto by signing a conformed copy of this 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 this Agreement, provided, however, that no such copy shall be binding until it has been signed by the General Partner.

ARTICLE IV

Capital Contributions of Investor Limited Partners

Section 4.1 Payments

A. The Investor Limited Partners to be admitted under Section 3.6 hereof shall make their Capital Contributions in 20 Units or multiples or fractions thereof. Payment for each such Unit shall be made in five installments as follows:

(1) \$5,570 per Unit (the "First Installment") shall be payable on the Admission Date.

(2) \$12,005 per Unit (the "Second Installment") shall be payable on February 1, 1982.

(3) \$8,885 per Unit (the "Third Installment") shall be payable on February 1, 1983.

(4) \$8,000 per Unit (the "Fourth Installment") shall be payable on February 1, 1984.

(5) \$7,075 per Unit (the "Fifth Installment") shall be payable on February 1, 1985.

(6) \$4,715 per Unit (the "Sixth Installment") shall be payable on February 1, 1986.

B. If at the time payments of Capital Contributions are made by the Investor Limited Partners pursuant to this Section 4.1, the Partnership does not promptly utilize such amounts to make its capital contributions to the Operating Partnership, to pay its expenses, or otherwise in accordance with this Agreement, the Partnership shall invest such amounts pursuant to Section 2.4(ii) hereof, pending their use for such purposes. If the General Partner, in its sole discretion, determines that such invested amounts will not be needed by the Partnership for an extended period of time, the Partnership shall return to the Investor Limited Partners their pro rata share of such funds plus any interest earned thereon. Thereafter, the Investor Limited Partners shall repay to the Partnership any of the Capital Contributions returned to them within 15 days of receipt of notice from the General Partner that such funds are due.

C. The Investor Limited Partners will be obligated to execute promissory notes to the Partnership evidencing their unconditional obligations to make payment of the Second through Fifth Installments of their Capital Contributions. The General Partner, on behalf of the Partnership, may assign an interest in those promissory notes to secure the Partnership's obligation to make capital contributions to the Operating Partnership. In addition, the General Partner may assign an interest in such promissory notes to itself, to one of its affiliates or to a third party which makes a loan to the Partnership pursuant to Section 8.2 of this Agreement.

D. The obligation of the Investor Limited Partners to pay the First Installment is subject to the delivery on the date of the First Installment of the legal opinion of Messrs. Piper & Marbury, counsel to the General Partner and the Partnership, substantially in the form set forth as an exhibit to the Confidential Memorandum prepared in connection with the offering for sale of Units in the Partnership and to the truth and correctness of the representations given by the General Partner in Section 5.5.

Section 4.2 Defaults

A. In the event any Investor Limited Partner fails to pay any Installment of his Capital Contribution on or prior to the time therefor set forth in Section 4.1, he shall be deemed

to be in default hereunder (the "Defaulting Limited Partner") and the amount of Installment defaulted upon will bear interest at the lesser of (i) 18% per annum, or (ii) the maximum rate permitted by applicable law, until the date of payment. The obligation to pay interest will be the obligation of only the Defaulting Limited Partner, regardless of whether his interest in the Partnership is purchased pursuant to this Section 4.2. Upon the occurrence of such default, the General Partner shall give notice of such default to all Investor Limited Partners ("Default Notice") specifying the nature of the default and the aggregate amount of Capital Contributions theretofore contributed by the Defaulting Limited Partner. The non-defaulting Investor Limited Partners shall have the option to purchase, for the price hereinafter specified, each Defaulting Limited Partner's entire interest as an Investor Limited Partner including all profits, losses and distributions attributable to such interest. Such option may be exercised by a Limited Partner (the "Purchasing Limited Partner") by mailing to the Partnership, within 15 days of the mailing of the Default Notice, written notice of his desire to purchase all or part of the Defaulting Limited Partner's interest as an Investor Limited Partner (the "Purchase Notice") specifying the percentage which the Purchasing Limited Partner desires to purchase. Whether or not this option is exercised, the Defaulting Limited Partner shall have no right to receive such profits, losses, and distributions, but any successor to his interest shall receive the benefits of the same.

In the event one or more Purchasing Limited Partners desire to purchase all or part of the Defaulting Limited Partner's interest as an Investor Limited Partner and the total of the percentages they desire to purchase (the "Total Percentage") is equal to or less than the total of such interest of the Defaulting Limited Partner, each Purchasing Investor Limited Partner shall be allowed to purchase the percentage specified in the Purchase Notice on the terms listed below. If any part of such interest is not so purchased by Purchasing Limited Partners, the General Partner, or the General Partners if there are more than one (the Purchasing General Partner(s)), in proportion to their Percentage Interest as General Partners, shall have the option to purchase on the same terms and conditions the remaining part of the interest as an Investor Limited Partner of the Defaulting Limited Partner.

If any portion of the interest of the Defaulting Limited Partner remains unpurchased after being offered to the Limited Partners and the General Partner, as described above, the General Partner may offer such portion to any person not then a Partner, on the terms and conditions hereinafter specified in this Section 4.2.

In the event two or more Purchasing Limited Partners desire to purchase a Total Percentage greater than the interest of the Defaulting Limited Partner, and they are unable to agree as to the appointment thereof, they shall be entitled to purchase portions of such interest based on the ratio which the Percentage Interest of each Purchasing Limited Partner bears to the total Percentage Interest of all Purchasing Limited Partners. Any Purchasing Limited Partner shall become a Substitute Investor Limited Partner to the extent of any portion of any interest as an Investor Limited Partner which it may purchase hereunder. Any purchaser of the interest of a Defaulting Limited Partner who, at the time of such purchase, is not a Partner of the Partnership shall become an assignee and, with the consent of the General Partner, a Substitute Investor Limited Partner.

The purchase price to be paid to the Defaulting Limited Partner pursuant to this Section 4.2 shall be an amount of cash equal to 75 percent of the paid-in Capital Contribution of the Defaulting Limited Partner less the sum of (i) the total amount of cash distributions, if any, theretofore made to the Defaulting Limited Partner under Article IX of this Agreement, (ii) an amount equal to 50 percent of the amount of the net losses reported by the Partnership for Federal income tax purposes attributable to the interest of the Defaulting Limited Partner which have been or will be allocated to such interest and (iii) any expenses incurred by the Partnership or the purchaser of the interest in question in connection with such purchase. Each purchaser shall also (i) pay to the Partnership his pro rata share of the Installment as to which the default occurred and (ii) assume his pro rata share of all other obligations of the Defaulting Limited Partner, if any, to the Partnership. Notwithstanding the foregoing, however, the obligations of the Defaulting Limited Partner to the Partnership hereunder shall not be extinguished by the existence of any such option, or by its exercise, but only by, and to the extent of, the Capital Contributions made in his place by the purchaser of his interest hereunder. If such option shall not be fully exercised within the foregoing periods, unless and until such default shall be cured, any distributions pursuant to Article IX hereof in respect of the interest of the Defaulting Limited Partner shall be applied first to interest of the defaulted amount at the rate specified in this Section 5.1.A, second to the defaulted amount and the excess, if any, remaining then shall be distributed to the General Partner, and the profits and losses in respect thereof shall be allocated to the General Partner. Exercise of the options provided by this Section 4.2 shall be suspended during any period in which exercise hereof would cause a termination of the Partnership referred to in Section 11.1.

As an alternative to commencing the procedure above provided in this Section 4.2, or in the event that any or all of the interest of a Defaulting Limited Partner remains unpurchased after following such procedure, the General Partner may proceed to pursue any and all available legal remedies against the Defaulting Limited Partner in order to collect the amount owing from him to the Partnership.

B. Notwithstanding any other provisions of this Agreement, the profits or losses attributable to a Defaulting Limited Partner's entire interest as an Investor Limited Partner shall be prorated for federal income tax purposes between the Defaulting Limited Partner and the successor(s) to his interest on the basis of the number of days each has held such interest during the taxable year in accordance with the provisions of Section 706 of the Internal Revenue Code of 1954, as amended. For purposes of the foregoing sentence, the Defaulting Limited Partner will be deemed to have disposed of his interest on the day that his Capital Contribution as to which he is in default was due and the successor(s) shall be deemed to have acquired such interest on the next succeeding day.

Section 4.3 Repurchase Obligation

If any of the events occur under Section 5.3 of the Operating Partnership Agreement which entitle the Partnership to have its limited partner interest in the Operating Partnership repurchased by the general partners thereof, then the General Partner shall so notify the Investor Limited Partners. If Investor Limited Partners with aggregate Percentage Interests of at least 51% notify the General Partner of the Partnership of their desire that the Partnership shall sell its interest in the Operating Partnership to the general partners of the Operating Partnership, then the General Partner shall notify the Managing General Partner of the Operating Partnership of its intention to have the Partnership's limited partner interest in the Operating Partnership repurchased in accordance with Section 5.3 of the Operating Partnership Agreement. The proceeds of any such sale shall be distributed in accordance with Section 9.3.

Section 4.4 Fees to Certain Entities

A. For its services and expenses in securing the Investor Limited Partners and for all other syndication expenses including, without limitation, brokerage fees, registration fees, professional fees and printing costs, the Partnership shall pay to Winthrop Securities Co., Inc. a syndication fee equal to \$84,000.

B. For its services and expenses in organizing the Partnership, the Partnership shall pay to the General Partner an organizational fee equal to \$30,000.

C. For services and advice concerning income tax planning, the Partnership shall pay \$15,000 to the General Partner or its counsel or accountant.

D. For monitoring the Partnership's investment in the Operating Partnership, and its operations prior to final endorsement of the mortgage secured by the Project and for supervising compliance with the Operating Partnership Agreement, the Partnership shall pay the General Partner an Initial Investor Service Fee of \$3,685.

E. For its services in acting as attorney-in-fact, reviewing the tax returns of the Partnership and Operating Partnership, reporting to the Investor Limited Partners and maintaining records, the Partnership shall pay Winthrop an annual Investor Service Fee of \$3,000 for each fiscal year of the Partnership ending after Final Endorsement.

F. For its obligation to purchase the interest of the Partnership in the Operating Partnership, the Partnership shall pay A & R - Waterford Joint Venture a fee of \$70,000.

ARTICLE V

Rights, Powers and Duties of the General Partner

Section 5.1 Business Management and Control

The General Partner shall have the exclusive right to manage the business of the Partnership; provided, however, that the General Partner shall not have any authority to do any of the following acts without the Consent of the Limited Partners: (1) to become personally liable on, or to guarantee the mortgage loan secured by the Project, or (2) to sell, assign, transfer, encumber or otherwise dispose of all or any portion of the Partnership's limited partner interest in the Operating Partnership. No limited Partner (except one who may also be a General Partner), and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law. The Limited Partners hereby consent to the exercise by the General Partner of the powers conferred on it by this Agreement.

Section 5.2 Duties and Obligations

The General Partner shall diligently and faithfully devote such of its time to the business of the Partnership as may be necessary to conduct such business for the greatest advantage of the Partnership and shall at all times act in

a fiduciary manner toward the Partnership and the Limited Partners.

Section 5.3 Indemnification

Each General Partner shall be indemnified by the Partnership for any act which it reasonably believed was performed by it within the scope of the authority conferred upon it by this Agreement. Any indemnity under this Section 5.3 shall be paid from, and only to the extent of, Partnership assets, and no Limited Partner shall have any personal liability on account thereof.

Section 5.4 Liability of the General Partner to Limited Partners

No General Partner shall be liable, responsible or accountable for damages or otherwise to any Limited Partner for any act performed within the scope of the authority conferred by this Agreement, except for acts of fraud or gross negligence or for damages arising from misrepresentation of a material fact or willful breach of a covenant or warranty.

Section 5.5 Representations and Warranties

A. The General Partner hereby represents to each Limited Partner that, as of the date hereof and to the best of its knowledge, the following are true or will be true upon the filing of the Certificate:

(i) The General Partner is a corporation duly organized, validly existing, and in good standing under the laws of Massachusetts, with full power and authority to act as general partner of the Partnership.

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

(iii) Neither the Partnership nor any Partner has any personal liability with respect to the mortgage loan secured by the Project.

(iv) The General Partner has net worth of not less than \$500,000.

B. The General Partner agrees that it will not at any time become personally liable for the payment under the mortgage loan secured by the Project and will use its best efforts to prevent any other Partner from becoming so liable.

ARTICLE VITenure of a General PartnerSection 6.1 Voluntary Withdrawal

A. A General Partner may withdraw voluntarily from the Partnership only if another General Partner, including a substitute additional General Partner admitted pursuant to Section 3.1, remains.

B. Upon the Retirement of a General Partner, any remaining General Partner or General Partners, if any, or if none, the Retired General Partner or its heirs, successors or assigns, shall immediately send notice of such Retirement (the "Retirement Notice") to each Limited Partner. In such event the Partnership (i) shall be dissolved (unless it is continued by all of the partners as provided in paragraph B) if there is no remaining General Partner, or (ii) shall be continued by the remaining General Partner(s) if the remaining General Partner, in its sole discretion, so elects.

C. If, following the Retirement of a General Partner, there is no remaining General Partner or Substitute General Partner of the Partnership, the Limited Partners may, within ninety (90) days after notice of such Retirement, elect to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Section 2.5 by selecting a substitute General Partner by unanimous consent of the Limited Partners. If the Limited Partners elect to reconstitute the Partnership and admit a Substitute General Partner, the relationship of the Partners and of any person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement.

Section 6.2 Retirement; Event of Bankruptcy as to General Partner

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

B. Notwithstanding any other provisions of this Agreement, if the Retirement of a General Partner shall have occurred by reason of an Event of Bankruptcy, any fees otherwise payable to the bankrupt General Partner and not paid at the time of the Event of Bankruptcy in question shall be retained by the Partnership for such purposes as the remaining General Partners shall determine.

Section 6.3 Special Rights of Limited Partners

A. Notwithstanding any provisions to the contrary herein, and subject to the provisions set forth in this Section 6.3 a majority in Interest of the Limited Partners, shall have the right:

- (i) To remove any General Partner;
- (ii) To amend this Agreement;
- (iii) To dissolve the Partnership; and

(iv) To approve or disapprove the sale of all or substantially all of the assets of the Partnership; provided, however, that no such removal of any General Partner or amendments of the Agreement shall affect the rights (including, without limitation, the right to receive any fees payable to any General Partner pursuant to Section 4.4A., B. and C.), to profits and losses and Cash Flow allocated and distributable pursuant to Section 9.2 and all distributions under Section 9.3., without its consent; and that no such amendment shall increase the liability of any Limited Partner or in any way alter the amounts allocable or distributable to him without his prior written consent; and provided further, however, that unless counsel for the Limited Partners shall have delivered to the Partnership an opinion to the effect that the grant and the exercise of the rights afforded by the provision of this Section sought to be exercised are permitted by the Uniform Act, will not impair the limited liability of the Limited Partners and will not adversely affect the classification of the Partnership as a partnership for federal income tax purposes, the provisions of this Section shall then be void and without effect.

B. Any General Partner removed pursuant to this Section shall, upon such removal, become a Limited Partner. Any successor General Partner proposed by a majority in Interest of the Limited Partners shall have the option, but not the obligation, to acquire, upon payment of any agreed upon value or the fair market value therefor, the Interest in the Partnership of any General Partner so removed. Any dispute as to fair market value shall be ascertained by averaging appraisals of the fair market value of such Interest submitted by three appraisers, one chosen by the removed General Partner, one chosen by the successor General Partner and the third chosen by the two so chosen.

C. Any General Partner removed pursuant to this Section shall remain liable for all obligations and liabilities

incurred by it as General Partner before such removal shall have become effective, but shall be free of any obligation or liability as General Partner incurred on account of the activities of the partnership from and after the time such removal shall have become effective.

ARTICLE VII

Transferability of Limited Partner Interests

Section 7.1 Limited Right to Assign

A. Subject to the provisions of this Article VII (as qualified by Section 11.1), no Limited Partner shall have the right to assign or transfer all or any portion of his interest in the Partnership without the prior written consent of the General Partner.

B. Notwithstanding Section 7.1.A, a Limited Partner may, by written instrument, designate any Person to become the assignee of all or a portion of his interest as a Limited Partner immediately upon his death. Such a designee, if he is then living, shall become an assignee immediately upon the assignor's death without requirement of any action on the part of the legal representatives of the assignor Limited Partner; and such legal representatives and the estate of such deceased Limited Partner shall have no interest whatsoever in the Partnership. Any such designation must be filed with the General Partner during such Limited Partner's lifetime. Such designation may be revoked from time to time and a new such designation made and filed with the General Partner. The Partnership need not recognize such designated assignee as a Substitute Limited Partner until (i) duly notified in writing of the death of the assignor Limited Partner and (ii) furnished with a legal opinion acceptable to the General Partner to the effect that such designation is valid under the applicable laws of testate and intestate succession.

C. In the event of the death or incapacity of any Limited Partner who has not filed a valid designation under Section 7.1.B, his legal representatives shall have the same rights as an assignee by designation of the Limited Partner as hereinabove provided. The death or incapacity of a Limited Partner shall not dissolve or terminate the Partnership.

D. Notwithstanding Section 7.1.A, a Limited Partner may assign gratuitously all or a portion of his interest in the Partnership to or for the benefit of a member or members of his Immediate Family.

E. If an assignment is made pursuant to Section 7.1.B, C or D then such assignee may become a Substitute Limited Partner only in accordance with Section 7.3 but, notwithstanding Section 7.4, in any event shall be entitled to the share of profits, losses and distributions in respect of the Percentage Interest so assigned.

Section 7.2 Restrictions

A. No sale or exchange of the interest of any Person as Limited Partner in the Partnership shall be made if such sale or exchange would violate Section 11.1.

B. In no event shall all or any part of a Limited Partner's interest in the Partnership be assigned or transferred to a minor (other than to a member of a Limited Partner's Immediate Family by reason of death) or to an incompetent. In no event shall a Limited Partner assign or transfer, without the written permission of the General Partner, an interest in the Partnership representing less than one-half of a Unit, unless such interest constitutes his entire interest in the Partnership.

C. The General Partner may require as a condition of any sale, transfer, exchange or other disposition of any interest in the Partnership, that the transferor (i) assume all costs incurred by the Partnership in connection therewith and (ii) furnish it with a legal opinion satisfactory to counsel for the Partnership that such sale, transfer, exchange or other disposition complies with applicable Federal and state securities laws.

D. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.2 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.3 Substitute Limited Partners

No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partner shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partner shall be binding and conclusive without the consent or approval of any Limited Partner.

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

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of such Substitute Limited Partner, and an amendment to the Certificate reflecting such admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partner to signify his agreement to be bound by all of the provisions of this Agreement.

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

Section 7.4 Assignees

If the purported assignee of a Limited Partner does not become a Substitute Limited Partner in accordance with Section 7.3, the Partnership shall not recognize the assignment and the purported assignee shall not have any rights to receive any portion of the share of profits, losses and distributions of the Partnership to which the Limited Partner making the purported assignment would have been entitled if no such purported assignment had been made by such Limited Partner. Any such profits, losses and distributions shall continue to be allocated as if no assignment were ever attempted.

ARTICLE VIII

Loans

Section 8.1 In General

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his capital contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2 Loan from First Winthrop Corporation

In order for the Partnership to have sufficient funds to pay the First Installment of its Capital Contribution to the Operating Partnership, First Winthrop Corporation, a Delaware corporation which owns all of the stock of the General Partner ("First Winthrop"), has lent \$100,000 to the Partnership. In addition, First Winthrop Corporation shall make a loan of \$18,500 to enable the Partnership to pay the Fifth Installment of its Capital Contribution. These loans shall be repaid with interest at the rate of 18% per annum from the proceeds of the Partner's Capital Contributions.

Profits & Losses; Distributions

Section 9.1 Profits and Losses

A. For Federal and State income tax purposes, except as provided in Section 9.1.B, all profits and losses, shall be allocated to the Partners according to their Percentage Interest.

B. The net profits arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty, liquidation or other disposition of all, or substantially all, of the assets of the Partnership shall be allocated for Federal income tax purposes in the following order of priority:

(i) First, to each Partner with a negative balance in his Capital Account as of the date on which this allocation under Section 9.1.B First is made, the amount of such negative balance;

(ii) Second, to each Partner who will receive a distribution under Section 9.2.C Fourth or Fifth on or after the date on which the allocation under this Section 9.1.B is made, an amount equal to such future distribution; and

(iii) Third, the balance of any such net profits, in accordance with Percentage Interests.

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

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

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

D. The term "profits" and "losses" as used in this Agreement shall mean taxable income and losses as determined

in accordance with the accounting methods followed by the Partnership for Federal income tax purposes.

Section 9.2 Distribution Prior to Dissolution

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed to the Partners according to their Percentage Interests. All distributions to the Partners shall be shared by the Partners in the ratio of their Percentage Interests, one to the other.

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

B. Definition of Cash Flow. For all purposes of this Agreement, the term "Cash Flow" shall mean any amount received by the Partnership as a distribution of the Cash Flow of the Operating Partnership, as determined under the Operating Partnership Agreement, less all expenses, including the Investor Service Fee, and current obligations of the Partnership.

C. Distributions of Other Than Cash Flow. Prior to dissolution, if there is cash available for distribution from sources other than Cash Flow (such as, for example, from a distribution from the Operating Partnership which is not a distribution of the Cash Flow of the Operating Partnership), such cash shall be distributed in the same calendar year in which the event generating the cash occurs as follows:

First, to the discharge, to the extent required by any lender or creditor, of debts and obligations of the Partnership.

Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partners.

Third, to the payment of the cumulative unpaid balance, if any, of the Investor Service Fee.

Fourth, to the Investor Limited Partners, an amount equal to the excess, if any, of the Investor Limited Partners' Capital Contributions over the aggregate amount of distributions theretofore made to the Investor Limited Partners under this Clause Fourth.

Fifth, to each Partner with a positive balance in his Capital Account on the date on which distribution under this Section 9.2.C Fifth is made, after taking into account distributions pursuant to clauses First through Fourth above, the amount of such positive balance.

Sixth, the balance thereof, in accordance with Percentage Interests.

Notwithstanding the foregoing, in no event shall the General Partner, as a single class, receive as an aggregate distribution under this Section 9.2.C less than 1/99 of the aggregate of the amounts distributed to the Limited Partners under this Section 9.2.C. In the event that the aggregate amount distributable to the General Partner, as a single class, under Clause Fifth or Sixth does not equal 1/99 of the aggregate amount distributable to the General Partners without regard to this provision, then the amounts otherwise distributable to the Limited Partners under Clauses Fourth, Fifth and Sixth shall be reduced in order to assure the General Partner of its 1/99 share.

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

Section 9.3 Distributions Upon Dissolution

Upon dissolution, after payment of, or adequate provision for, the debts and obligations of the Partnership, the remaining assets of the Partnership (or the proceeds of sales or other dispositions in liquidation of the Partnership assets, as may be determined by the remaining or surviving General Partner(s) shall be distributed to the Partners in the priority set forth in Section 9.2.C, Second through Sixth.

All distributions to the Partners under this Section 9.3 shall be shared by the Partners according to the provisions of Section 9.2.D hereof. If any assets of the Partnership are to be distributed in kind, such assets shall be distributed on the basis of their 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.

ARTICLE XBooks and Records, Accounting, Tax Elections, Etc.Section 10.1 Books and Records

The General Partner shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions with respect to the conduct of the Partnership's business, which shall be maintained in accordance with sound accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives at any and all reasonable times during normal business hours at the office of the Partnership. The Partnership may maintain such books and records and may provide such financial or other statements as the General Partner may deem advisable.

Section 10.2 Bank Accounts

The bank accounts of the Partnership shall be maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partner shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in interest-bearing accounts, invested in short-term United States Government or state or municipal obligations maturing within one year or in money market funds.

Section 10.3 Accountants

The Accounts for the Partnership shall be such firm of certified public accountants as shall be engaged by the General Partner. The Accountants shall prepare for execution by the General Partner all tax returns of the Partnership.

Section 10.4 Reports to Investor Limited Partners

The General Partner shall comply with the following provisions:

A. The General Partner shall, within a reasonable period after receipt thereof, distribute to each of the Investor Limited Partners a copy of all reports or other materials received pursuant to Section 12.4 of the Operating Partnership Agreement.

B. Within 90 days after the end of each fiscal year, the General Partner shall cause to be prepared and sent to all then Investor Limited Partners (i) a balance sheet and the related statements of income and retained earnings and changes in

financial position, accompanied by a report of the Accountants stating that an audit of such financial statement has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountant in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountant takes exception and stating, to the extent practicable, the effect of each such exemption on such financial statement; (ii) Schedule K-1 (Form 1065) or any successor or additional form required by the Investor Limited Partners to prepare their tax returns. Upon the written request of any Investor Limited Partner for further information with respect to any matter covered in item (i) above, the General Partner shall furnish such information within 15 days of receipt of such request if such information is reasonably accessible. All necessary tax information shall be furnished to all then Investor Limited Partners within 30 days of the receipt by the General Partner of the necessary information from the Operating Partnership. Each Partner shall be entitled to receive, upon request, copies of all Federal, state and local income tax returns and informational returns, if any, which the Partnership is required to file.

Section 10.5 Tax Elections

Subject to the provisions of Section 10.6, all elections required or permitted to be made by the Partnership under the Code shall be made by the General Partner in such manner as will, in the opinion of the Accountants, be most advantageous to the Investor Limited Partners.

Section 10.6 Special Basis Adjustments

In the event of a transfer of all or any part of the interest of any Partner, including a transfer of an interest pursuant to Article VI, the Partnership shall elect, pursuant to Section 754 of the Internal Revenue Code of 1954, as amended, (or corresponding provisions of succeeding law), to adjust the basis for the Partnership property. Notwithstanding anything contained in Article IX of this Agreement, any adjustments made pursuant to Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 10.7 Fiscal Year and Accounting Method

The fiscal year of the Partnership shall be the calendar year.

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

ARTICLE XIGeneral ProvisionsSection 11.1 Restrictions on Transfer

A. Notwithstanding any other provision of this Agreement, except as otherwise provided in this paragraph, no sale or exchange of any Partner's interest in the Partnership may be made if the interest sought to be sold or exchanged, when added to the total of all other interests in the Partnership sold or exchanged within the period of twelve consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership or the Operating Partnership under Section 708 of the Internal Revenue Code of 1954, as amended, (or any successor statute). However, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his interest in the Partnership.

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

C. Any sale, exchange or other transfer in contravention of any of the provisions of this Section 11.1 shall be void and ineffectual, and shall not bind or be recognized by the Partnership.

Section 11.2 Appointment of General Partner as Attorney-in-Fact

Each Limited Partner hereunder (including a substitute or additional Investor Limited Partner) hereby irrevocably appoints and empowers each General Partner and the President, the Treasurer and the Secretary of each corporate General Partner, his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

(i) Any and all amendments to a Certificate of Limited Partnership that may be required by this Agreement or the laws of Maryland, including without limitation, amendments required to effect the admission of a successor or additional General Partner or additional or substitute Limited Partners pursuant to Sections 3.6 or 7.3;

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

(iii) any and all amendments to the Schedule of this Agreement necessary to reflect any change or transfer of a Partner's Partnership interest including, without limitation, transfers of a Defaulting Limited Partner's Partnership Interest pursuant to Section 4.2 and any other amendments to this Agreement adopted pursuant to Section 11.13.

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

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

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

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

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

Section 11.3 Notices

Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed

adequately given only if in writing and sent registered or certified mail, postage prepaid, to the party or parties for whom such notices are intended.

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

Section 11.4 Word Meanings

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

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

Section 11.5 Binding Provisions

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

Section 11.6 Applicable Law

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

Section 11.7 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by a General Partner. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 11.8 Survival of Representations and Warranties

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

Section 11.9 Separability of Provisions

Each provision of this Agreement shall be considered separable and (a) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (b) if for any reason any provision or provisions herein would cause the Investor Limited Partners to be bound by the obligations of the Partnership under the laws of Maryland as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 11.10 Investment Representation

Each Limited Partner represents that he is acquiring his interest as an Investor Limited Partner for his own account for investment and not with a view to the distribution or resale thereof and with no present intention of distributing or reselling any portion. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any person or persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partner interest in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Section 11.11 Paragraph Titles

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

Section 11.12 Meeting of Partners

Investor Limited Partners whose Capital Contributions represent at least 25% in interest of the Investor Limited Partner Class Contribution may request in writing that the General Partner call a meeting of the Partners. The General Partner shall be required to call a meeting of the Partners in Boston, Massachusetts within 30 days of the receipt of the Investor Limited Partners' request. The General Partner shall give 21 days' written notice to all Partners of the meeting.

Section 11.13 Amendment Procedure

This Agreement may not be modified or amended except with the written consent of the General Partner and the Consent of the Limited Partners; provided, that any modification or

amendment which would (i) increase the amount of the Capital Contributions payable by the Investor Limited Partners (ii) extend the termination date specified in Section 2.5 hereof, (iii) change the method or accelerate the dates for the payment of such Capital Contributions or otherwise increase the liability of the Investor Limited Partners, (iv) affect the rights of the Investor Limited Partners under Articles IV or IX or (v) amend this Section 11.13 shall require the written consent of all Investor Limited Partners.

WITNESS the execution under seal as of the 2ND day of July, 1981.

WITNESS:

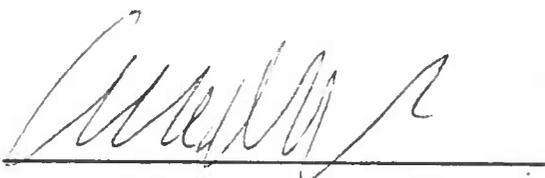
GENERAL PARTNER:

WINTHROP FINANCIAL CO., INC.

By: 

LIMITED PARTNER:

/ LINNEAUS BOSTON REALTY COMPANY

By: 

SCHEDULE A
 TO
 ABERDEEN PARTNERS
 AMENDED AND RESTATED
 LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

<u>Name and Address</u>	<u>Initial Capital Contributions</u>	<u>Final Capital Contributions</u>	<u>Initial Percentage Interest 1</u>	<u>Final Percentage Interest 1</u>
<u>GENERAL PARTNERS:</u>				
Winthrop Financial Co., Inc. Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$100 ³	\$ 100 ³	1%	1%
<u>LIMITED PARTNERS</u>				
Linnaeus Boston Realty Company Suite 1110 225 Franklin Street Boston, Massachusetts	\$100 ³	\$ 100 ³	99%	1%
<u>INVESTOR LIMITED PARTNERS</u>				
	<u>0</u>	\$ 925,000 ²	<u>0</u>	<u>98%</u>
	<u>\$200</u>	<u>\$ 925,000</u>	<u>\$100%</u>	<u>\$100%</u>

Notes:

- Partners' percentage interests are subject to modification and adjustment as set forth in the Agreement.
- The timing of the contributions of the Investor Limited Partners is set forth in the Agreement.
- Contributed in cash on the date of this Agreement.

COMMONWEALTH OF MASSACHUSETTS,
CITY OF BOSTON, TO WIT:

On this 9th day of July, 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared John M. Nelson, Jr., known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Amended and Restated Limited Partnership Agreement and Certificate and acknowledged that (i) he signed the same for the purposes therein set forth as the free and voluntary act of each of WINTHROP FINANCIAL CO., INC. and LINNAEUS BOSTON REALTY COMPANY, (ii) he is the Vice President of WINTHROP FINANCIAL CO., INC. and a partner of LINNAEUS BOSTON REALTY COMPANY, and (iii) he has due authority to sign in each such capacity.

WITNESS my hand and notarial seal.

Patricia A. Williams
Notary Public
My commission expires: 7-1-82
7-1-82



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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

/ ABERDEEN PARTNERS

FIRST AMENDMENT TO THE AMENDED AND RESTATED LIMITED
PARTNERSHIP AGREEMENT AND CERTIFICATE

AUG 31-81 B #29015 *****46.00

FIRST AMENDMENT dated this 31st day of August, 1981 by and among Winthrop Financial Co., Inc., a Massachusetts corporation, as General Partner, Linnaeus Boston Realty Company, as original Limited Partner and those persons listed as Investor Limited Partners on Schedule A to this First Amendment to the Amended and Restated Agreement and Certificate.

Preliminary Statement

On August 6, 1981, the Amended and Restated Limited Partnership Agreement and Certificate (the "Agreement and Certificate") dated as of July 2, 1981 was filed and recorded in the Circuit Court of Harford County, Maryland. The purposes of this First Amendment to the Amended and Restated Agreement and Certificate are (i) to enable the Partnership to admit Investor Limited Partners, who are purchasing twenty Units for \$46,250 each as Investor Limited Partners, and, accordingly to amend Schedule A to the Agreement and (ii) to continue the Partnership as currently existing without any other changes in the Agreement and Certificate.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises of the parties hereto, and other good and valuable consideration, the parties agree as follows:

1. The Investor Limited Partners listed on Schedule A are hereby admitted as Investor Limited Partners and John M. Nelson, IV, their Attorney-in-fact, has signed this First Amendment to the Amended and Restated Limited Partnership Agreement and Certificate on their behalf.

2. Schedule A to the Amended and Restated Agreement and Certificate is hereby amended in the form attached hereto.

3. Except as otherwise provided herein, the Amended and Restated Agreement and Certificate as filed and recorded with the Circuit Court of Harford County, Maryland shall remain unchanged and the parties hereto ratify, confirm and agree to be bound by all of the terms and provisions of the Amended and Restated Agreement and Certificate amended hereto.

WITNESS the execution under seal as of the 31st day of August, 1981.

WITNESS:

Clairne G Begley

WITNESS:

Clairne G Begley

GENERAL PARTNER:

/ WINTHROP FINANCIAL CO., INC.

By: [Signature]

LIMITED PARTNER:

/ LINNEAUS BOSTON REALTY COMPANY

By: [Signature]

INVESTOR LIMITED PARTNERS:

- / Sri Kantha Alwis
- / David V. Anthony
- / Waldon L. & Alice L. Baker
- / Jean T. (Robinson) Benavides
- / Harry S. & Doris J. Berberian
- / James J. Bowman
- / James E. Clark, M.D.
- / Joseph N. Ellis
- / Richard M. Heagy
- / Richard W. Hevner
- / William B. Jackson
- / Ronald A. Maturi
- / Bardarah McCandless
- / Ralph S. Michael, Jr.
- / P. G. Moorthy
- / James E. Nelson
- / Pryor E. & Arlene R. Neuber
- / James A. Peterson
- / Richard E. Powers
- / James C. Reed
- / Charles J. Schreder
- / Robert D. & Mary M. Shea
- / Lyndon D. Waugh

WITNESS:

Clairne G Begley

By: [Signature]
Attorney-in-fact
Pursuant to Power of Attorney

STATE OF *Massachusetts* BOOK 3 PAGE 219
CITY OF *Suffolk* TO WIT:

On this *28th* day of August, 1981, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared JOHN M. NELSON, IV, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing First Amendment to the Amended and Restated Limited Partnership Agreement and Certificate and acknowledged that (i) he signed the same for the purposes therein set forth as the free and voluntary act of each of WINTHROP FINANCIAL CO., INC., LINNAEUS BOSTON REALTY COMPANY and the Investor Limited Partners, (ii) he is the Senior Vice President of WINTHROP FINANCIAL CO., INC., a partner of LINNAEUS BOSTON REALTY COMPANY and the Attorney-in-fact of each Investor Limited Partner, and (iii) he has due authority to sign in each such capacity.

WITNESS my hand and notarial seal.



Patricia A. Williams
Notary Public

My commission expires: *7-16-87*

SCHEDULE A
TO THE FIRST AMENDMENT TO THE
ABERDEEN PARTNERS
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

<u>Name and Address</u>	<u>Capital Contributions</u>	<u>Percentage Interest</u>
<u>GENERAL PARTNERS:</u>		
Winthrop Financial Co., Inc. Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$ 100 ³	1%
<u>LIMITED PARTNERS:</u>		
Linnaeus Boston Realty Company Suite 1110 225 Franklin Street Boston, Massachusetts	100 ³	1%
<u>INVESTOR LIMITED PARTNERS:</u>		
Sri Kantha Alwis 360 Hilltop Lane Cincinnati, Ohio 45215	46,250	4.9%
David V. Anthony 1402 Orchard Street Alexandria, Virginia 22302	46,250	4.9%
Waldon L. & Alice L. Baker 2900 Argyle Drive Alexandria, Virginia 22305	23,125	2.45%
Jean T. (Robinson) Benavides 7931 Forest Avenue Munster, Indiana 46321	46,250	4.9%
Harry S. & Doris J. Berberian 642 Northlawn Drive Lancaster, Pennsylvania 17603	46,250	4.9%
James J. Bowman 1397 Langport Drive Pittsburgh, Pennsylvania 15241	23,125	2.45%
James E. Clark, M.D. Suite 303 Professional Office Bldg. 15th & Upland Avenues Chester, Pennsylvania 19013	46,250	4.9%

BOOK 3 PAGE 221
 SCHEDULE A
 TO THE FIRST AMENDMENT TO THE
 ABERDEEN PARTNERS
 LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE
 (Continued)

<u>Name and Address</u>	<u>Capital Contributions</u>	<u>Percentage Interest 1</u>
<u>INVESTOR LIMITED PARTNERS (con't):</u>		
Joseph N. Ellis 54400 Old Bedford Trail Mishawaka, Indiana 46544	\$ 46,250	4.9%
Richard M. Heagy Box 126, Miller Road E. Petersburg, Pennsylvania 17520	46,250	4.9%
Richard W. Hevner 335 S. 7th Street Philadelphia, Pennsylvania 19106	23,125	2.45%
William B. Jackson 1567 Tiffany Drive Pittsburgh, Pennsylvania 15241	23,125	2.45%
Ronald A. Maturi 4 Raintree Road Glendalough Dallas, Pennsylvania 18612	46,250	4.9%
Bardarah McCandless 311 Maple Street New Wilmington, Pennsylvania 16142	23,125	2.45%
Ralph S. Michael, Jr. Windsor Road Pittsburgh, Pennsylvania 15215	46,250	4.9%
P. G. Moorthy 5634 Venus Lane Fairfield, Ohio 45014	46,250	4.9%
James E. Nelson RR 4 Box 14A Nappanee, Indiana 46550	46,250	4.9%
Pryor E. & Arlene R. Neuber 1405 Oregon Pike Lancaster, Pennsylvania 17601	46,250	4.9%
James A. Peterson 2400 Broadmoor Drive Elkhart, Indiana 46514	46,250	4.9%

SCHEDULE A
 TO THE FIRST AMENDMENT TO THE
 ABERDEEN PARTNERS
 LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE
 (Continued)

<u>Name and Address</u>	<u>Capital Contributions</u>	<u>Percentage Interest</u> 1
<u>INVESTOR LIMITED PARTNERS (con't):</u>		
Richard E. Powers 309 Yarrow Lane Pittsburgh, Pennsylvania 15236	\$ 46,250	4.9%
James C. Reed 51119 Winding Waters Lane Elkhart, Indiana 46514	23,125	2.45%
Charles J. Schreder 2416 Pulaski Highway Newark, Delaware 19701	46,250	4.9%
Robert D. & Mary M. Shea 508 Green Forest Drive Severna Park, Maryland 21146	46,250	4.9%
Lyndon D. Waugh 1752 Ball Mill Court Dunwoody, Georgia 30338	46,250	4.9%
	925,000 ²	98%
	925,200	100%

Notes:

1. Partners' percentage interests are subject to modification and adjustment as set forth in the Agreement.
2. The timing of the contributions of the Investor Limited Partners is set forth in the Agreement.
3. Contributed in cash as of April 3, 1981.

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 HARFORD CO.
 H. DOUGLAS CHILCOAT
 CLERK

BOOK 3 PAGE 223
ABERDEEN HOUSING ASSOCIATES

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

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AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

Preliminary Statement

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE dated this 2nd day of July, 1981 by and among A & R - WATERFORD JOINT VENTURE, a joint venture of A & R Development Corporation and The Waterford Group, Inc., both Maryland corporations, and THEO C. RODGERS, JAMES L. GINSBURG, NEIL F. LEMON and LAWRENCE A. MENEFE, JR. as General Partners, THOMAS P. HARKINS, INC., a Maryland corporation, as Original Limited Partner, WFC REALTY CO., INC., a Massachusetts corporation, as a Class A Limited Partner, and ABERDEEN PARTNERS, a Maryland limited partnership, as Limited Partner.

Aberdeen Housing Associates was formed as of April 2, 1981, as a limited partnership under the laws of the State of Maryland and the Limited Partnership Agreement and Certificate of Aberdeen was filed in the Land Records of Harford County, Maryland on April 3, 1981 and recorded in Book 3, Page 68.

Now, therefore, it is hereby agreed that the Limited Partnership Agreement and Certificate of Aberdeen Housing Associates shall be amended to read as follows:

ARTICLE I

Defined Terms

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

"Accountants" means Reznick, Fedder & Silverman, of Bethesda, Md., or such other firm of certified public accountants as may be engaged by the Managing General Partner with the Consent of the Investor Partnership.

"Affiliated Person" means any (i) Partner, (ii) member of the Immediate Family of any Partner, (iii) legal representative, successor or assignee of any Person referred to in the preceding clauses (i) through (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (20% or more) or partner, of any Person referred to in the preceding Clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 20% or more of the beneficial interest or the voting power of the appropriate Entity.

"Agreement" means this Limited Partnership Agreement and Certificate as it may be amended from time to time.

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

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

"Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Partnership interest of such then Partner.

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

"Certificate" means the Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Circuit Court of Harford County, Maryland as said Certificate may be amended from time to time in accordance with the terms hereof and the Uniform Act.

"Class A Limited Partners" means Realty.

"Class B Limited Partner" shall have the meaning provided in Section 7.1.D.

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

"Consent of the Investor Partnership" means the prior written approval of Winthrop as general partner of the Investor Partnership.

"Commitments" means the commitment of FHA to insure the construction and the permanent Mortgage and the commitments given to the Partnership by the Mortgage Lender to advance funds under the construction and permanent Mortgage. The term "Commitments" shall also include the Construction Contract, the Building Loan Agreement, the Agreement to Enter into HAP Contract, the commitment of the Government National Mortgage Association to purchase

the Mortgage after Final Endorsement and any other instruments (i) delivered to, or required by, FHA in connection with the FHA commitment to insure the Mortgage, or (ii) delivered to, or required by, the Mortgage Lender in connection with the Mortgage.

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

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

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

"Event of Bankruptcy" means as to a General Partner

- (a) his or its admission in writing of his or its inability to pay his or its debts generally as they become due;
- (b) his or its filing a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Act (as now or in the future amended) or an admission seeking the relief therein provided;
- (c) his or its making a general assignment for the benefit of his or its creditors;
- (d) his or its consenting to the appointment of a receiver for all or a substantial part of his or its property;
- (e) his or its being adjudicated a bankrupt;
- (f) 120 days after the entry of a court order appointing a receiver or trustee for all or a substantial part of his or its property without his or its consent so long as such order shall not have been vacated, set aside or stayed; or
- (g) 120 days after the inception of the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of his or its property, so long as such custody or sequestration shall not have been suspended or terminated.

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

"Final Endorsement" means the date upon which the credit instrument evidencing the permanent Mortgage is finally endorsed for insurance by the Federal Housing Commissioner after completion of the Project.

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

"HAP Contract" means the Housing Assistance Payments Contract with HUD to provide Housing Assistance Payments for eligible tenants of the Project under the Section 8 Program of the United States Housing Act of 1937, as amended by Section 201 of the Housing and Community Development Act of 1974.

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

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

"Improvements" means the proposed apartment development and related facilities to be constructed on the Land as described in the Commitments with respect to the FHA Project No. 052-35336-PM-L/8.

"Initial Endorsement" means the date on which the credit instrument evidencing the construction Mortgage is initially endorsed by the Federal Housing Commissioner for insurance of approved advances.

"Initial Management Fee" shall have the meaning provided in Section 6.10.G.

"Interim Loan Note" means the promissory note issued pursuant to Section 6.8 and repaid pursuant to Section 9.3.

"Investor Limited Partner" means each Person designated as an Investor Limited Partner in the schedule to the partnership agreement of the Investor Partnership.

"Investor Partnership" means Aberdeen Partners, a Maryland limited partnership.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control, including, without limitation, death, insanity, incompetence, and physical or mental incapacity.

"Land" means the parcel known as 601 Cornell Street, Aberdeen, Harford County, Maryland and referred to in the Commitments with respect to FHA Project No. 052-35336-PM-L/8.

"Limited Partner" or "Limited Partners" shall mean and include each Person designated as a Limited Partner in the Schedule or any Person who becomes a Limited Partner as provided herein, including the Investor Partnership, the Class A Limited Partner, a Class B Limited Partner, if any, the Original Limited Partner and any Substitute Limited Partner, in each such Person's capacity as a Limited Partner.

"MGP Annual Administration Fee" means the cumulative annual fee of \$5,000 payable to the Managing General Partner after the payment of all other expenses, costs and other items and amounts which are deducted in determining Cash Flow, prorated for any portion of a fiscal year, for the continuing services of the Managing General Partner. Such fee shall commence at Final Endorsement and shall be deemed an operating expense of the Partnership for all purposes hereunder. The MGP Annual Administration Fee which is deemed an operating expense of the Partnership for all purposes hereunder, shall be accrued as a liability of the Partnership, but shall not be paid until after the cumulative distributions provided for under Section 10.2.A First and Second.

"Management Agent" means the managing and rental agent for the Project.

"Management Fee" means the amount payable from time to time by the Partnership to the Management Agent on an annual basis for management services in accordance with a management contract approved by FHA, or when the Project is not subject to FHA regulation, in accordance with a reasonable and competitive fee arrangement.

"Managing General Partner" means A & R - Waterford Joint Venture, a joint venture of A & R Development Corporation and The Waterford Group, Inc.

"Mortgage" means the loan made to the Partnership by the Mortgage Lender and insured by FHA to provide funds for the acquisition, development and construction of the Project, and where the context admits, any mortgage or deed of trust on the Land and any related regulatory agreement, security agreement, modification agreement, or financing statement, and the promissory note or other credit instrument evidencing the debt thereunder and any other instrument in connection with the Mortgage which is binding on the

Partnership. In case the Mortgage is replaced by any subsequent mortgage or mortgages, the term Mortgage shall refer to any such subsequent mortgage or mortgages.

"Mortgage Lender" means ABG Associates, Inc., 100 Light Street, Baltimore, Maryland.

"Operating Guarantee Period" means the period beginning on Final Endorsement and ending on December 31 of the year in which the Sixth Installment of Capital Contribution is payable by the Investor Partnership.

"Partner" means any General Partner or Limited Partner.

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

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

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

"Project" means the Land and the multifamily residential housing project constructed or to be constructed thereon, including the dwelling units, common areas, any commercial areas and amenities, known as Aberdeen Housing for the Elderly.

"Project Documents" means and includes the Mortgage, the Commitments, the Regulatory Agreement, the HAP Contract, and all other documents related to the Project and signed by the Managing General Partner.

"Project Expenses" means all the costs and expenses of any type (other than the MGP Annual Administration Fee) incurred incident to the ownership and operation of the Project, including, without limitation, taxes, payments of principal (if amortization of the Mortgage has commenced) and interest on the Mortgage, the cost of operations, maintenance, repairs, to the Project subsequent to Final Endorsement, and the funding of any reserves, deposits, or escrow accounts required to be maintained by FHA.

"Rapid Rent-Up Bonus" shall mean \$60,000, payable solely from the Cash Flow of the Partnership (determined for this sole purpose prior to the deduction of this Bonus) from Final Endorsement to December 31, 1985 remaining after all distributions under Section 10.2.A First and Second for such years have been made in full. If \$60,000 is in excess of the Cash Flow remaining after

such distributions have been made, the Rapid Rent-Up Bonus shall be reduced to the amount of the remaining Cash Flow for such period and the excess shall not be payable at any time. The Rapid Rent-Up Bonus shall be further reduced by the amount of the MGP Annual Administration Fees paid or accrued prior to December 31, 1985.

"Realty" means WFC Realty Co., Inc. a Massachusetts corporation, its successors and assigns.

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

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

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

"Start Up Fee" means the reimbursement of the Managing General Partner for expenses incurred prior to Initial Endorsement for investigating and creating the development and operation of the Project. The amount of such reimbursement has been established at \$20,000.

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

"Substantial Completion Date" means the date on which FHA certifies that the Project is substantially complete.

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

"Uniform Act" means the Maryland Uniform Limited Partnership Act as embodied in Title 10, Corporations and Associations Article of the Annotated Code of Maryland.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal) by which the General Partner (i) ceases to be a General Partner in the Partnership, (ii) causes a dissolution, termination or winding up of the Partnership, (iii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of his interest in the

Partnership, excluding however, transfers or assignments solely for security purposes, (iv) dissolves or (v) commits or suffers an Event of Bankruptcy.

"Winthrop" means Winthrop Financial Co., Inc., a Massachusetts corporation, its successors and assigns.

ARTICLE II

Formation; Name; and Purpose

Section 2.1 Formation

The parties hereto hereby form the limited partnership known as Aberdeen Housing Associates pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office

The Partnership shall be conducted under the name and style of Aberdeen Housing Associates. The principal office of the Partnership shall be c/o A & R Development Corporation, 306 Metro Plaza, Baltimore, Maryland 21215. The Managing General Partner may at any time change the location of such principal office and shall give due notice of any such change to the Limited Partners.

Section 2.3 Purpose

The purpose of the Partnership is to acquire, construct, develop, improve, maintain, operate, lease, sell, dispose and otherwise deal with the Project in manner consistent with its status as a rental housing project under Section 8 of the United States Housing Act of 1937, as amended by Section 201 of the Housing and Community Development Act of 1974 and under Section 221(d)(4) of the National Housing Act. The Partnership and the General Partners shall use their best efforts to operate the Project in accordance with any applicable FHA, HUD or other governmental regulations. The Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts

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

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

(ii) To construct, operate, maintain, finance, improve, own, sell, convey, assign, mortgage or lease

any real estate and any personal property necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

(iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership, and to secure the same by mortgage, pledge or other lien on the Project or any other assets of the Partnership; provided, however, that the proceeds of such borrowings, except as otherwise permitted by Article X, shall not be used directly or indirectly to pay Subordinated Loans or Construction Completion Notes.

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

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

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

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

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

(ix) To bring and defend actions at law and in equity.

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

(xi) 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 preformed by a partnership under the laws of the State of Maryland.

Section 2.5 Term and Dissolution

The Partnership shall continue in full force and effect until December 31, 2031, except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

A. The sale or other disposition of all or substantially all of the assets of the Partnership in accordance with Section 3.2, provided however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets.

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

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

Upon dissolution of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.3. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, either (i) defer liquidation of,

and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (other than Construction Completion Notes) or (ii) distribute the assets to the Partners in kind; provided, however, that the proceeds of any sale or other disposition of Partnership assets shall be distributed in the fiscal year of the Partnership in which the sale or other disposition occurs, or in the year in which the Partnership collects a deferred installment payment, if later.

ARTICLE III

Mortgage and Regulatory Agreement

Refinancing and Disposition of Project

Section 3.1 Mortgage and Regulatory Agreement

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

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

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

Section 3.2 Refinancing and Disposition of the Project

The Managing General Partner, on behalf of the Partnership, and with FHA approval, may decrease or increase the Mortgage at or before Final Endorsement. The Managing General Partner on behalf of the Partnership may also refinance the Mortgage, including any required transfer or conveyance of Partnership assets for security or mortgage purposes, and sell, lease, exchange or otherwise transfer or convey all or substantially all of the assets of the Partnership; provided, however, that any such refinancing, sale, lease, exchange or other transfer, or conveyance prior to December 31, 2021 and the terms thereof must receive the Consent of

the Investor Partnership, before such transaction shall be binding on the Partnership. The Managing General Partner shall give Winthrop at least thirty (30) days written notice of any transaction described above which requires the Consent of the Investor Partnership.

ARTICLE IV

Partners; Capital

Section 4.1 General Partners

The General Partners of the Partnership are A & R - Waterford Joint Venture, Theo C. Rodgers, James L. Ginsburg, Neil F. Lemon and Lawrence A. Menefee, Jr. and their Capital Contributions are as set forth in the Schedule. The Managing General Partner is A & R - Waterford Joint Venture. Upon the Retirement of A & R - Waterford Joint Venture, the Managing General Partners shall be Theo C. Rodgers and James L. Ginsburg. A substitute or additional General Partner will be admitted to the Partnership if such admission receives the consent of each of the General Partners, other than Realty if it is a General Partner, the Consent of the Investor Partnership and, if required, the approval of FHA.

Section 4.2 Original Limited Partner

The Original Limited Partner is Thomas P. Harkins, Inc. and its Capital Contribution is set forth in the Schedule. The Managing General Partner shall have the right to purchase the entire partnership interest of the Original Limited Partner for a total price of \$100 at any time after Final Endorsement. Payment of this purchase price may be made by assuming the Original Limited Partner's obligation to pay its capital contribution to the Partnership if such capital contribution then remains unpaid. After the purchase, any reference to the Original Limited Partner in Article X hereof shall be deemed to be references to the Managing General Partner.

Section 4.3 Partnership Capital

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

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

Section 4.4 Withdrawal of Capital

Except as otherwise provided, no Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2031. No Partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 4.5 Liability of Limited Partners

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

Section 4.6 Limited Partners

A. The Managing General Partner shall have the right to admit the Investor Partnership as a Limited Partner which shall agree to contribute \$659,736 to the capital of the Partnership pursuant to the provisions of Article V.

B. The Class A Limited Partner is Realty. Realty may become a General Partner at any time, at its option subject only to the approval of FHA, if required. The provisions of Sections 5.3, 6.4, 6.5, 6.7, 6.8, 6.9, 6.11, 6.12, 7.1.B, 7.1.C and 12.4 shall not apply to Realty.

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

D. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the Circuit Court of Harford County, Maryland. Each Limited Partner may become signatory hereto by signing a conformed copy of this

Agreement in such manner as the Managing 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 this Agreement, provided, however, that no such copy shall be binding until it has been signed by the Managing General Partner.

ARTICLE V

Capital Contributions of Investor Partnership

Section 5.1 Payments

The Investor Partnership to be admitted under Section 4.6 hereof shall make its Capital Contribution in six installments as follows:

(1) \$100,000 (the "First Installment") shall be payable upon the later of (i) Initial Endorsement, or (ii) date of admission of the Investor Partnership to the Partnership.

(2) \$14,736 (the "Second Installment") shall be payable on the date of the admission of Investor Limited Partners in the Investor Partnership.

(3) \$180,000 (the "Third Installment") shall be payable on the later of (i) February 15, 1982 or (ii) the date on which the construction of the Improvements is 50% complete as certified by the supervising architect for the Project and concurred in by FHA and the Mortgage Lender by advancing funds under the Mortgage against a requisition stating that such percentage of completion has been obtained.

(4) \$101,636 (the "Fourth Installment") shall be payable on the later to occur of (i) February 15, 1983, or (ii) 9 months after the Substantial Completion Date.

(5) \$103,364 (the "Fifth Installment") shall be payable on the latest to occur of (i) February 15, 1984 or (ii) 21 months after the Substantial Completion Date or (iii) Final Endorsement.

(6) \$160,000 (the "Sixth Installment") shall be payable on the latest to occur of (i) February 15, 1985 or (ii) 33 months after the Substantial Completion Date or (iii) Final Endorsement.

The Investor Partnership will be obligated to execute a non-interest bearing promissory note to the Partnership evidencing

its obligation to make payment of the Second through Sixth Installments of its Capital Contribution and will assign as security for this promissory note the promissory notes of the Investor Limited Partners in an amount equal to \$545,000. The Managing General Partner, on behalf of the Partnership, may assign the promissory note of the Investor Partnership and the Investor Limited Partners to any person (including an Affiliated Person) in order to secure or obtain loans to the Partnership or to secure certain letters of credit or a line of credit which may be required by FHA.

The obligation of the Investor Partnership to make each of the Installments of Capital Contributions hereunder is subject to the condition that the Managing General Partner shall have delivered a written certificate (the "MGP Certificate") (i) stating that, all preconditions and agreements applicable to such Installment have been satisfied and all representations and/or warranties contained in Section 6.5 are true and correct, and (ii) stating that, to the best of the knowledge, information and belief of the Managing General Partner as to the Managing General Partner or any other Affiliated Person, no material default has occurred and is continuing under the Agreement, or any of the Project Documents. The MGP Certificate shall be delivered to Winthrop as general partner of the Investor Partnership and as representative of the Investor Limited Partners and to Winthrop Securities Co., Inc., acting on its own behalf and as agent for all other broker-dealers participating in the offering of Units in the Investor Partnership on the date hereof and on the date of admission of the Investor Limited Partners to the Investor Partnership as a condition and partial inducement for payment by the Investor Partnership of the First Installment of its Capital Contribution. As to the Second, Third, Fourth, Fifth and Sixth Installments, the Managing General Partner shall give Winthrop as general partner of the Investor Partnership and as representative of the Investor Limited Partners not less than 15 days advance written notice of the due date therefor and shall deliver the MGP Certificate to it not less than 10 days prior to the due date set forth in said notice. The General Partners agree that the Investor Limited Partners of the Investor Partnership may rely on the MGP Certificates issued to the Investor Partnership. If an installment is deferred because of the inability of the Managing General Partner to issue the MGP Certificate, then that Installment shall be due 15 days after notice and 10 days after the MGP Certificate is given with respect to such Installment, and each subsequent Installment shall be due no earlier than 90 days after the deferred payment date of the immediately preceding Installment.

Section 5.2 Defaults by Investor Partnership

The Investor Partnership agrees that it will pay to the Partnership its Installments of capital contributions within 3 days of the receipt of the Capital Contributions of the Investor Limited Partners of the Investor Partnership but not before

the due date of any Installment. Winthrop hereby guarantees payment to the Partnership of the Capital Contributions of the Investor Partnership as and when due under Section 5.1; provided, however, that Winthrop shall not be liable for the payment of all or any portion of an Installment of the Capital Contribution of the Investor Partnership until 30 days after the due date of such Installment under Section 5.1. Winthrop's obligation under this Section 5.2 shall begin to bear interest, payable on demand, at a rate one percentage point above the prime rate charged by the First National Bank of Boston to its prime commercial customers, on the 31st day after an Installment is due under Section 5.1, if such Installment is then still in default.

Section 5.3 Repurchase Obligation of the General Partners

If (i) prior to Final Endorsement, the Mortgage Lender shall have commenced proceedings to foreclose the Mortgage or shall have irrevocably refused to make further advances under the Mortgage, and, within 60 days after such commencement or such refusal (a) the breach asserted by the Mortgage Lender in such foreclosure action has not been cured and (b) the Mortgage Lender has not voluntarily terminated such foreclosure proceedings or (ii) Final Endorsement shall not have taken place on or before September 30, 1982; provided, however, that such time period shall be automatically extended to any date up to a maximum of 12 months thereafter if the Commitments have similarly been extended and remain in full force and effect, or (iii) prior to Final Endorsement, the Partnership shall have been in material default under any of the Project Documents, and within 120 days after notice thereof is given, such material default shall not have been (a) waived in writing by the Mortgage Lender or (b) cured to the satisfaction of the Mortgage Lender, or (iv) construction of the Improvements shall have been abandoned or permanently enjoined, or (v) prior to the expiration of the Operating Guarantee Period, Rodgers and Ginsburg Voluntarily Withdraw from the Partnership, or (vi) the Commitments of FHA, GNMA, HUD, or the Mortgage Lender expire and have not been renewed within 30 days of the date of expiration thereof, or (vii) the HAP Contract has not been entered into by Final Endorsement or any material default occurs on such HAP Contract prior to Final Endorsement, or (viii) the General Partners fail to meet the requirements of Section 6.9; then, within 30 days after the occurrence of such event, the Managing General Partner shall send written notice of such event to the Investor Partnership and offer to purchase the entire interest of the Investor Partnership. The Investor Partnership shall send to the Managing General Partner written notice of its intent to sell its interest to the Managing General Partner within 60 days after its receipt of the notice from the Managing General Partner. The purchase shall be made by the Managing General Partner within 30 days after the receipt of such Investor Partnership's notice. The purchase price shall be an amount in cash, without interest, equal to the paid-in capital contribution of the Investor Limited Partners to the Investor Partnership plus

the outstanding balance of the loan made by Winthrop to the Investor Partnership (which loan balance shall not exceed \$100,000 plus interest and shall be repaid out of the Capital Contributions of the Investor Limited Partners to the Investor Partnership) to the extent that such paid-in capital contribution and such loan has been paid to the Partnership as part of the Capital Contribution of the Partnership or to the Managing General Partner, Winthrop, or an affiliate or advisor of Winthrop as a fee less the total amount of cash distributions, if any, theretofore made to the Investor Partnership pursuant to this Agreement. Upon such payment, the interest as a Partner of the Investor Partnership shall terminate, and the Investor Partnership shall have no further obligation to pay any Subsequent Installment(s) of its Capital Contribution.

The Managing General Partner shall indemnify the Investor Partnership against any claims (other than for income taxes) of unrelated third parties made against the Investor Partnership by reason of the payments made to it pursuant to this Section 5.3.

ARTICLE VI

Rights, Powers and Duties of the General Partners

Section 6.1 Restriction on Authority

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

- (1) following completion of construction of the Improvements, to construct any new capital improvements, or to replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project, or
- (2) to acquire any real property in addition to the Project, or
- (3) to become personally liable on, or to guarantee the Mortgage, or
- (4) to refinance (except as otherwise provided in Section 3.2), sell or otherwise dispose of the Project.

Except as otherwise specifically authorized by this Agreement, the General Partners do not have the authority, without the written consent of each Limited Partner, to do any act required to be approved or ratified by the limited partners under the Uniform Act.

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

Section 6.2 Business Management and Control

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

Section 6.3 Personal Services

A. In addition to the power enumerated in Section 6.2, the Managing General Partner, on behalf of the Partnership, may acquire property or services from an Affiliated Person. Any transaction by the Partnership with an Affiliated Person pursuant to this Section 6.2 shall be on terms reasonably competitive with those which may be obtained from a non-Affiliated Person.

B. Any Partner may engage independently or with others in other business ventures of every nature and description including, without limitation, the ownership, operation, management, syndication and development of real estate, and neither the Partnership nor any Partner shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Section 6.4 Duties and Obligations

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

B. The Managing General Partner will use its best efforts to cause the Partnership at all times after Final Endorsement to comply with and to perform its obligations under the

Mortgage, the Regulatory Agreement and any other applicable requirements of FHA or HUD.

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

D. Nothing herein shall impose any obligation on the Managing General Partner to advance funds to or for the benefit of the Partnership except as expressly required by the provisions of this Agreement.

Section 6.5 Representations and Warranties

The following representations and warranties are the representations and warranties referred to in Section 5.1 which the Managing General Partner makes at the time of each Installment of the Capital Contributions:

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

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

(iii) To the best of the Managing General Partner's knowledge and belief, all payments and expenses required to be made or incurred in order to complete construction of the Improvements in conformity with the Commitments and in order to satisfy all requirements under the Commitments or which form the basis for determining the principal sum of the Mortgage, including, without implied limitation, interest during construction and any escrow payments, have been paid or provided for by, or for the account of, the Partnership utilizing only (a) the funds available from the Mortgage, (b) the Capital Contributions of the Investor Limited Partnership, (c) the net rental income, if any, earned by the Project prior to Final Endorsement, and (d) funds furnished or to be furnished

by the Managing General Partner pursuant to Section 6.8 or Section 6.9.

(iv) To the best of the Managing General Partner's knowledge and belief, no event, occurrence or proceeding is pending which would (a) materially adversely affect the Partnership or its properties by leading to a foreclosure of the Mortgage or a deed in lieu thereof or (b) materially adversely affect the ability of the Managing General Partner or any Affiliated Person to perform their respective obligations hereunder or under any other agreement with respect to the Project or (c) prevent the completion of construction of the Improvements in conformity with the Commitments and the Construction Contract other than legal proceedings which have been bonded against in such manner as to stay the proceedings.

(v) No notice has been received from the Mortgage Lender, HUD or any other governmental agency that a material default (or event which, with the giving of notice or the passage of time or both, would constitute a default) on the part of the Partnership or the General Partners has occurred and is continuing under any of the Commitments, the Project Documents, or any other agreement affecting the Project.

(vi) Neither the Partnership nor any Partner has any personal liability with respect to the Mortgage except as may otherwise be provided in this Agreement.

(vii) The Partnership owns the fee simple interest in the Project, subject to no material liens, charges or encumbrances other than those which are both permitted by the Commitments and set forth in the title policy for the Project issued at Initial Closing, if any. The use of the land for construction and operation of the Project is not in material violation of applicable zoning, and there are no density restrictions, building or use laws, planning rules, regulations, ordinances or requirements or environmental procedures applicable to the Project which would materially inhibit or materially adversely affect the development of the Project by leading to a significant interruption or delay of construction or a foreclosure

of the Mortgage or a deed in lieu thereof or by preventing occupancy of any significant portion of the Project.

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

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

The truth and correctness of each of the foregoing representations and warranties is a condition precedent to the payment of each Installment. The inability of the Managing General Partner to give any of the foregoing representations and warranties or the breach of any of the foregoing representations and warranties (other than an intentional breach) shall not result in any liability to or obligation upon the General Partners beyond that provided for in Section 5.3. Nothing in this Section 6.5 shall impair any liability of the General Partners provided for in any other Section of this Agreement.

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

Section 6.6 Indemnification

The Partnership shall indemnify and hold harmless each General Partner and each partner of the Managing General Partner (herein the "Indemnified Parties") from and against any loss, expense, damage or injury suffered or sustained by him by reason of any acts, omissions or alleged acts or omissions arising out of his activities on behalf of the Partnership or in furtherance of the interests of the Partnership, including, but not limited to, any judgment, award, settlement, reasonable attorney's fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim and including any

payments made by a corporate partner of the Managing General Partner to any of its officers or directors pursuant to an indemnification agreement no broader than this Section 6.6; provided that the acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claims are based were in good faith and were not performed or omitted fraudulently or in bad faith or as a result of gross negligence by such Indemnified Party. Such indemnification shall be made only to the extent of assets of the Partnership and no Limited Partner shall have any liability on account thereof.

Section 6.7 Liability of General Partners to Partnership or Limited Partners

Neither the General Partners, nor either partner of the Managing General Partner, nor any officer or director of a corporate partner of the Managing General Partner, shall be liable, responsible or accountable in damages or otherwise to the Partnership or any Limited Partner for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the General Partners by this Agreement or by law unless such action or omission was performed or omitted fraudulently or in bad faith or constituted gross negligence. The foregoing shall not limit the liability of a General Partner for damages arising from willful breach of a covenant or warranty or from liability for failure to perform the obligations described in Sections 5.3, 6.8 and 6.9 hereof.

Section 6.8 Obligation to Complete Construction

A. The Managing General Partner shall use its best efforts to cause the Improvements to be constructed in the manner set forth in the Construction Contract. In the event that (a) the proceeds of the Mortgage plus (b) available net rental income of the Project prior to Final Endorsement (to the extent the use thereof is allowed by FHA), plus (c) \$127,520 of the paid in Capital Contribution of the Investor Partnership, are insufficient to acquire the Land, complete construction of the Project in accordance with the Construction Contract and the Commitments, arrive at Final Endorsement in conformity with the Project Documents, and to meet all development and other fees and expenses (including payments of the principal and interest on the Interim Loan Notes, if any, and the contractual obligation issued for the fee described in Section 6.10.C, escrow payments, and all payments owing to the general contractor under the Construction Contract) required to (i) complete construction of the Project and achieve Final Endorsement and (ii) pay all Project Expenses accrued through Final Endorsement or required to be paid at or prior to Final Endorsement, the Managing General Partner shall advance to the Partnership all such funds which shall be necessary to accomplish the foregoing at such time as those costs, expenses or fees become due and payable. In connection with the foregoing, the Managing General Partner agrees to pay the GNMA discount to the extent the same is not payable from the proceeds of the Mortgage.

B. In the event the Managing General Partner has advanced or set aside funds pursuant to this Section 6.8 prior to Final Endorsement in addition to the use of \$127,520 of Capital Contributions, then on the later of May 15, 1982 or the Substantial Completion Date, the Partnership shall issue to the Managing General Partner an Interim Loan Note for the amount of such advances up to \$231,799 and such Note shall bear interest at the rate of 18% per annum. The Interim Loan Note shall be paid as provided in Section 9.3.

C. Any such advances pursuant to this Section 6.8, which do not constitute Interim Loan Notes, shall be represented by Construction Completion Notes issued by the Partnership, which shall not bear interest and which shall be repayable only out of Mortgage proceeds received by the Partnership on or before Final Endorsement, future Capital Contributions of the Investor Partnership (to the extent available after payment of principal and interest on the contractual obligation described in Section 6.10.C), refunds of deposits or escrows advanced by the General Partners on behalf of the Partnership (to the extent such use thereof is allowed by FHA) or net rental income of the Project prior to Final Endorsement (to the extent such use thereof is allowed by FHA); and, to the extent not so repaid, such Notes shall be repayable only as provided in Article X hereof. The foregoing provisions of Section 6.8 notwithstanding, if the Managing General Partner defaults in the performance of its obligations under this Section 6.8, it shall be obligated to proceed under the repurchase obligation specified in Section 5.3, and upon such purchase, the Managing General Partner shall have no further liability to any Limited Partner provided that the Managing General Partner's default shall have resulted solely from a good faith determination that the costs of construction have become so burdensome as to make further investment in the Project unwarranted after they shall have, if appropriate, diligently pursued all remedies against, and shall have taken all reasonable steps to enforce the liability of, the general contractor under the Construction Contract and the bonding company or companies, if any.

Section 6.9 Obligation to Provide for Project Expenses

The Managing General Partner agrees that, in the event the Partnership requires any funds for Project Expenses during the Operating Guarantee Period, it will, subject to the approval of FHA, if required, lend to the Partnership all such funds which may be required to pay, when due, all such Project Expenses; provided, however, that the Managing General Partner shall not be obligated to advance any additional funds for such purpose if, and as long as, the aggregate outstanding amount of such loans equals or exceeds \$100,000. Such obligatory loans shall be Subordinated Loans which shall not bear interest and shall be repayable only in accordance with the provisions of Article X of this Agreement. Any funds (i) advanced against one or more operating deficit letters of credit

which may be required by the FHA, or (ii) used to prepay expenses or fund escrow accounts at Final Endorsement, shall be deemed to be Subordinated Loans and shall be credited against the amount of obligatory loans required to be made by the Managing General Partner pursuant to this Section 6.9.

Section 6.10 Certain Payments to the General Partners and Affiliated Persons

A. For its services and expenses in organizing the Partnership, the Partnership shall pay to the Managing General Partner an organizational fee equal to \$15,000 from the Third Installment of Capital Contribution of the Investor Partnership.

B. For providing letters of credit as security for the FHA-required GNMA discount and working capital letters of credit, the Partnership shall pay \$14,736 to Winthrop from the Second Installment of Capital Contribution of the Investor Partnership.

C. For its services in supervising to completion the construction of the Project, the Partnership shall be required to pay to the Managing General Partner from the Capital Contribution of the Investor Partnership a total fee of \$359,319. The fee determined under the preceding sentence shall be reduced by the aggregate amount in excess of the sum of (i) the proceeds of the Mortgage, plus (ii) the available net rental income of the Project prior to Final Endorsement, which excess amount is used, in accordance with Section 6.8, to complete construction of the Project, to achieve Final Endorsement and pay Project Expenses accrued through Final Endorsement. On the later of (i) May 15, 1982, or (ii) the Substantial Completion Date, the unpaid balance of this fee shall begin to bear simple interest at a rate of eighteen percent (18%) per annum and shall be paid as provided in Section 9.3; provided, however, that the amount which bears interest shall not be more than \$231,819 reduced by the amount of any Interim Loan Notes issued pursuant to Section 6.8.B hereof for purposes of this Section 6.10.C. Project Expenses shall not include any fees payable pursuant to Section 6.10.A, B, C, D, E, G or H.

D. The Partnership shall pay the Managing General Partner from the Third Installment of the Capital Contribution of the Investor Partnership a rent-up fee of \$35,480 for its services in connection with the initial rent-up of the Project.

E. The Partnership shall pay the Managing General Partner a commitment fee of \$50,000 from the Third Installment of the Capital Contribution of the Investor Partnership for the Managing General Partner's commitment to make Subordinated Loans pursuant to Section 6.9.

F. The Partnership shall pay the Managing General Partner the Rapid Rent-Up Bonus for its services in causing the

Project to rent-up quicker and with less expense than anticipated. Such Bonus shall be paid during the period from Final Endorsement to December 31, 1985 at the same times as distributions are made under Section 10.2.A.

G. The Partnership shall pay the Managing General Partner from the Third Installment of the Capital Contribution of the Investor Partnership a Start Up Fee in the amount of \$20,000 in connection with the creation and investigation of the development of the Project prior to Initial Endorsement.

H. An Initial Management fee of \$16,000 for each of the years 1981 through 1985 will be paid in connection with the administration of Partnership affairs. Such fee shall be payable to the Managing General Partner in installments of \$32,000, \$16,000, \$16,000 and \$16,000 on the due dates of the Third, Fourth, Fifth and Sixth Installments of Capital Contribution of the Investor Partnership.

I. For its services, including maintaining the records and reporting to the Limited Partners pursuant to Section 12.4 and acting as attorneys-in-fact pursuant to Section 13.2, the Partnership shall be required to pay to the Managing General Partner the MGP Annual Administration Fee.

J. Except as otherwise provided in this Agreement, neither a General Partner nor any other Affiliated Person shall be entitled to any other fee or allowance (for example, the Builder's and Sponsor's Profit and Risk Allowance) except that a General Partner or any Affiliated Person shall be entitled to any other fees or allowances, including but not limited to architectural, legal, organizational, general construction requirements, construction overhead, relocation and management costs, which are permitted by FHA as flat allowances or certifiable costs (including increases in the payments under the Construction Contract) of the Project payable out of Mortgage proceeds or income prior to Final Endorsement and to any refund of deposits or escrows advanced by it on behalf of the Partnership not otherwise utilized to repay Construction Completion Notes. The Managing General Partner will also receive a Repurchase Fee of \$70,000 from the Investor Partnership in consideration of its obligations under Section 5.3 of this Agreement. Such fee shall be payable to the Managing General Partner in installments of \$20,000, \$25,000 and \$25,000 on the due dates of the Third, Fourth and Fifth Installments of Capital Contribution of the Investor Partnership.

Section 6.11 Survival of Obligations

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

Section 6.12 Nature of Obligations

The obligations of the General Partners set forth herein, including without limitation those set forth in Sections 5.3, 6.5, 6.8 and 6.9, shall be both joint and several.

Section 6.13 Guarantee

William L. Adams and all of the General Partners hereby jointly and severally guarantee full, complete and timely performance and satisfaction of all obligations imposed on the Managing General Partner pursuant to Sections 5.3, 6.8 and 6.9 of the Agreement.

ARTICLE VII

Retirement of a General Partner

Section 7.1 Retirement

A. Except as provided herein, no General Partner shall have the right to voluntarily Retire from the Partnership or sell, assign, transfer, encumber or otherwise dispose of all or any portion of its interest in the Partnership without the approval of FHA, if required, and the Consent of the Investor Partnership. Whether or not Realty has become a General Partner, it shall have the right at any time to Retire from the Partnership without obtaining the consent of any Person. Any assignee of the Percentage Interest of Realty or a General Partner may become a General Partner only in accordance with Section 4.1.

B. In the event of the Retirement of a General Partner, due to Voluntary Withdrawal prior to expiration of the Operating Guarantee Period, the Retiring General Partner, (i) shall sell all the interest he holds, directly or indirectly, as a General Partner in the Partnership to the remaining General Partners or, if none, to Realty, or its designee, for the sum of \$10, (ii) shall forfeit to the remaining General Partners or, if none, to the Partnership his rights to be repaid for any sums advanced to the Partnership under Sections 6.8 and 6.9 hereof and (iii) shall forfeit his rights to receive payments under Section 6.10 to the extent then unpaid. In addition, such Retiring General Partner shall remain liable for the performance of all of his obligations under this Agreement as provided in Sections 6.11 and 6.12 hereof.

C. After the expiration of the Operating Guarantee Period, any General Partner may Retire from the Partnership without obtaining the consent of any Person as long as Theo C. Rodgers or James L. Ginsburg remains as a General Partner or if prior to or contemporaneous with such Retirement a substitute General Partner is admitted to the Partnership in accordance with Section 4.1, provided, however, that in either case described herein, the

remaining General Partner or substitute General Partners, as the case may be, must have sufficient net worth to satisfy all guidelines promulgated by the Internal Revenue Service for the purposes of obtaining an advance ruling that the Partnership is classified as a partnership, and the Retiring General partner furnishes the Investor Partnership an opinion of counsel to its satisfaction that the Partnership will continue to be taxed as a partnership.

D. In the event of a Retirement of a General Partner at any time due to Involuntary Withdrawal, there shall be no forfeiture of the General Partner's interest. If the Partnership is terminated, the General Partner, or his successor in interest, shall receive all payments and distributions to which he otherwise would have been entitled under any provisions of this Agreement. If the Partnership is continued pursuant to Section 7.2, then the interest of the General Partner or his successor shall be converted into a Class B Limited Partner interest and the holder of such interest shall receive all payments, distributions and allocations to which the General Partner would have been entitled under any provision of this Agreement had there been no Retirement.

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

F. The forfeitures and sales provided in this Section 7.1 shall be the exclusive remedy of the Investor Limited Partnership in the event of a violation by a General Partner of the provisions of this Section 7.1.

Section 7.2 Obligation to Continue

A. Upon the Retirement of a General Partner, any remaining General Partner or General Partners, if any, or, if none, the Retired General Partner or his heirs, successors or assigns, shall immediately send notice of such Retirement (the "Retirement Notice") to each Limited Partner. In such event the Partnership (i) shall be dissolved (unless it is continued by all of the Partners as provided in paragraph B) if there is no remaining General Partner or (ii) shall be continued by any remaining General Partners who so elect within 15 days after the retirement of the General Partner.

B. If, following the retirement of a General Partner, there is no remaining General Partner or Substitute General Partner of the Partnership who elects to continue the Partnership, the Limited Partners may, within ninety (90) days after notice of such Retirement, elect to reconstitute the Partnership and continue the business of the Partnership for the balance of the term specified in Section 2.5 by selecting a Substitute General Partner by unanimous consent of the Limited Partners. If the Limited Partners elect to

reconstitute the Partnership and admit a Substitute General Partner, the relationship of the Partners and of any person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement. Upon the Retirement of the sole remaining General Partner, Winthrop shall immediately be vested with and shall in fact have all of the power and authority to act as a General Partner, excluding the power to continue the Partnership under Section 7.2.A, but only until such time as a Substitute General Partner has been admitted into the Partnership. If Winthrop does in fact act as a General Partner, it shall be entitled to all of the rights and benefits of a General Partner (including, but not limited to, indemnification).

Section 7.3 Interest of a Retired General Partner

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

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

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

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

C. From and after the date of the occurrence of (i) an Event of Bankruptcy as to the Managing General Partner or (ii) any Retirement of all General Partners for any reason whatsoever, the obligations of the Investor Partnership under Section 5.1 to make Capital Contributions to the Partnership shall be suspended, and such obligations shall be reinstated only when such Event of Bankruptcy or Retirement shall have been cured in a manner which receives the Consent of the Investor Partnership; provided that

before any amounts are thereafter paid to the General Partners, such Capital Contributions of the Investor Partnership shall be applied to the satisfaction of all obligations of the Partnership and of the General Partners, including, without limitation, completion of construction of the improvements.

D. Each General Partner hereby irrevocably nominates and appoints the Managing General Partner or, if the Managing General Partner has Retired, Realty and each of its corporate officers, with full power of substitution, as the true and lawful attorney-in-fact of such General Partner, in his name, place and stead, to make, execute and deliver any and all amendments to the Certificate, business certificates and instruments of like tenor which may be necessary or appropriate to (i) give effect to the provisions of this Article VII or to (ii) effect the filing of an amendment to the Certificate reflecting any Retirement of a General Partner regardless of the circumstances thereof.

ARTICLE VIII

Transferability of Limited Partner Interests

Section 8.1 Limited Right to Assign

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

Section 8.2 Restrictions

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

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

C. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any interest in the Partnership, that the transferor (i) assume all costs incurred by the Partnership in connection therewith and (ii) furnish them with a legal opinion satisfactory to counsel for the Partnership that such sale, transfer, exchange or other disposition complies with applicable Federal and state securities laws.

D. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 8.2 shall be void and ineffectual and shall not bind or be recognized by the Partnership. Nothing contained in this Agreement shall prohibit the offering and sale of Units of Investor Limited Partner interest in the Investor Partnership or the substitution or admission of partners in the Investor Partnership.

Section 8.3 Substitute Limited Partners

Except as may otherwise be provided in Section 5.3, no Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in their exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partners' failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

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

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of such Substitute Limited Partner, and an amendment to the Certificate reflecting such admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of an Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner interest as set forth in the Schedule.

Section 8.4 Assignees

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

Loans

Section 9.1 In General

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

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

Section 9.2 Preexisting Advances

Section 9.1 to the contrary notwithstanding, the Managing General Partner is authorized to repay to himself and Affiliated Persons all advances actually made to, or for the benefit of, the Partnership prior to the date of this Agreement.

Section 9.3 Payment of Interim Loan Note and Contractual Obligation

The principal of the Interim Loan Note issued pursuant to Sections 6.8 and the contractual obligation incurred pursuant to Section 6.10.C and all accrued interest thereon shall become due and payable on the due dates of the Fourth, Fifth and Sixth Installments of the Capital Contribution as follows: first, all accrued interest on both obligations shall be paid; second, principal on the Interim Loan Note shall be paid until that obligation is satisfied; and third, principal on the contractual obligation shall be paid until that obligation is satisfied. The Partnership shall pay the principal and interest of the Interim Loan Note and the principal and interest on the interest bearing portion of the contractual obligation described in the third sentence of Section 6.10.C only from the Fourth, Fifth and Sixth Installments of the Capital Contribution of the Investor Partnership or advances made by the Managing General Partner pursuant to Section 6.8A.

Profits & Losses; Distributions

Section 10.1 Profits and Losses

A. For Federal and State income tax purposes, except as provided in Section 10.1.B, all profits and losses shall be allocated 1% to the General Partners, 1% to the Original Limited Partner, .1% to Realty and 97.9% to the Investor Partnership.

B. The net profits arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, or substantially all of, the Project, or from the liquidation of all, or substantially all, of the assets of the Partnership (by reason of sale, exchange, condemnation, or similar eminent domain taking, casualty or other disposition), shall be allocated for Federal income tax purposes in the following order of priority:

(i) First, to the Partners, the amount which will result in the elimination of the negative balances, if any, of the Capital Accounts of the Partners as of the date on which this allocation under Section 10.1.B First is made without giving effect to the distributions under Section 10.2.C. arising from the same transaction as the profit;

(ii) Second, to each Partner who has received or will receive a distribution under Section 10.2.C Fourth, Sixth or Eighth, an amount equal to such distribution; and

(iii) Third, the balance of any such net profits, 49% to the Investor Partnership, 49% to the Managing General Partner, 1% to the other General Partners and 1% to Realty.

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

C. All profits and losses shared by the Partners or a class of Partners shall be shared by the Partners or members of the class in the ratios of their Percentage Interests, one to the other.

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

Section 10.2 Distribution Prior to Dissolution

A. Subject to any applicable FHA regulations, Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

First, an aggregate amount equal to the sum of (i) \$3,064 per year on a cumulative basis for each fiscal year of the Partnership ending after Final Endorsement, plus (ii) 50% of the net profits, if any, for tax purposes computed under Section 10.1.D for the calendar year shall be distributed 1% to the General Partners, 1% to the Original Limited Partner, .1% to Realty and 97.9% to the Investor Limited Partnership;

Second, irrespective of whether there are net profits, to the repayment of the outstanding balance, if any, of Subordinated Loans; and

Third, the balance thereof 1% to the General Partners, 1% to the Original Limited Partner, .1% to Realty and 97.9% to the Investor Partnership.

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

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

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

(a) Depreciation of building, improvements and personal property, amortization of any fee and other non-cash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions from Cash Flow.

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

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

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

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

(f) The Rapid Rent-Up Bonus shall be considered as a deduction for the purpose of determining Cash Flow.

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

C. Distributions of Other Than Cash Flow. Prior to dissolution and subject to any applicable FHA regulations, if there is cash available for distribution from sources other than Cash Flow (such as, for example, from a refinancing of the Mortgage or a sale or disposition of any part of or all the Project or from any other

transaction the proceeds of which do not constitute Cash Flow), such cash shall be distributed in the same calendar year in which the event generating the cash occurs as follows:

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

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

Third, to the payment of outstanding Interim Loan Notes and Subordinated Loans, if any.

Fourth, to the Partners, the amount by which \$3,064 per year on a cumulative basis for each fiscal year of the Partnership ending after Final Endorsement exceeds the aggregate amount previously distributed to the Partners under Section 10.2.A First and this Section 10.2.C Fourth.

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

Sixth, to the Investor Partnership, an amount equal to the excess, if any, of the aggregate amount of the Investor Limited Partners' capital contributions to the Investor Partnership over the aggregate amount of distributions theretofore made to the Investor Partnership under this Clause Sixth.

Seventh, to the payment of outstanding Construction Completion Notes, if any.

Eighth, to each Partner with a positive balance in his capital account on the date on which distribution under this Section 10.2.C Eighth is to be made, after taking into account distributions pursuant to Section 10.2.C. First through Seventh, the amount of such positive balance.

Ninth, the balance thereof, 49% to the Investor Partnership, 49% to the Managing General Partner, 1% to the other General Partners, and 1% to Realty.

Notwithstanding the foregoing, in no event shall the General Partners, as a single class, receive as an aggregate distribution under this Section 10.2.C less than 1/99 of the aggregate of the amounts distributed to the Limited Partners under this Section 10.2.C. In the event that the aggregate amount distributable to the General Partners, as a single class, under Clauses Eighth and Ninth does not equal 1/99 of the aggregate amount distributable to the Limited Partners without regard to this provision, then the amounts otherwise distributable to the Limited Partners under Clauses Fourth, Sixth, Eighth and Ninth shall be reduced in order to assure the General Partners of their 1/99 share.

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

Section 10.3 Distributions Upon Dissolution

Upon dissolution, after payment of, or adequate provision for, the debts and obligations of the Partnership, excluding Subordinated Loans and Construction Completion Notes, the remaining assets of the Partnership (or the proceeds of sales or other dispositions in liquidation of the Partnership assets, as may be determined by the remaining or surviving General Partner(s)) shall be distributed to the Partners in the priority set forth in Section 10.2.C, Second through Ninth.

All distributions to the Partners under this Section 10.3 shall be shared by the Partners according to the provisions of Section 10.2.D hereof. If any assets of the Partnership are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled. The fair market value of such assets shall be equal to the average of three appraisals, one of which will be prepared by an appraiser chosen by the majority in interest of the Limited Partners, one prepared by an appraiser chosen by the General Partners and one by a third appraiser chosen by the first two appraisers. In the event that the first two appraisers cannot agree upon a third appraiser, the latter shall be selected by the then president of the Real Estate Board of Harford County, Maryland or similar or successor Entity.

Section 10.4 Class B Limited Partners

For purposes of allocating profits and losses under Section 10.1 and distributions under Sections 10.2 and 10.3, and for such purposes only, (i) the General Partners and the Class B Limited Partners shall be considered as a single class of Partners, (ii) the term "General Partners" shall include the Class B Limited Partners, and (iii) the amount of profits and losses allocated to the General Partners and the distributions to the General Partners

shall be prorated as required between the Class B Limited Partners, if any, and the General Partners to reflect the conversion of a General Partner interest to a Class B Limited Partner interest pursuant to Section 7.1.

ARTICLE XI

Management Agent

The Managing General Partner shall have responsibility for obtaining a Management Agent. The Managing General Partner shall cause the Partnership to enter into an agreement with the Management Agent, which may be an Affiliated Person. Except as provided herein or otherwise required by FHA, such agreement may not be delegated, assigned, or terminated without the consent of Realty. If at any time after Final Endorsement (i) the Project shall be subject to a substantial building code violation or violations which shall not have been cured within a reasonable time not exceeding six months after notice from the applicable governmental agency or department or from Realty or (ii) any action is commenced to foreclose under the Project Documents or any other lien against the Project unless bonds are given or funds are deposited in escrow as to stay the action, then the Managing General Partner shall forthwith give to the Investor Partnership notice of such event, and thereafter the Partnership shall, subject to FHA approval, within 30 days terminate its management agreement with the Management Agent, unless the consent of Realty is obtained for the retention of the Management Agent as the manager of the Property. Unless such consent is so obtained, the Managing General Partner shall immediately proceed to select a new Management Agent for the Project which selection shall be subject to the Consent of Realty. The Managing General Partner shall have the duty to manage the Project during any period when there is no Management Agent. In all cases, except if otherwise required by FHA, no Management Fee shall be payable to any person unless the management contract with any such person shall provide for termination of the same upon the occurrence of any of the events described in this Article XI.

ARTICLE XII

Books and Records, Accounting, Tax Elections, Etc.

Section 12.1 Books and Records

The Managing General Partner shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions with respect to the conduct of the Partnership's business, which shall be maintained in accordance with sound accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable

times during normal business hours at the office of the Partnership. The Partnership may maintain such books and records and may provide such financial or other statements, including those required from time to time by FHA or any other appropriate administrative agency, as the Managing General Partner may deem advisable.

Section 12.2 Bank Accounts

The bank accounts of the Partnership shall be maintained in such banking institutions permitted by FHA as the Managing General Partner shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the Managing General Partner shall determine.

Section 12.3 Accountants

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

Section 12.4 Reports to Investor Partnership

The Managing General Partner, upon the request of Winthrop and at the expense of the Partnership, shall comply with the following provisions:

A. The Managing General Partner shall within 30 days after the end of each quarterly period ending on the March 31, June 30, and September 30 next occurring after the admission of the Investor Partnership within 30 days after the end of each calendar quarter in each fiscal year of the Partnership, cause to be prepared and sent to the Investor Partnership a comparison of the budget for the quarter and actual expenditures, and a summary of the cash receipts and disbursements, and the unpaid liabilities including loans payable, if any, of the Partnership for such quarter, potential gross annual income at 100% occupancy, actual income collected within the quarter, amount of income due over 30 days old, an unaudited income statement prepared on the accrual basis of accounting and cumulative for the current fiscal year, an estimate of the profit or loss for the entire fiscal year and such additional information as shall be reasonably requested by Winthrop.

B. Until Final Endorsement, the Managing General Partner shall, within 30 days after the end of each quarterly period commencing with the quarter ending September 30, 1981, cause to be prepared and sent to the Investor Partnership a report which shall state, in addition to the information specified in paragraph A, (i) the percentage of completion furnished to the Mortgage Lender in

the most recent submission for a Mortgage advance, (ii) the anticipated date of completion of construction of the Improvements, (iii) whether there are any anticipated cost overruns, and, if so, the amount thereof, (iv) a narrative summary of any material deviations from the original plans for construction or commencement of rent-up of the Project, (v) the number of units available for occupancy, and (vi) the actual number of units occupied.

C. After Final Endorsement such reports shall state, in addition to the information specified in paragraph A, (i) the current rental occupancy level for the quarter, (ii) the number of units vacated and number of evictions within the month and the previous quarter, (iii) if an operating deficit is being incurred or is anticipated by the Managing General Partner, and if so, the amount thereof and the manner in which such deficit shall be funded, and (iv) the Cash Flow statement of the Partnership for the preceding quarter indicating the cash available for distribution to the Investor Partnership.

D. Within 90 days after the end of each fiscal year, the Managing General Partner shall cause to be prepared and sent to the Investor Partnership (i) a balance sheet and the related statements of income and retained earnings and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statement has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountant in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountant takes exception and stating, to the extent practicable, the effect of each such exception on such financial statement; (ii) a certification by the Managing General Partner that (a) all Mortgage payments and taxes and insurance premiums with respect to the Project are current as of the date of the year-end report, (b) no notice has been received of any defaults under the Mortgage, management agreement or this Agreement, or if there be any such default, a description thereof, and (c) no notice has been received of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Project of a material nature or, if there be any such notice, a description of the violation in question; (iii) that information specified in Paragraph B or C above as it relates to the final quarter of the fiscal year in question; and (iv) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Investor Limited Partner for further information with respect to any matter covered in items (i), (ii), (iii) or (iv) above, the Managing General Partner shall furnish such information within 30 days of receipt of such request. All necessary tax information shall be furnished to the Investor Partnership within 75 days of the end of each calendar year.

E. Prior to May 1 of each year, the Managing General Partner shall cause to be prepared and sent to the Investor Partnership a current estimate of the Investor Partnership's share of the profits or losses of the Partnership for Federal income tax purposes for the current fiscal year.

Section 12.5 Depreciation and Elections

With respect to all depreciable assets the Partnership shall elect to use, so far as permitted by the provisions of the Code, accelerated depreciation methods. However, on the advice of the Accountants the Partnership shall elect or change to some other method of depreciation so long as such other method is, in the opinion of the Accountants, most advantageous to the Investor Limited Partnership.

Subject to the provisions of Section 12.7, all other elections required or permitted to be made by the Partnership under the Code shall be made by the Managing General Partner in such manner as will, in the opinion of the Accountants, be most advantageous to the Investor Partnership.

Section 12.6 Other Expenses

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

Section 12.7 Special Basis Adjustments

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

Section 12.8 Fiscal Year and Accounting Method

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

ARTICLE XIIIGeneral ProvisionsSection 13.1 Restrictions

A. Notwithstanding any other provision of this Agreement, except as otherwise provided in this paragraph, no sale or exchange of any Partner's interest in the Partnership may be made if the interest sought to be sold or exchanged, when added to the total of all other interests in the Partnership sold or exchanged within the period of twelve consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code (or any successor statute). However, such a sale or exchange may be made if (i) at the time of such transfer no part of the Improvements are occupied or ready for occupancy or (ii) prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his interest in the Partnership. This Section 13.1 shall in no event impair, or be a defense to, the obligation of the General Partners to purchase the interest of the Investor Limited Partnership provided in Section 5.3 hereof and to the extent that such Sections are inconsistent, Section 5.3 shall control.

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

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

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

Each Limited Partner hereunder (including a substitute or additional Limited Partner) hereby irrevocably appoints and empowers the Managing General Partner his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any and all amendments to the Schedule of this Agreement necessary to reflect any change or transfer of a Partner's Partnership interest and any other amendments to this Agreement adopted pursuant to Section 13.12.

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

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

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

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

The appointment by each Limited Partner of the Managing General Partner as attorney-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited and General Partners under this Agreement will be relying upon the power of the Managing General Partner to act as contemplated by this Agreement in such filing and other action by it on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his interest hereunder.

Section 13.3 Notices

Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and sent registered or certified mail, postage prepaid, to the party or parties for whom such notices are intended.

Section 13.9 Separability of Provisions

Each provision of this Agreement shall be considered separable and (a) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (b) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership (other than the rules and regulations of FHA) under the laws of the State of Maryland as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 13.10 Investment Representation

Each Limited Partner other than Aberdeen Partners represents that he is acquiring his interest as a Limited Partner for his own account for investment and not with a view to the distribution or resale thereof and with no present intention of distributing or reselling any portion. Each such Limited Partner agrees that he will not sell or offer to sell all or any portion of his interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any person or persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership interest in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Section 13.11 Paragraph Titles

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

Section 13.12 Amendment Procedure

This Agreement may be modified or amended with the written consent of the General Partners and the Consent of the Investor Partnership.

Section 13.13 No Third Party Beneficiary

Any agreement to pay an amount and any assumption of liability herein contained, express or implied, shall be only for the benefit of the Partners and the parties to this Agreement and their respective successors and assigns, and such agreements and assumption shall not inure to the benefit of the obligees of any indebtedness or any other party whomsoever, it being the intention of the Partners and parties hereto that no one shall be deemed to be a third party beneficiary of this contract.

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

Section 13.4 Word Meanings

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

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

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

Section 13.5 Binding Provisions

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

Section 13.6 Applicable Law

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

Section 13.7 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the Managing General Partner. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 13.8 Survival of Representations and Warranties

The dissolution and final liquidation of the Partnership shall not terminate any representations and warranties herein except to the extent that a representation or warranty expressly provides otherwise.

Section 13.14 FHA Provisions

The following provisions shall prevail over any contrary provision in this Agreement:

A. By the execution of this Agreement each Partner (General and Limited) agrees to be bound by the Regulatory Agreement and other documents required in connection with the Mortgage loan insured under the National Housing Act, as amended, or required by the Mortgage Lender or any participating lender in the Mortgage loan, to the same extent and on the same terms as the other Partners of his class.

B. In addition to the business of the Partnership as set forth in this Agreement, the Partnership shall be specifically empowered and authorized to (i) apply for and obtain from the Department of Housing and Urban Development contracts of mortgage insurance pursuant to the National Housing Act, as amended, and (ii) enter into, with the Department of Housing and Urban Development, a Regulatory Agreement governing the operation and maintenance of the Project.

C. The Partnership, through the Managing General Partner, shall have the right to apply for and obtain from the Secretary of Housing and Urban Development acting by and through the Federal Housing Commissioner, a contract or contracts of mortgage insurance pursuant to the provisions of Section 221(d)4) or any other Section of the National Housing Act, as amended, covering bonds, notes, and other evidences of indebtedness issued by the Partnership and any indenture of mortgage or deed of trust securing the same. The Partnership, through the Managing General Partner, is authorized to execute a note, or notes, and mortgage, or mortgages (the term "mortgage" being hereby defined to include "deed of trust") in order to secure a loan or loans to be insured by the Secretary of Housing and Urban Development and to execute one or more Regulatory Agreements and other documents required by the Secretary of Housing and Urban Development acting by and through the Federal Housing Commissioner, by the Mortgage Lender or by any lender participating in the Mortgage loan, in connection with such loan or loans. Any incoming Partner shall, as a condition of receiving an interest in the Partnership, agree to be bound by the Regulatory Agreement and any other documents required in connection with the loan insured under the National Housing Act, as amended, to the same extent and on the same terms as the other Partners. Upon any dissolution of the Partnership, no title or right to possession and control of the rental housing Project or Projects, and no right to collect the rents therefrom shall pass to any person who is not bound by the Regulatory Agreement in a manner satisfactory to the Secretary of Housing and Urban Development while any mortgage on Partnership property is insured under the National Housing Act, as amended. The Managing General Partner is authorized and empowered, on behalf of the Partnership, to negotiate, obtain and comply with such

amendments of the contract of mortgage insurance, mortgage, note, Regulatory Agreement, plans and specifications, and related documents as may be acceptable to the Federal Housing Administration. The aforesaid Regulatory Agreement shall be binding upon the Partnership, its successors and assigns, so long as a mortgage on the property of the Partnership, which is insured or held by HUD, is outstanding. The Partnership shall comply in every respect with the Regulatory Agreement and all applicable Federal, state and local statutes and regulations including, without limitation, HUD regulations applicable to a partnership mortgagor. Any requirements imposed on a partnership mortgagor under the Regulatory Agreement, if inconsistent with any provision of this Agreement, shall be controlling and shall govern the rights and obligations of the parties hereto.

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

E. The approval and/or acceptance of this Agreement by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, shall not constitute a prior consent by the Secretary to any actions by the Partnership which would otherwise require the consent of the Secretary under the Regulatory Agreement or any of the other documents executed by the Partnership in connection with the mortgage loan insured under the National Housing Act, as amended.

WITNESS the execution under seal as of the 2nd day of July, 1981.

General Partners

WITNESS:

/ A & R - WATERFORD JOINT VENTURE

By: A & R Development Corporation,
joint venturer

Delores W. [unclear]

By *Theo C. Rodgers*
Theo C. Rodgers, President

WITNESS:

By: The Waterford Group, Inc.,
joint venturer

Mary Kathleen Pittman

By *James L. Ginsburg*
James L. Ginsburg, President

WITNESS:

/ THEO C. RODGERS

Delores W. [unclear]

Theo C. Rodgers

WITNESS:

/ JAMES L. GINSBURG

Mary Kathleen Pittman

James L. Ginsburg

WITNESS:

/ NEIL F. LEMON

Mary Kathleen Pittman

Neil F. Lemon

WITNESS:

/ LAWRENCE A. MENEFEE, JR.

Mary Kathleen Pittman

Lawrence A. Menefee, Jr.

Limited Partners

WITNESS:

Mary C. McElroy

/ THOMAS P. HARKINS, INC.
Original Limited Partner

By [Signature]
Pres.

WITNESS:

[Signature]

/ WFC REALTY CO., INC.
Class A Limited Partner

By [Signature]

WITNESS:

[Signature]

/ ABERDEEN PARTNERS
By: Winthrop Financial Co., Inc.,
General Partner

By [Signature]

Parties other than Partners

/ WINTHROP FINANCIAL CO., INC.
Guarantor pursuant to the
provisions of Section 5.2

[Signature]

By [Signature]

WITNESS:

[Signature]

/ William L. Adams
William L. Adams
Guarantor pursuant to the
provisions of Section 6.13

SCHEDULE A
TO
ABERDEEN HOUSING ASSOCIATES
AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

<u>Name and Address</u>	<u>Capital Contributions</u>	<u>Percentage Interest</u>
<u>GENERAL PARTNERS:</u>		
A & R - Waterford Joint Venture 306 Metro Plaza Baltimore, Maryland 21215	\$ 50.00	.500%
Theo C. Rodgers 9762 Basket Ring Road Columbia, Maryland 21045	\$ 12.50	.125%
James L. Ginsburg 5604 Wexford Road Baltimore, Maryland 21209	\$ 12.50	.125%
Neil F. Lemon 538 Park Avenue Towson, Maryland 21204	\$ 12.50	.125%
Lawrence A. Menefee, Jr. 208 Club Road Baltimore, Maryland	\$ 12.50	.125%
	<u>\$ 100.00</u>	<u>1.000%</u>
<u>LIMITED PARTNERS:</u>		
<u>CLASS A LIMITED PARTNER</u>		
WFC REALTY CO., INC. Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$ 10.00	.1%
<u>ORIGINAL LIMITED PARTNER</u>		
Thomas P. Harkins, Inc. 8720 Georgia Avenue Silver Spring, Maryland 20910	\$ 100.00	1.0%
<u>INVESTOR PARTNERSHIP</u>		
Aberdeen Partners Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$659,736.00	97.9%
	<u>\$659,846.00</u>	<u>99.0%</u>

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

BOOK 3 PAGE 277

I HEREBY CERTIFY that on this day of August, 1981, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared NEIL F. LEMON, known to me (or satisfactorily proven), who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate as his individual act.

WITNESS my hand and Notarial Seal.

James Kathleen Billings
Notary Public

My Commission expires:

7.1.82

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY that on this day of , 1981, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared LAWRENCE A. MENEFE, JR., known to me (or satisfactorily proven), who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate as his individual act.

WITNESS my hand and Notarial Seal.

James Kathleen Billings
Notary Public

My Commission expires:

7.1.82

STATE OF MARYLAND)

PC.) SS:
CITY OF BALTIMORE)

BOOK 3 PAGE 278

I HEREBY CERTIFY that on this *20th* day of *August*, 1981, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared *Thomas P. Harkins* of THOMAS P. HARKINS, INC., who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate in his official capacity for said body corporate.

WITNESS my hand and Notarial Seal.

Quinn Tressler

Notary Public

My Commission expires:

7-1-82

Massachusetts
STATE OF MARYLAND)
BOSTON) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY that on this *31st* day of *July*, 1981, before me, the subscriber, personally appeared JOHN M. NELSON, IV, Treasurer of WFC REALTY CO., INC., and Senior Vice President of WINTHROP FINANCIAL CO., INC., who acknowledged that he executed the foregoing Limited Partnership Agreement in his official capacity for WFC REALTY CO., INC. as Class A Limited Partner and for WINTHROP FINANCIAL CO., INC. on behalf of ABERDEEN PARTNERS.

WITNESS my hand and Notarial Seal.

Spe
Patricia A. Williams

Notary Public

REC'D & RECORDED
NO 3 FOLIO 223

AUG 31 10 49 AM '81

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

AN EXTENSION OF A LIMITED PARTNERSHIP AGREEMENT

WHEREAS, the undersigned formed a limited partnership known as HUNTINGTON ASSOCIATES by an Agreement dated June 1, 1971 and a copy of the certification of limited partnership having been filed among the Land Records of Harford County in Liber HDC No. 892, folio 62; and

WHEREAS, the partnership agreement and the certification of limited partnership provided that the partnership should continue until December 31, 1974; and

WHEREAS, the parties executed an extension agreement dated December 31, 1974 providing that the partnership should continue to exist until December 31, 1979; and

WHEREAS, the parties hereto are agreeable to further extending the duration of the limited partnership until December 31, 1982.

NOW, THEREFORE, the undersigned hereby agree as follows:

1. The termination date of the partnership is hereby extended from December 31, 1979 until December 31, 1982.
2. All other terms and conditions of the original partnership agreement, as extended, shall remain in full force and effect.

AS WITNESS the hands and seals of all partners of HUNTINGTON ASSOCIATES, a limited partnership, this 31st day of December, 1979. OCT 20-81 B #23364 *****11.00

WITNESS:

Joseph D. Deigert

Joseph D. Deigert (SEAL)
JOSEPH D. DEIGERT, General Partner

Dalene J. Muehlen

Edward H. Miller (SEAL)
EDWARD H. MILLER, General Partner

Dalene J. Muehlen

Richard A. Moore (SEAL)
RICHARD A. MOORE, General Partner

Robert E. Carney, Jr.

Robert E. Carney, Jr. (SEAL)
ROBERT E. CARNEY, JR., Limited Partner

Henry C. Needles

Henry C. Needles (SEAL)
HENRY C. NEEDLES, Limited Partner

Joseph H. Hofmann

Joseph H. Hofmann (SEAL)
HENRY H. HOFMANN, Limited Partner

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NO 3 FOLIO 279

Charles L. Vickers, Jr. (SEAL)
CHARLES L. VICKERS, JR. Limited Partner

Louisa Collins

OCT 20 6 56 AM '81

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

Mailed to: Robert E. Carney, Jr., 406 Jefferson Bldg., Towson, Md. 21204

THIRD
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF LIMITED PARTNERSHIP
OF EDGEWOOD LIMITED PARTNERSHIP

NOV -4-81 B #24789 *****25.00

We the undersigned desiring to Amend the Certificate of Limited Partnership and the Certificate Amending the Certificate of Limited Partnership of Edgewood Limited Partnership (the "Partnership"), recorded on April 9, 1973 in book 923, page 35, and book 941, page 437-440 of the Land Records of Harford County, Maryland, and being severally duly sworn, HEREBY CERTIFY as follows:

Donald H. Ready, General Partner, and Emil Mosbacher, Jr., Robert Mosbacher, Barbara M. Smullyan and Stanley M. Stern, Limited Partners, having assigned their entire interest in the Partnership to Charles L. Amos and Mary V. Amos, each to the extent of their interest as shown in the Certificate Amending the Certificate of Limited Partnership, have withdrawn from the Partnership, and Charles L. Amos, assignee has been admitted as a substitute General Partner and Charles L. Amos and Mary V. Amos as Tenants by the Entirety assignees, has been admitted as substitute Limited Partner in the Partnership. Accordingly, the Certificate of Limited Partnership of the Partnership hereby is amended as follows:

A. Paragraph 4 of the Certificate of Limited Partnership is amended in its entirety to read as follows:

"4. The name and place of residence of each member of the Partnership are as follows:

<u>General Partner</u>	<u>Address</u>
Charles L. Amos	609 Piccadilly Road Towson, Maryland
<u>Limited Partner</u>	
Charles L. Amos and Mary V. Amos as Tenants by the Entirety	609 Piccadilly Road Towson, Maryland

B. Paragraph 6 of the Certificate of Limited Partnership is amended in its entirety to read as follows:

"6. The amount of cash which the General Partner has agreed to contribute is:

Charles L. Amos	\$ 1,890.00
-----------------	-------------

C. Paragraph 6 of the Certificate of Limited Partnership is amended in its entirety to read as follows:

"6. The amount of cash which each Limited Partner has agreed to contribute is as follows:

Charles L. Amos and Mary V. Amos as Tenants by the Entirety	\$ 92,610.00
--	--------------

No Limited Partner has agreed to contribute any other property to the Partnership."

Mailed to: Bald & Hall, 192 Duke of Gloucester St., Annapolis, Md. 21401

D. Paragraph 9 of the Certificate of Limited Partnership is amended in its entirety to read as follows:

"9. The share of profits which each Partner shall receive by reason of his or her contribution is as follows:

Charles L. Amos	General Partner	2	%
Charles L. Amos			
and	Limited Partner	98	%
Mary V. Amos			
as Tenants by the Entirety			

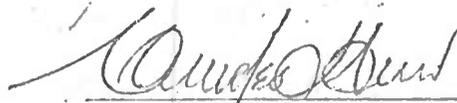
IN WITNESS WHEREOF, the undersigned have made and signed this Certificate as of the 2nd day of October, 1981.

WITHDRAWING GENERAL PARTNER:



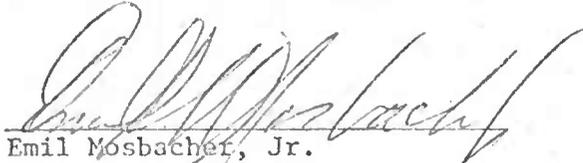
 Donald H. Ready

GENERAL PARTNER:



 Charles L. Amos

WITHDRAWING LIMITED PARTNERS:

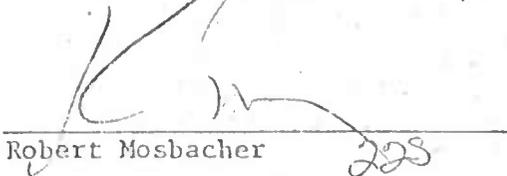


 Emil Mosbacher, Jr.

LIMITED PARTNER:



 Charles L. Amos

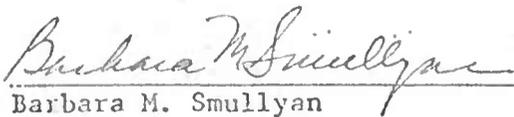


 Robert Mosbacher

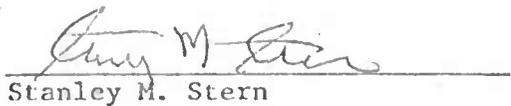


 Mary V. Amos

as Tenants by the Entirety



 Barbara M. Smullyan

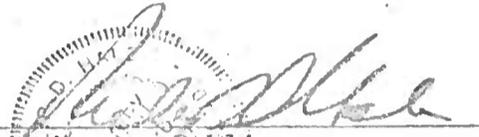


 Stanley M. Stern

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY that on this 2nd day of November, 1981 before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared CHARLES L. AMOS, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership to be his act and deed.

WITNESS my hand and seal Notarial.

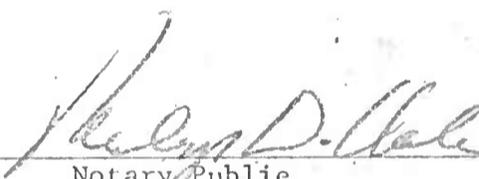

Notary Public


My Commission Expires: 7/1/82

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY that on this 2nd day of November, 1981 before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared MARY V. AMOS, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership to be her act and deed.

WITNESS my hand and seal Notarial.


Notary Public


My Commission Expires: 7/1/82

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, TO WIT:

I HEREBY CERTIFY that on this 2nd day of November, 1981 before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared DONALD H. READY, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership to be his act and deed.

WITNESS my hand and seal Notarial.


Notary Public

My Commission Expires: July 1, 1982

I HEREBY CERTIFY that on this 30th day of October, 1981 before me, the subscriber, a Notary Public of the State of in and for the County aforesaid, personally appeared EMIL MOSBACHER, JR., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership to be his act and deed.

WITNESS my hand and seal Notarial.
RONALD YANKOWITZ, NOTARY PUBLIC
2641 E. 64 ST
BROOKLYN N.Y. 11234
#4359335
KINGS COUNTY
EXP. 3-30-1983

Ronald Yankowitz
Notary Public

My Commission Expires: 3/30/83

I HEREBY CERTIFY that on this 27 day of October, 1981 before me the subscribed, a Notary Public of the State of in and for the County aforesaid, personally appeared ROBERT MOSBACHER, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership to be his act and deed.

WITNESS my hand and seal Notarial.

Betty Ackermann
Notary Public

BETTY ACKERMANN
Notary Public, State of Texas
Commission Expires June 30, 1984

My Commission Expires:



I HEREBY CERTIFY that on this 29th day of October, 1981 before me, the subscriber, a Notary Public of the State of in and for the County aforesaid, personally appeared BARBARA M. SMULLYAN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership to be her act and deed.

WITNESS my hand and seal Notarial.

Beverly L. Stuart
Notary Public

BEVERLY L. STUART
Notary Public, State of New York
No. 31-9228310
Qualified in New York County
Commission Expires March 30, 1982

My Commission Expires:



STATE OF *New York* *New York* COUNTY, TO WIT:

I HEREBY CERTIFY that on this 29th day of October, 1981 before me, the subscriber, a Notary Public of the State of in and for the County aforesaid, personally appeared STANLEY M. STERN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership to be his act and deed.

WITNESS my hand and seal Notarial.

Beverly L. Stuart
Notary Public

BEVERLY L. STUART
Notary Public, State of New York
No. 31-9228310
Qualified in New York County
Commission Expires March 30, 1983

My Commission Expires:

REC'D & RECORDED *Woe*

NO 3 FOLIO 280

NOV 4 2 49 PM '91

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

FOURTH AMENDMENT TO
CERTIFICATE OF LIMITED PARTNERSHIP OF
EDGEWOOD LIMITED PARTNERSHIP

NOV -4-81 B #24790 *****7.00

The Certificate of Limited Partnership of Edgewood Limited Partnership dated March 14, 1973, recorded among the Land Records of Harford County, Maryland, in Book 923, Page 35; amended by "Certificate Amending Certificate of Limited Partnership of Edgewood Limited Partnership", dated October 2, 1973, recorded in Book 941, Page 437, aforesaid Land Records; amended by "Second Amendment to Certificate of Limited Partnership of Edgewood Limited Partnership", dated July, 1976, recorded among the aforesaid Land Records just prior to the recording of this Fourth Amendment; amended by "Certificate of Amendment of Certificate of Limited Partnership of Edgewood Limited Partnership", dated October 2nd, 1981, recorded among the aforesaid Land Records just prior to the recording of this Fourth Amendment,

is hereby further amended this 2nd day of November, 1981, as follows:

1. Section 3 is hereby amended so that, as amended, it reads as follows:

"3. Principal Place of Business. The principal place of business of the Partnership shall be located c/o Charles V. Amos, 609 Piccadilly Road, Towson, Maryland 21204."

IN WITNESS WHEREOF, the undersigned have made and signed this Fourth Amendment to Certificate of Limited Partnership of Edgewood Limited Partnership as of this 2nd day of November, 1981.

GENERAL PARTNER:

LIMITED PARTNERS:

Charles L. Amos
Charles L. Amos

Charles L. Amos
Charles L. Amos

Mary V. Amos
Mary V. Amos

STATE OF MARYLAND Harford COUNTY:

On this 2nd day of November, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Charles L. Amos, General Partner; and Charles L. Amos and Mary V. Amos, Limited Partners of EDGEWOOD LIMITED PARTNERSHIP, and acknowledged that they executed the foregoing Fourth Amendment to Certificate of Limited Partnership of Edgewood Limited Partnership for the purposes therein contained. Witness my hand and seal, the date above written.

My Commission Expires: 7/1/82

Walter D. Hale
Notary Public



RECD & RECORDED
NO. 3 FOLIO 285

NOV 4 2 49 PM '81

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

Mailed to: Bald & Hall, 192 Duke of Gloucester St., Annapolis, Md. 21401

BALD & HALE
ATTORNEYS AT LAW
ANNAPOLIS, MD.

Mailed to: Meadow Woods Assoc., 501 Ponderosa Dr., Bel Air, Md. 21034

Rec'd & Recorded 12-7-19 at 2:12 P.M.
H. Douglas Chilcoat, Clerk, Harford Co.

BOOK 3 PAGE 286
MEADOW WOODS ASSOCIATES
AMENDMENT OF LIMITED PARTNERSHIP AGREEMENT

THIS AMENDMENT OF LIMITED PARTNERSHIP AGREEMENT, made this 30 day of November, 1981, by THOMAS A. TAYLOR, General Partner:

1. The name of JOHN A. STELL, of 6828 Marriotsville Road, Marriotsville, Maryland 21104 and whose Social Security No. is 403 56 7093, is hereby added as a limited partner for three units. Mr. Stell has purchased three of the three units of James Askine.

DEC -7-81 A 227086 *****6.00

IN WITNESS WHEREOF, the General Partner as authorized by Paragraph No. 10B of the Limited Partnership Agreement and Certificate (which appoints Thomas A. Taylor as the true and lawful attorney-in-fact for each of the limited partners to execute required instruments to effect the substitution and/or addition of limited partners) has executed this Amendment on behalf of the Limited Partnership under seal as of the day and year first above written.

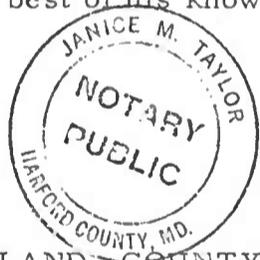
WITNESS;

Janice M. Taylor
Janice M. Taylor

Thomas A. Taylor (SEAL)
Thomas A. Taylor
General Partner and Attorney-in-Fact
for all Limited Partners
John A. Stell (SEAL)
John A. Stell
Limited Partner

STATE OF MARYLAND, COUNTY OF HARFORD, TO WIT:

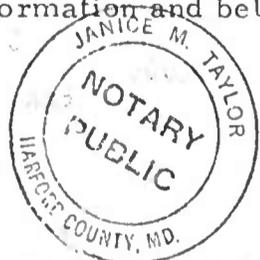
I HEREBY CERTIFY, that on this 30 day of November, 1981, before me, the subscriber, a Notary Public of the State of Maryland, in and for the aforesaid County, duly commissioned and qualified, personally appeared THOMAS A. TAYLOR and made oath in due form of law that the matters and facts set forth above are true and correct to the best of his knowledge, information and belief.



AS WITNESS my hand and Notarial Seal.
Janice M. Taylor
Notary Public
My Commission Expires July 1, 1982

STATE OF MARYLAND, COUNTY OF HARFORD, TO WIT:

I HEREBY CERTIFY, that on this 30 day of November, 1981, before me, the subscriber, a Notary Public of the State of Maryland, in and for the aforesaid County, duly commissioned and qualified, personally appeared JOHN A. STELL and made oath in due form of law that the matters and facts set forth above are true and correct to the best of his information and belief.



AS WITNESS my hand and Notarial Seal.
Janice M. Taylor
Notary Public
My Commission Expires July 1, 1982

939

RELEASE

DEC 14-81 B #27609 *****8 00

THIS RELEASE, made this 30th day of August 1978, by NICHOLAS LEONETTI, individually and as a partner of H.L.M. Partnership, and J. WILMER CRONIN, all of Harford County, State of Maryland.

WHEREAS, R. BURTON HAWKINS, has this day conveyed his interest in the H.L.M. Partnership to the said J. Wilmer Cronin; and intent and it is the desire of Nicholas Leonetti individually and as a Partner of H.L.M. Partnership, and J. Wilmer Cronin to release the said R. Burton Hawkins from any claims of any kind whatsoever in connection with having been a partner of the H.L.M. Partnership and the said Releasors/covenant to save harmless the said R. Burton Hawkins from any such claims in connection with the said Partnership.

AS WITNESS our hands and seals.

Witness:

Paul M. Linnissy

Nicholas Leonetti (SEAL)
Nicholas Leonetti,

H.L.M. PARTNERSHIP
Per: Nicholas Leonetti (SEAL)
Nicholas Leonetti, Partner

J. Wilmer Cronin (SEAL)
J. Wilmer Cronin,

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NO 3 FOLIO 287
DEC 14 9 39 AM '81
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

Lawrence F. Naughton, 141 N. Main St., Bel Air, Md. 21014
J. WILMER CRONIN
ATTORNEY AT LAW
P.O. BOX 100
BERDEEN, MD.
Mailed

LIMITED PARTNERSHIP AGREEMENT

DEC 14-81 B #27621 *****59.00

This Agreement of Limited Partnership made in Bel Air, Maryland, as of DECEMBER 14, 1981, by and between Selection Services, Inc., a Wyoming corporation (the "General Partner"), and the other parties who shall execute this Agreement, whether in counterpart, by separate instrument or otherwise, as limited partners (collectively "Limited Partners") (the General Partner and Limited Partners may be collectively referred to herein as "Partners").

W I T N E S S E T H :

WHEREAS, the parties hereto desire to form a limited partnership for the purpose of trading in option contracts:

NOW THEREFORE, the parties hereto agree as follows:

1. Formation and Name.

The parties hereto do hereby form a limited partnership under the Maryland Limited Partnership Act, as amended and in effect on the date hereof (the "Act"). The name of the limited partnership is Managed Options Fund -- Series I (the "Partnership"). The General Partner shall execute and file a Certificate of Limited Partnership in accordance with the provisions of the Act and execute, file, record and publish as appropriate such amendments, assumed named certificates and other documents as are or become necessary or advisable as determined by the General Partner. Each Limited Partner hereby undertakes to furnish to the General Partner, a power of attorney which may be filed with the Certificate of Limited Partnership and any amendments thereto and such additional information as is required from him to complete such documents and to execute and cooperate in the filing, recording or publishing of such documents at the request of the General Partner.

2. Principal Office.

The principal office of the Partnership shall be in care of Selection Services, Inc., 232 Crocker Drive, Apt. A, Bel Air, Maryland, 21014, or such other place as the General Partner may designate, from time to time.

3. Business.

The Partnership's business and purpose is to trade, buy, sell or otherwise acquire, hold or dispose of options (including stock and any other securities or items which are now, or may hereafter

Mailed to: C.H. McComas III, P.O. Box 230, Bel Air, Md. 21014

be, the subject of option contract trading). The objective of the Partnership business is appreciation of its assets through speculative trading.

4. Term, Dissolution and Fiscal Year.

(a) Term. The term of the Partnership shall commence on the day on which the Certificate of Limited Partnership is filed in the Circuit Court Recording and Licensing Office for Harford County, Maryland, pursuant to the provisions of the Act and shall end upon the first to occur of the following: (1) February 1, 2001; (2) receipt by the General Partner of an election to dissolve the Partnership at a specified time by Limited Partners owning more than 50% of the Units of Limited Partnership Interest then outstanding, notice of which is sent by registered mail to the General Partner not less than 90 days prior to the effective date of such dissolution; (3) withdrawal of the General Partner, notice of which is sent by registered mail to the Limited Partners not less than 90 days prior to the effective date of such withdrawal; (4) the insolvency or dissolution of the General Partner (unless the Partnership is continued pursuant to Paragraph 17); (5) termination of the Partnership pursuant to Paragraph 17 (c); or (6) any event which shall make unlawful the continued existence of the Partnership.

(b) Dissolution. Upon the occurrence of an event causing the termination of the Partnership, the Partnership shall terminate and be dissolved. Dissolution, payment of creditors and distribution of the Partnership assets shall be effected as soon as practicable in accordance with the Act, except that the Partners (and any assignees) shall share in the assets of the Partnership pro rata in accordance with their respective capital accounts, less any amount owing by such Partners (or assignee) to the Partnership.

(c) Fiscal Year. The fiscal year of the Partnership shall begin on January 1 of each year and end on the following December 31, unless such fiscal year is disapproved by the United States Internal Revenue Service, in which event the fiscal year shall be as the General Partner shall determine with the approval of the United States Internal Revenue Service.

5. Net Worth of General Partner.

The Net Worth (as defined below) of the General Partner exceeded \$10,000 as of November 30, 1981. At all times after the Partnership commences options trading, the General Partner shall maintain its Net Worth (as defined below) at the lesser of 5% of the sum of participants' capital in all existing programs in which the General Partner or an affiliate has liability as a general partner plus 5% of the total contributions to the Partnership. For the purposes of this Paragraph 5; (i) total contributions at any time equals \$1,005 for each Unit of Limited Partnership In-

terest issued by the Partnership and outstanding at such time except such Units as may have been issued to the General Partner and (ii) Net Worth shall be based upon the total of all assets, which shall include the fair market value of all investments including any notes receivable or demand notes from the General Partners or affiliates of the General Partner, less all liabilities plus any interest in the Partnership or any other limited partnership for which the General Partner acts as a general partner.

The requirements of the preceding paragraph may be modified if the General Partner obtains an opinion of counsel for the Partnership that a proposed modification will not adversely affect the classification of the Partnership as a partnership for Federal income tax purposes.

6. Capital Contributions and Units of Limited Partnership Interest.

The General Partner has contributed \$500 to the Partnership. Prior to the commencement of the Partnership's trading operations, the General Partner will contribute an amount sufficient to make its total contribution equal to 1% of the aggregate Limited Partners' capital accounts, up to a maximum of \$1,000. The General Partner shall not make any assignment or transfer of its interest or withdrawal of its contribution to the Partnership while it is the General Partner which would reduce its percentage interest in the Partnership less than its percentage interest at the time the Partnership commences option trading. The General Partner may withdraw any such excess above the required percentage without notice to the Limited Partners. The General Partner may contribute any greater amount to the Partnership. In addition, the General Partner may purchase Units of Limited Partnership Interest at a price of \$1,000 per Unit and shall be treated as Limited Partners with respect thereto.

The interest earned prior to the commencement of options trading on the capital contributions of the General Partner made at the time of organization of the Partnership shall be paid to such Partners and shall be allocated to them for Federal income tax purposes.

Interests in the Partnership, other than the General Partner's general partnership interest, shall be evidenced by Units of Limited Partnership Interest, including fractions of Units in multiples of 1/1000 of a Unit ("Units" or individually a "Unit"). The General Partner on behalf of the Partnership may, in accordance with the latest Prospectus of the Partnership filed, from time to time, with the Securities and Exchange Commission, pursuant to Rule 424 promulgated under the Securities Act of 1933, as amended (the "Prospectus") in connection with the Partnership's offering of Units (as described in the Prospectus), issue Units to persons desiring to become Limited Partners. The minimum subscription for Units offered is at all times for One Unit. For

each Unit purchased in the offering of Units, a Limited Partner shall contribute \$1,005 to the capital of the Partnership (except that the General Partner may purchase Units at \$1,000 per Unit).

If the Partnership shall not have sold at least 40 Units, by February 1, 1982, this Agreement shall be void and of no effect, and the full amount of all subscriptions shall be promptly returned to the subscribers with any interest earned thereon. If 40 or more Units have been sold, such subscriptions shall be available to the Partnership to carry on its business, and any interest earned on subscriptions held in escrow for subscribers shall be paid to subscribers after such subscriptions have been accepted.

7. Allocation of Profits and Losses.

(a) Capital Accounts. A capital account shall be established for each Partner. The initial balance of each Partner's capital account shall be the amount of his initial capital contribution to the Partnership less the selling commissions provided for in Section 7(e) hereof.

(b) Monthly Allocations. As of the close of business (as determined by the General Partner) on the last day of each month during each fiscal year of the Partnership, the following determinations and allocations shall be made:

(1) The aggregate Net Assets of the Partnership (as defined in Section 7(d)(1)) before reduction for the General Partner's monthly management fees and the monthly incentive fees payable or accrued to the General Partner shall be determined.

(2) The accrued monthly General Partner's management fee, as provided in Section 8 hereof, shall then be charged against Net Assets.

(3) Accrued monthly General Partner incentive fees (computed pursuant to Section 8) shall then be accrued against aggregate New Assets.

(4) Any increase or decrease in Net Assets as of the end of the month (after the adjustments in subsections (1), (2), and (3) above) shall then be credited or charged to the capital account of each Partner in the ratio that the balance of each account bears to the balance of all accounts.

(c) Allocation of Profit and Loss for Federal Income Tax Purposes. As of the end of each fiscal year and subject to the third paragraph of Section 6 hereof, the Partnership's profit or loss shall be allocated among the Partners pursuant to the following subparagraphs for Federal income tax purposes. Such allocations of profit and loss will be pro rata from net

short-term capital gain or loss, net long-term capital gain or loss and net operating income or loss realized by the Partnership.

(1) Net realized profit, realized on or before the date of redemption, shall be allocated to each Partner who has redeemed Units (and to the General Partner if it has withdrawn any part of its general partnership interest in the Partnership) during the year, to the extent that the amount the Partner received on redemption exceeds the amount paid for the redeemed Units or, in the case of the withdrawal of a portion of the General Partner's general partnership interest, the amount paid for its withdrawn interest (as defined in Section 7(c)(5)).

(2) Net realized profit remaining after the allocation in subparagraph (1) above shall be allocated among all Partners in the ratio that each Partner's capital account bears to all Partner's capital accounts.

(3) Net realized loss, realized on or before the date of redemption, shall be allocated first to each Partner who has redeemed Units (and to the General Partner if it has withdrawn any part of its general partnership interest in the Partnership) during the year, to the extent that the amount the Partner paid for the redeemed Units or, in the case of the withdrawal of a portion of the General Partner's general partnership interest, the amount paid for its withdrawn interest (as defined in Section 7(c)(5)) exceeds the amount the Partner received on redemption or withdrawal.

(4) Net realized loss remaining after the allocation provided for in Section 7(c)(3) above shall be allocated among all Partners in the ratio that each Partner's capital account bears to all Partner's capital accounts.

(5) For the purpose of the allocations of realized profit and loss provided for in Sections (7)(c)(1) and (7)(c)(3) above, the amount each Partner paid for its general partnership interest in the Partnership shall be deemed to have increased by the amount of realized profit allocated to him with respect to such Unit, or to the General Partner, with respect to its general partnership interest pursuant to Section (7)(c)(2); decreased by the amount of any loss allocated to him with respect to such Unit pursuant to Section (7)(c)(4); decreased by the amount of any distributions to him with respect to such Unit or to the General Partner with respect to its general partnership interest pursuant to Section 7(h).

(d) Definitions and Accounting.

(1) Net Assets. Net Assets of the Partnership shall mean the total assets of the Partnership, including all cash and cash equivalents (valued at cost plus accrued interest), accrued interest and the market value of all open option positions and other assets maintained by the Partnership, less the roundturn brokerage commission payable in respect of each open position, less all other liabilities of the Partnership (except any liability for organizational and offering expenses and selling commissions), determined in accordance with the principles specified in this Section 7(d)(1), and, when no principle is specified, in accordance with generally accepted accounting principles. The market value of an option traded on an exchange, or through a clearing firm of an exchange, or through a bank shall be the most recent available settlement price as posted by the exchange, clearing firm or bank on or through which such contract is traded by the Partnership.

(2) Net Asset Value per Unit. Net Asset Value per Unit, including any units of Partnership interest owned by the General Partner, shall be the Partners' share of the Net Assets of the Partnership divided by the number of Units owned by all Partners, including any units of Partnership interested owned by the General Partner.

(e) Expenses and Limitation Thereof.

(1) The General Partner will receive \$5.00 for each Unit sold by it other than for Units sold to the General Partner and will advance the Partnership's organizational and certain offering expenses out of its own funds, whether or not 40 Units shall have been sold by the end of the offering period referred to in Section 6.

(2) To initiate options trading, the Partnership will deposit all of its assets with Merrill Lynch (the "Clearing Broker"). The General Partner will receive all interest earned on that portion of the Partnership's assets deposited with the Clearing Broker and invested in United States Treasury bills and other United States government securities until such interest equals the Partnership's organizational and offering expenses advanced by the General Partner. After such reimbursement of the General Partner, the Partnership's assets will be invested for the account of the Partnership in United States Treasury bills, other United States Government securities, or money market mutual funds. The

Partnership will receive all of the interest earned on such securities, but will receive no interest income on the balance of the Partnership assets held in cash. Any organizational expenses not so recovered will be borne by Selection Services, Inc. and not by the Partnership. The Partnership shall bear all option brokerage commissions and shall be obligated to pay all liabilities incurred by it, including, without limitation, all expenses incurred in connection with its trading activities, the General Partner's management and incentive fees and any taxes payable by the Partnership on its net income or profits. The General Partner shall bear all other operating expenses except legal and filing fees. Appropriate reserves may be created, accrued and charged against Net Assets for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner, if in its opinion such a reserve would be appropriate. The aggregate expenses of every character paid or incurred by the Partnership including all incentive and management fees based on Net Assets of the Partnership (as defined in Section 7(d)(1)) paid to the General Partner, excluding organizational and offering expenses, selling commissions, brokerage commissions, any taxes payable by the Partnership on its net income or profits and legal, accounting, filing and extraordinary expenses, shall in no event exceed 1/12 of 1% of Net Assets per month, if all the Units contemplated in Sections 6 and 11 hereof are sold.

(f) Limited Liability of Limited Partners. Each Unit, when purchased by a Limited Partner, shall be fully paid and nonassessable. No Limited Partner shall be liable for Partnership obligations in excess of the capital contributed by him, plus his shares of profits (including distributions and amounts received upon redemption of Units), if any, together with interest thereon.

(g) Return of Limited Partner's Capital Contribution. Except to the extent that a Limited Partner shall have the right to withdraw capital through redemption of Units or shall be entitled to distributions in accordance with the terms of this Agreement, no Limited Partner shall have any right to demand the return of his capital contribution or any profits added thereto, except upon termination and dissolution of the Partnership. In no event shall a Limited Partner be entitled to demand or receive property other than cash.

(h) Distributions. The General Partner shall have sole discretion in determining what distributions (other than on redemption of Units of Limited Partnership Interest or withdrawal of the General Partner's interest in the Partnership),

if any, the Partnership will make to its Partners; provided, however, that the General Partner shall make no distributions (other than on redemption of Units of Limited Partnership Interest or withdrawal of the General Partner's interest in the Partnership) unless the net Asset Value of a Unit is at least \$1,000. Distributions shall be pro rata in accordance with the respective capital accounts of the Partners.

8. Management of Partnership's Affairs.

The General Partner, to the exclusion of all Limited Partners, shall conduct and manage the business of the Partnership. Once trading commences including, without limitation, the investment of the funds of the Partnership, the General Partner will be entitled to receive, as compensation for the management services which it renders on behalf of the Partnership, a monthly management fee in an amount equal to 1/12 of 1% of the Net Assets of the Partnership (as defined in Section 7(d)(1), as of the end of each month (1) after adding back distributions and redemptions during each month, and (2) before reduction for the incentive fees and management fees payable to the General Partner, payable or accrued as of such date. In addition, the General Partner shall accrue at the end of each month an incentive fee based on the Annualized Net Asset Percentage Increase (ANAPI) in Net Assets of the Partnership over the Base Asset Value of the Partnership. The base Asset Value of the Partnership is the Net Asset Value of the Partnership at the beginning of the Base Period, minus the value of redemptions during the Base Period. The Base Period is the shorter of (1) 12 months or (2) the start of trading. The incentive fee will be computed according to the following schedule:

1/12 of 10.0% of ANAPI up to 100%
1/12 of 12.5% of ANAPI between 100% and 150%
1/12 of 15.0% of ANAPI between 150% and 200%
1/12 of 20.0% of ANAPI above 200%

If ANAPI is zero or negative no incentive fee is due nor is a penalty imposed on the General Partner. Except as herein provided no Partner shall be entitled to any salary, draw or other compensation from the Partnership. Each Limited Partner hereby undertakes to furnish to the General Partner such additional information as may be deemed by the General Partner to be required or appropriate to open and maintain an account or accounts with option brokerage firms for the purpose of trading in option contracts.

The General Partner shall make all investment decisions regarding the Partnership and shall have complete trading discretion. The General Partner is further authorized to (i) enter into the Brokerage Agreement for a margin account on behalf of the Partnership with Merrill Lynch and (ii) cause the Partnership to pay Merrill Lynch's brokerage fees.

The General Partner may take such other actions as it deems necessary or desirable to manage the business of the Partnership including, but not limited to, the following: open bank accounts with the state or national banks; pay or authorize the payment of expenses of the Partnership such as the General Partner's management and incentive fees, brokerage commissions, legal and accounting fees, printing fees, registration and other fees of governmental agencies and taxes; and invest or direct the investment of funds of the Partnership not being utilized as margin deposits or held in cash by the Broker.

The Partnership shall keep and retain such books and records relating to the business of the Partnership as it deems necessary or advisable, or as required by law. Any Subscription Agreement executed by a Limited Partner in connection with his purchase of a Unit or Units shall be retained by the Partnership for not less than six years from the date of such agreement. The Limited Partners shall be given reasonable access to the books and records of the Partnership.

The Partnership shall make no loans. No broker may pay, directly or indirectly, rebates or "give-ups" to the General Partner or any successor by trading advisors, and such prohibitions may not be circumvented by any reciprocal business arrangements; provided, however, these restrictions shall not prohibit or restrict the payment of the General Partner's management fee and brokerage commissions to Merrill Lynch as provided for in this Section 8.

Assets of the Partnership will not be commingled with assets of any other entity. Deposit of assets with a broker as margin shall not constitute commingling. The Partnership shall not engage in "churning" of its assets.

Subject to Section 5 hereof, the General Partner may engage in other business activities and shall not be required to refrain from any other activity or disgorge any profits from any such activity, whether as general partner of additional partnerships for investment in option contractors or otherwise.

No person dealing with the General Partner shall be required to determine its authority to make any undertaking on behalf of the Partnership, nor to determine any fact or circumstance bearing upon the existence of its authority.

The General Partner, its partners, employees, agents and affiliates and each person who controls any of the same, shall not be liable, responsible or accountable in damages or otherwise to the Partnership or to any of the Partners, their successors or assigns, except by reason of acts or omissions due to bad faith, misconduct, negligence, breach of fiduciary duty, or for not having acted in good faith in the reasonable belief that its actions were in, or not opposed to, the best interests of the Partnership.

The General Partner is prohibited from charging the Partnership for its general and administrative overhead.

9. Reports to Limited Partners.

The Partnership will use its best efforts to cause each Partner to receive (i) within 90 days after the close of each fiscal year financial statements (including a balance sheet and income statement) of the Partnership for the fiscal year then ended and (ii) within 90 days after the close of each fiscal year such tax information as is necessary for him to complete his Federal income tax return. In addition, the General Partner will report or cause to be reported monthly to the Limited Partners the following information: the Net Asset Value per Unit as of the end of the month and as of the end of the previous month and the percentage change in Net Asset Value between the two months; the aggregate brokerage commissions, monthly management fees payable to the General Partner, incentive fees and administrative expenses incurred or accrued by the Partnership during the month, and the percentage relationship of each of such amounts to the Net Assets of the Partnership at the beginning of the month; a summary of the closed-out trades during the month showing the aggregate realized profit or loss; a summary of the open positions as of the end of the month showing aggregate unrealized profit or loss for each option; a statement of all open positions held by the Partnership. In addition, if any of the following events occurs, notice of such event shall be mailed to each Limited Partner within 7 business days of the occurrence of the event: any change in option broker; any change in general partner; or any material change in the Partnership's trading policies.

10. Assignability.

Each Limited Partner expressly agrees that he will not assign, transfer or dispose of, by gift or otherwise, any of his Units or any part or all of his right, title and interest in the capital or profits of the Partnership without giving written notice of the assignment, transfer or disposition to the General Partner, and that no assignment, transfer or disposition shall be effective against the Partnership or the General Partner until the General Partner receives the written notice described below. Any assignment, transfer or disposition by an assignee of Units of his interest in the capital or profits of the Partnership shall not be effective against the Partnership or the General Partner until the General Partner receives the written notice described below. If an assignment, transfer or disposition occurs by reason of the death of a Limited Partner or assignee, such written notice may be given by the duly authorized representative of the estate of the Limited Partner or assignee and shall be supported by such proof of legal authority and valid assignment as may reasonably be requested by the General Partner. The written notice required by this Paragraph shall specify the name and address of the assignee and the date of assignment, shall include

a statement by the assignee that he agrees to give the above described written notice or waive any defect therein. No assignee, except with the consent of the General Partner (which consent may be withheld in the General Partner's sole and absolute discretion), may become a substituted Limited Partner nor will the estate or any beneficiary of a deceased Limited Partner or assignee have any right to withdraw any capital or profits from the Partnership except by redemption of Units. A substituted Limited Partner shall have all the rights and powers and shall be subject to all the restrictions and liabilities of his assignor, provided, however, that a substituted Limited Partner shall not be subject to those liabilities of which he was unaware at the time he became a substituted Limited Partner and which could not be ascertained from the Certificate of Limited Partnership. Each Limited Partner agrees that with the consent of the General Partner any assignee may become a substituted Limited Partner without the further act or consent of any Limited Partner. Each Limited Partner agrees that he has no right to consent to and will not consent to any person or entity becoming a substituted Limited Partner, except as set forth in the preceding sentence. If the General Partner withholds consent, an assignee shall not become a substituted Limited Partner and shall not have any of the rights of a Limited Partner, except that the assignee shall be entitled to receive that share of capital or profits and shall have that right of redemption to which his assignor would otherwise have been entitled. An assigning Limited Partner shall remain liable to the Partnership as provided in the Act, regardless of whether his assignee becomes a substituted Limited Partner.

11. Redemption of Units.

A Limited Partner (or assignee thereof) may withdraw any part or all of his capital contribution and undistributed profits, if any, by requiring the Partnership to redeem any or all of his Units at the Net Asset Value thereof reduced as herein-after described (such withdrawal being herein referred to as "redemption"). Redemption shall be effective as of the end of the first month ending at least 35 days after a request for redemption in proper form has been delivered to the General Partner provided that all liabilities, contingent or otherwise, of the Partnership, except any liability to Partners on account of their capital contributions, have been paid or there remains property of the Partnership sufficient to pay them. As used herein, "request for redemption" shall mean a letter sent registered mail by a Limited Partner (or any assignee thereof) and received by the General Partner at least 35 days in advance of the date redemption is requested. Upon redemption, a Limited Partner (or any assignee thereof) shall receive, per Unit redeemed, an amount equal to the Net Asset Value per Unit (as defined above) as of the end of the month which is the effective date of redemption, less the sum of any amount owing by such Partner (and all assignees, if any) to the Partnership pursuant to Section 16(b).

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Such amounts will be retained by the Partnership. If redemption is requested by an assignee, all amounts owned under Section 16(b) by the Partner to whom such Unit was sold by the Partnership as well as all amounts owned by all assignees who owned such Unit shall be deducted from the amount paid to such assignee upon redemption of his Units. An assignee shall not be entitled to redemption until the General Partner has received written notice (as described in subsection (a) above) of the assignment, transfer or disposition under which the assignee claims an interest in the Units to be redeemed and shall have no claim against the Partnership or the General Partner with respect to distributions or amounts paid on redemption of Units prior to the receipt by the General Partner of such notice.

Payment will be made as promptly as possible after the effective date of redemption, except that under special circumstances, including but not limited to inability to liquidate option positions as of such redemption, or default or delay in payment due the Partnership from brokers, banks or other persons, the Partnership may in turn delay payment to Partners and assignees requesting redemption of Units of the proportionate part of the Net Asset Value of the Units represented by the sums which are the subject of such default or delay.

12. Admission of Additional Partners.

Additional Limited Partners may be admitted to the Partnership pursuant to the offering of Units contemplated in Section 6. After the termination of such offering, no additional Limited Partners will be admitted to the Partnership except transferees or assignees of existing Limited Partners. Pursuant to Section 10, the General Partner may consent to and admit any assignee of Units as a substituted Limited Partner. No additional General Partner may be admitted to the Partnership except as described in Section 17(c).

13. Special Power of Attorney.

Each Limited Partner, by the execution of this Agreement, does irrevocably constitute and appoint the General Partner, with the power of substitution as his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge, swear to, file and record in his behalf in the appropriate public offices and publish (i) this Agreement and a Certificate of Limited Partnership including amendments thereto; (ii) all instruments which the General Partner deems necessary or appropriate to reflect any amendment, change or modification of the Partnership in accordance with the terms of this Agreement; (iii) Certificates of Assumed Name; (iv) brokerage agreements with Merrill Lynch, the Clearing Broker or other brokerage firms. The Power of Attorney granted herein shall be irrevocable and deemed to be a power coupled with an interest and shall survive the incapacity or death of a Limited Partner. Each Limited

Partner hereby agrees to be bound by any representation made by the General Partner and by any successor thereto, acting in good faith pursuant to such Power of Attorney, and each Limited Partner hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner and any successor thereto, taken in good faith under such Power of Attorney. Each Limited Partner agrees to execute a special Power of Attorney on a document separate from this Agreement. In the event of any conflict between this Agreement and any instruments filed by such attorney pursuant to the Power of Attorney granted in this Section, this Agreement shall control.

14. Withdrawal of a Partner.

The Partnership shall terminate and dissolve upon the withdrawal, insolvency or dissolution of the General Partner (unless the Partnership is continued pursuant to Section 17(c)). The General Partner shall not withdraw from the Partnership without giving the Limited Partners 90 days prior written notice. The death, incompetency, withdrawal, insolvency or dissolution of a Limited Partner shall not terminate or dissolve the Partnership, and such Limited Partner, his estate, custodian or personal representative shall have no right to withdraw or value such Limited Partner's interest in the Partnership except as provided in Section 10 hereof. Each Limited Partner (and any assignee of such Partner's interest) expressly agrees that Section 10-115 Subsection a(2) and Subsection b(3) of the Maryland Limited Partnership Act, as amended, titled "Withdrawal or Reduction of Limited Partner's Contribution" shall not apply to his interest in the Partnership, and expressly waives any rights and benefits thereunder (such section provides for notification and consent of all limited partners before return of a limited partner's interest in the partnership).

Each Limited Partner (and any assignee of such Partner's interest) expressly agrees that in the event of his death, he waives on behalf of himself and his estate, and he directs the legal representative of his estate and any person interested therein to waive, the furnishing of any inventory, accounting or appraisal of the assets of the Partnership and any right to an audit or examination of the books of the Partnership.

15. No Personal Liability for Return of Capital.

The General Partner shall not be personally liable for the return or repayment of all or any portion of the capital or profits of any Partner (or assignee), it being expressly agreed that any such return of capital or profits made pursuant to this Agreement shall be made solely from the assets (which shall not include any right of contribution from the General Partner) of the Partnership.

16. Indemnification.

(a) By the Partnership. The Partnership shall indemnify, defend and hold harmless the General Partner, its partners, employees, agents and affiliates, and each person who controls any of the same, from and against any loss, liability, damage, cost or expense (including legal fees and expenses) and any amounts paid in settlement thereof (provided that the Partnership shall have approved such settlement) resulting from or relating to its actions or capacity as General Partner, or otherwise concerning the business or activities undertaken on behalf of the Partnership (other than a demand, claim or lawsuit brought by or in right of the Partnership); provided that the conduct of such person which was the subject of the demand, claim or lawsuit did not constitute gross negligence, willful or wanton misconduct, or breach any fiduciary obligations to the Partnership and was done in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Partnership. The termination of any action, suit, proceeding, demand, claim or lawsuit by judgment, order or settlement shall not, of itself, create a presumption that the conduct in question was not undertaken in good faith or in a manner reasonably believed to be in or not opposed to the best interests of the Partnership.

In any demand, claim, or lawsuit brought by or in right of the Partnership by a Limited Partner alleging damages arising from activities of the General Partner, its partners, employees, agents and affiliates, and each person who controls any of the same, in managing the Partnership, such person shall be indemnified against expenses, including attorneys' fees actually and reasonably incurred by such person in defense or settlement of any such demand, claim or lawsuit; provided, that the conduct of such person which was the subject of the demand, claim or lawsuit was done in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Partnership; except that no such indemnification shall be made in respect of any demand, claim or lawsuit as to which such conduct of such person has been adjudged, by a court having jurisdiction with respect to the matter upon entry of a final judgment, to constitute negligence, misconduct or a breach of any fiduciary obligation to the Partnership unless, and only to the extent that, such court determines that despite such adjudication, such person is fairly and reasonably entitled to indemnity for such items as such court shall deem proper.

To the extent that the General Partner and any other person described in the two preceding paragraphs has been successful on the merits or otherwise in defense of any lawsuit, action, suit or proceeding referred to in such paragraphs, or in defense of any demand, claim, issue or matter therein, the Partnership shall indemnify such person against the costs and expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.

Any indemnification permitted by the first two paragraphs of this Section 16(a), unless ordered or expressly permitted by a court, shall be made by the Partnership only upon a determination by independent legal counsel in a written opinion that the conduct which is the subject of a claim, demand or lawsuit with respect to which indemnification is sought meets the applicable standards set forth in such paragraphs.

Nothing contained in this Section 16(a) shall increase the liability of any Limited Partner to the Partnership beyond the amount of his capital and profits, if any, in the Partnership. All rights to indemnification and payment of legal fees and expenses shall not be affected by the termination of the Partnership or the withdrawal, dissolution or insolvency of the General Partner.

(b) By the Partners. In the event the Partnership is made a party to any claim, dispute or litigation or otherwise incurs any loss or expense as a result of or in connection with any Partner's (or assignee's) obligations or liabilities unrelated to the Partnership business, such Partner (or assignees cumulatively) shall indemnify and reimburse the Partnership for all loss and expense incurred, including reasonable attorneys' fees.

17. Amendments: Meetings.

(a) Amendments with Consent of the General Partner. If at any time during the term of the Partnership the General Partner shall deem it necessary or desirable to amend this Agreement, such amendment shall be effective only if embodied in an instrument signed by the General Partner and by Limited Partners owning more than 50% of the Units then owned by Limited Partners, and if made in accordance with and to the extent permissible under the Act. Any such supplemental or amendatory agreement shall be adhered to and have the same effect from and after its effective date as if the same had originally been embodied in and formed a part of this Agreement.

(b) Meetings. Any Limited Partner, upon written request addressed to the General Partner, shall be entitled to obtain from the General Partner a list of the names and addresses of record of all Limited Partners and the number of Units owned by each. Upon receipt of a written request, signed by Limited Partners owning at least 40% of the Units then owned by Limited Partners, that a meeting of the Partnership called to vote upon any matter which the Limited Partners may vote upon pursuant to this Agreement, the General Partner shall, by written notice to each Limited Partner of record mailed within 45 days after such receipt, call a meeting of the Partnership. Such meeting shall be held at least 60 but not more than 90 days after the mailing of such notice, and such notice shall specify the date, a reasonable place and time and the purpose of such meeting.

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(c) Amendments and Actions Without Consent of the General Partner. At any meeting called pursuant to Section 17(b), upon the affirmative vote (which may be in person or by proxy) of Limited Partners owning more than 50% of the Units then owned by all Limited Partners, the following actions may be taken: (i) the Agreement may be amended in accordance with and only to the extent permissible under the Act; (ii) the Partnership may be dissolved, provided, however, that in no event shall such dissolution be effective less than 90 days from the date of said meeting; (iii) the General Partner may be removed and replaced but in no event shall such removal or replacement be effective less than 90 days from the date of said meeting; (iv) a new general partner or general partners may be elected if the General Partner has elected to withdraw from the Partnership been dissolved or become insolvent; (v) any contracts with the General Partner or any of its affiliates may be terminated on 60 days' written notice without penalty; and (vi) the sale of all the assets of the Partnership may be approved.

18. Governing Law.

The validity and construction of this Agreement shall be determined and governed by the laws of the State of Maryland.

19. Miscellaneous.

(a) Priority Among Limited Partners. No Limited Partner shall be entitled to any priority or preference over any other Limited Partner in regard to the affairs of the Partnership.

(b) Notices. All notices under this Agreement, other than reports by the General Partner to the Limited Partners, shall be in writing and shall be effective upon personal delivery, or if sent by registered or certified mail, postage prepaid, addressed to the last known address of the party to whom such notice is to be given, upon the deposit of such notice in the United States mail. Reports by the General Partner to the Limited Partners shall be in writing and shall be sent by first class mail to the last known address of each Limited Partner. Requests for Redemption and notices of assignment, transfer or disposition of Units of any interest therein shall be effective upon timely receipt by the General Partner.

(c) Binding Effect. This Agreement shall inure to and be binding upon all of the parties, their successors, assigns as permitted herein, custodians, estates, heirs and personal representatives. For purposes of determining the rights of any Partner or assignee hereunder, the Partnership and the General Partner may rely upon the Partnership records as to who are Partners and assignees and all Partners and assignees agree that their rights shall be determined and that they shall be bound thereby, including all rights which they may have under Section 17 hereof.

(d) Captions. Captions in no way define, limit, extend or describe the scope of this Agreement nor the effect of any of its provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 14th day of DECEMBER, 1981.

✓ GENERAL PARTNER:
SELECTION SERVICES, INC.

BY: C. H. McComas III
President

Agnes Helbert, Notary

Dec. 14, 1981

LIMITED PARTNERS

✓ C. H. McComas III
C. H. McComas III

✓ Susan K. McComas
SUSAN K. MCCOMAS

✓ Charles H. McComas Jr
CHARLES H. MCCOMAS JR

✓ Betty O. McComas
BETTY O. MCCOMAS

LIMITED PARTNERS

Charles H. McComas III
232-A Crocker Drive
Bel Air, Maryland

215-48-9136
836-9449

Susan K. McComas
232-A Crocker Drive
Bel Air, Maryland

520-52-3997
836-9449

Charles H. McComas Jr.
1227 Conowingo Road, P. O. Box 230
Bel Air, Maryland

220-05-3163
838-4455

Betty O. McComas
1227 Conowingo Road, P. O. Box 230
Bel Air, Maryland

216-48-0307
838-4455

REC'D & RECORDED *JPC*
NO 3 FOLIO 288

DEC 14 3 34 PM '81

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

FIRST AMENDED CERTIFICATE OF
 LIMITED PARTNERSHIP OF
 / CLF LIMITED PARTNERSHIP

DEC 18-81 B #28067 *****16.00

THIS FIRST AMENDED CERTIFICATE signed and sworn to this 3rd day of December, 1981, by the undersigned persons, constituting all of the general and all of the Limited Partners of the CLF Limited Partnership, a Maryland Limited Partnership, for the purpose as herein set forth.

WHEREAS, on March 1, 1972, Herbert L. Cohen, General Partner and Nicholas F. Leonetti, Martin Fedder and Nick-George Corporation, a Maryland Corporation, as Limited Partners, executed a Certificate of Limited Partnership and a Limited Partnership Agreement, forming the CLF Limited Partnership under the laws of the State of Maryland, and the Certificate was duly recorded; and

WHEREAS, the term of the CLF Limited Partnership, as per the original Limited Partnership Agreement shall expire on December 31, 1982, however, the term of the Partnership may be renewed or extended with the unanimous consent of all partners both General and Limited; and

WHEREAS, the parties hereto have consented to a renewal and extension of the Term of the Limited Partnership from December 31, 1982 to December 31, 1992 and have agreed to the execution of this First Amendment to the Limited Partnership Agreement to carry out said Agreement.

NOW THEREFORE, in consideration of the sum of one (\$1.00) Dollar receipt of which is hereby acknowledged, and in consideration of the premises, the adequacy and receipt of which

is hereby acknowledged, the parties hereto execute this First Amended Certificate of Limited Partnership for CLF Limited Partnership, a Maryland Limited Partnership, to read as follows:

1. That paragraph "2" of the Limited Partnership Agreement dated March 1, 1972 shall be deleted from the Partnership Agreement and reinserted, as follows:

2. TERM The term of the Partnership shall begin as of the first day of March, 1972, and shall continue until the 31st day of December, 1992, unless terminated earlier as hereinafter set forth, provided, however, that nothing contained herein shall prevent the partnership from renewing or extending this period, from time to time, with the unanimous consent of all partners, both General and Limited. Any extension of the term of the Partnership shall have the effect of continuing the uninterrupted operation of the partnership whether authorized and agreed prior to or subsequent to the said date of termination.

2. Except as hereby amended, the terms and covenants of the original agreement of Limited Partnership of the CLF Limited Partnership, shall continue without interruption and shall remain in full force and effect to regulate the affairs of the Partnership.

IN WITNESS WHEREOF, the undersigned parties have

hereunto affixed their signatures as of the day and year above written.

WITNESS:

Martin Perina Herbert L. Cohen (SEAL)
Herbert L. Cohen, General Partner

Marian R. Beeland Wilmer Cronin (SEAL)
J. Wilmer Cronin, Limited Partner

Martin Perina Martin Fedder (SEAL)
Martin Fedder, Limited Partner

NICK-GEORGE CORPORATION

Martin Fedder
Secretary

BY: Herbert L. Cohen
Herbert L. Cohen, President

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 3d day of December, 1981, before me, the subscriber, a Notary Public of the State of Maryland, in and for the City aforesaid, personally appeared HERBERT L. COHEN, and acknowledged the foregoing Amendment to be his act.

WITNESS my hand and Notarial Seal.

Martin Perina
Notary Public



COUNTY OF HARFORD

STATE OF MARYLAND, ~~CITY OF BALTIMORE~~, TO WIT:

I HEREBY CERTIFY, that on this 17th day of December, 1981, before me, the subscriber, a Notary Public of the County State of Maryland, in and for the ~~City~~ aforesaid, personally appeared J. WILMER, CRONIN, Limited Partner, and acknowledged the foregoing Amendment to be his act.

WITNESS my hand and Notarial Seal.

Martin P. Deery
Notary Public



STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 3^d day of December, 1981, before me, the subscriber, a Notary Public of the State of Maryland, in and for the City aforesaid, personally appeared MARTIN FEDDER, Limited Partner, and acknowledged the foregoing Amendment to be his act.

WITNESS my hand and Notarial Seal.

Martin P. Deery
Notary Public



STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 3^d day of December, 1981, before me, the subscriber, a Notary Public of the State of Maryland, in and for the City aforesaid, personally appeared HERBERT L. COHEN, President of Nick-George Corporation, and acknowledged the foregoing Amendment on behalf of said Corporation to be its act.

WITNESS my hand and Notarial Seal.

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Martin P. Deery
Notary Public

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK



CERTIFICATE

of

BENTLEY INVESTMENTS and ASSOCIATES

a

LIMITED PARTNERSHIP

REC 31-81 B #28997 *****15.00

1. This Partnership Agreement is made this 31 st. day of December, 1981, by and between BENTLEY INVESTMENTS, Inc., hereinafter referred to as General Partner and CHARLES J. SMITH, hereinafter referred to as Limited Partner.
2. The name of the Limited Partnership shall be BENTLEY INVESTMENTS and ASSOCIATES.
3. The principal office and place of business of the Partnership Office shall be located at 1318 North Bend Road, Jarrettsville, Maryland.
4. The character of the Limited Partnership business shall be to buy, sell, invest, reinvest, lease, sub-lease and to do any and all manner of things in connection with real estate investments, and such other business and purposes as the partners may from time to time determine in accordance with the Uniform Partnership Act Permits.
5. The General Partner is BENTLEY INVESTMENTS, INC., a Maryland Close Corporation whose address is 1318 North Bend Road, Jarrettsville, Maryland, and the Limited Partner is CHARLES J. SMITH whose address is 1320 North Bend Road, Jarrettsville, Maryland.
6. The Limited Partnership shall exist for as long as the Partnership owns Real Property in the State of Maryland, or the death/termination of either partner.
7. The original capital contributions to the Partnership of each of the Partners shall be made concurrently with their

respective execution, acknowledgment, sealing and delivery of this Agreement in the following dollar amounts set forth after their respective names:

BENTLEY INVESTMENTS, INC.	\$ 20,000.00	General Partner
CHARLES J. SMITH	\$ 20,000.00	Limited Partner

An individual capital account shall be maintained for each Partner. The capital account of each Partner shall consist of his original capital contribution, increased by (a) additional capital contributions made by him, and (b) his share of Partnership profits, and decreased by (i) distributions of such profits and capital to him, and (ii) his share of Partnership losses.

Except as specifically provided in this Agreement, or as otherwise provided by and in accordance with law to the extent such law is not inconsistent with this Agreement, no Partner shall have the right to withdraw or reduce his contributions to the capital of the Partnership.

8. There will be no additional contributions, unless otherwise agreed in writing.
9. Contributions are to be returned to each partner upon dissolution of the partnership.
10. The percentages of Partnership Rights and Partnership Interest of each of the Partners in the Partnership shall be as follows:
- | | | |
|---------------------------|----|---|
| BENTLEY INVESTMENTS, INC. | 50 | % |
| CHARLES J. SMITH | 50 | % |
11. The net cash from operations of the Partnership shall be distributed as such times as may be determined by the Partners, but not less frequently than annually, among the Partners in

proportion to their respective percentages of Partnership Interest.

12. There shall be no right of the Limited Partner to substitute an assignee as contributor in his place.
13. There shall be no right of the partners to admit additional Limited Partners.
14.
 - (a) The General Partner shall have sole and complete control of the management and operation of the affairs and business of the Partnership and shall operate the business for the benefit of all of the Partners, general and limited.
 - (b) The General Partner, in extension and not in limitation of the rights or powers given him by law or by the other provisions of this Agreement, shall, in his sole discretion, have the full and entire right, power and authority in the management of the business and affairs of the Partnership and at the sole cost and expense of the Partnership.
 - (c) The Limited Partner has no control in the operation of the affairs of the Partnership.
15.
 - (a) NO Limited Partner (in his capacity as a Limited Partner) shall have or exercise any rights or powers in connection with the management or control of the Partnership's business, transact any business for the Partnership or have the power to sign for or bind the Partnership, said powers being vested solely and exclusively in the General Partner. No Limited Partner shall be bound by, or be personally liable for, the expenses, liabilities, or obligations of the Partnership, except to the extent of his capital account, plus ~~the~~ share of the undistributed profits of the Partnership. No limited Partner may be required to make any contribution to the capital of the Partnership in addition to the initial contribution if any, made by him with respect to the number of Units purchased from the

Partnership in the Offering.

(b) The Limited Partner shall have no voting rights except those pertaining to dissolution of the Partnership amendment of this Agreement and election of a successor General Partner.

(c) Upon the affirmative vote or consent of Limited Partners holding fifty-one percent (51%) or more of the outstanding limited partnership Units, the General Partner shall have the authority to amend this Agreement in any manner other than to affect adversely the limited liability of any Limited Partner.

(d) No Limited Partner shall become liable as a General Partner by reason of the exercise by him of any of the powers specified in this Section.

(e) The Limited Partner may exercise any power specified in this Agreement at any meeting called in the manner provided below, or, without a meeting, be resolution enacted by the Limited Partners by unanimous written consent and delivered to the General Partner. Any such resolution may be executed in counterparts.

Routin
As to both

Davis Bentley, Jr. Pres.
DAVIS BENTLEY, JR. PRESIDENT
Bentley Investments, Inc. 50 %
North Bend Road
Jarrettsville, Maryland 21084

Charles J. Smith
CHARLES J. SMITH
Limited Partner 50 %

REC'D & RECORDED *hpc*
NO 3 FOLIO 316
DEC 31 4 08 PM '81
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

AMENDMENT TO DEER RUN ASSOCIATES
LIMITED PARTNERSHIP AGREEMENT

THIS AMENDMENT, made this 22 day of December, 1981, by and between THOMAS A. TAYLOR, General Partner, PHILLIP W. GARNIS, as Trustee of Kitty's Lounge, Inc. Pension Plan, and PHILLIP W. GARNIS, as Trustee of Kitty's Lounge, Inc. Profit Sharing Trust.

JAN -8-82 B #29503 *****13.00

WHEREAS, on or about January 9, 1980, a limited partnership was formed and an agreement executed pursuant thereto by and between the Limited Partners and the General Partner; and

WHEREAS, in paragraph 24 of the agreement the Limited Partners appointed Thomas A. Taylor as their agent with full authority to sign, execute and acknowledge any amendment of the Partnership Certificate substituting or adding a Limited Partner; and

WHEREAS, a Limited Partner, Phillip W. Garnis, Trustee for Kitty's Lounge, Inc. Pension Plan, desires to amend the Partnership Certificate by substituting a new Limited Partner for his present interest.

NOW, THEREFORE, the Certificate of Limited Partnership shall be amended as follows:

1. That the interest in the partnership of Phillip W. Garnis, Trustee for Kitty's Lounge, Inc. Pension Plan, as Limited Partner shall have substituted in its place and stead Phillip W. Garnis, Trustee for Kitty's Lounge, Inc. Profit Sharing Trust, as Limited Partner.

2. That Thomas A. Taylor, as agent for the Limited Partners, consents and agrees to the above.

IN WITNESS WHEREOF, the undersigned General Partner and Limited Partners have signed this agreement under seal as of

the day and year first above written and each signatory hereby acknowledges it to be his act.

WITNESS:

Robin A. Taylor
AS to Att.

Thomas A. Taylor (SEAL)
Thomas A. Taylor
General Partner

Phillip W. Garnis (SEAL)
Phillip W. Garnis
Trustee for Kitty's Lounge, Inc.
Pension Plan

Phillip W. Garnis (SEAL)
Phillip W. Garnis
Trustee for Kitty's Lounge, Inc.
Profit Sharing Trust

STATE OF MARYLAND, BALTIMORE COUNTY TO WIT:

I HEREBY CERTIFY that on this 24 day of Dec., 1981, before me, the subscriber, a Notary Public of the State and County aforesaid, commissioned and qualified, personally appeared THOMAS A. TAYLOR and made oath in due form of law that the matters and facts set forth in the foregoing Amendment to Deer Run Associates Limited Partnership Agreement are true and correct as therein stated and acknowledged said Amendment to be his act.

AS WITNESS my hand and Notarial Seal.

My Commission expires:

July 1 1982

Mario Marconi
Notary Public


STATE OF MARYLAND, BALTIMORE COUNTY, TO WIT:

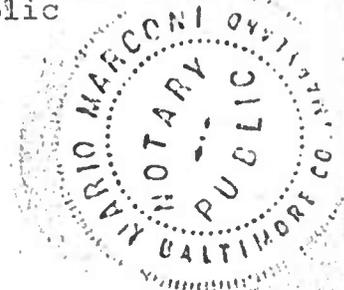
I HEREBY CERTIFY that on this 24 day of Dec., 1981, before me, the subscriber, a Notary Public of the State and County aforesaid, commissioned and qualified, personally appeared PHILLIP W. GARNIS, and made oath in due form of law that the matters and facts set forth in the foregoing Amendment to Deer Run Associates Limited Partnership Agreement are true and correct as therein stated and acknowledged said Amendment to be his act.

AS WITNESS my hand and Notarial Seal.

X Mario Marconi
Notary Public

My Commission expires:

July 1 1982



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NO 3 FOLIO 314
JAN 8 2 11 PM '82
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

AMENDMENT TO RAMBO MANOR ASSOCIATES
LIMITED PARTNERSHIP AGREEMENT

THIS AMENDMENT, made this 22 day of December, 1981, by and between THOMAS A. TAYLOR, General Partner, PHILLIP W. GARNIS, as Trustee of Kitty's Lounge, Inc. Pension Plan, and PHILLIP W. GARNIS, as Trustee of Kitty's Lounge, Inc. Profit Sharing Trust.

JAN -8-82 B 29504 *****11.00

WHEREAS, on or about January 11, 1980, a limited partnership was formed and an agreement executed pursuant thereto by and between the Limited Partners and the General Partner; and

WHEREAS, in paragraph 24 of the agreement the Limited Partners appointed Thomas A. Taylor as their agent with full authority to sign, execute and acknowledge any amendment of the Partnership Certificate substituting or adding a Limited Partner; and

WHEREAS, a Limited Partner, Phillip W. Garnis, Trustee for Kitty's Lounge, Inc. Pension Plan, desires to amend the Partnership Certificate by substituting a new Limited Partner for his present interest.

NOW, THEREFORE, the Certificate of Limited Partnership shall be amended as follows:

1. That the interest in the partnership of Phillip W. Garnis, Trustee for Kitty's Lounge, Inc. Pension Plan, as Limited Partner shall have substituted in its place and stead Phillip W. Garnis, Trustee for Kitty's Lounge, Inc. Profit Sharing Trust, as Limited Partner.
2. That Thomas A. Taylor, as agent for the Limited Partners, consents and agrees to the above.

IN WITNESS WHEREOF, the undersigned General Partner and Limited Partners have signed this agreement under seal as of the day and year first above written and each signatory hereby acknowledges it to be his act.

WITNESS:

Robin A. Taylor
as to all

Thomas A. Taylor (SEAL)
 Thomas A. Taylor/General Partner

Phillip W. Garnis (SEAL)
 Phillip W. Garnis/Trustee for Kitty's Lounge, Inc Pension Plan

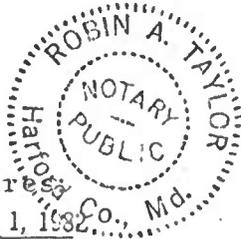
Phillip W. Garnis (SEAL)
 Phillip W. Garnis/Trustee for Kitty's Lounge, Inc Profit Sharing Trust

Mailed to: Thomas A. Taylor, 501 Ponderosa Dr., Bel Air, Md. 21014

STATE OF MARYLAND, COUNTY OF HARFORD, TO WIT:

I HEREBY CERTIFY that on this 24 day of Dec., 1981, before me, the subscriber, a Notary Public of the State and County aforesaid, commissioned and qualified, personally appeared THOMAS A. TAYLOR and made oath in due form of law that the matters and facts set forth in the foregoing Amendment to Rambo Manor Associates Limited Partnership Agreement are true and correct as therein stated and acknowledged said Amendment to be his act.

AS WITNESS my hand and Notarial Seal.



Robin A. Taylor
Notary Public

My Commission Expires: July 1, 1982

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this 28 day of Dec., 1981, before me, the subscriber, a Notary Public of the State and County aforesaid, commissioned and qualified, personally appeared PHILLIP W. GARNIS, and made oath in due form of law that the matters and facts set forth in the foregoing Amendment to Rambo Manor Associates Limited Partnership Agreement are true and correct as therein stated and acknowledged said Amendment to be his act.

AS WITNESS my hand and Notarial Seal.



Philip W. Garnis
Notary Public

My Commission Expires: July 1, 1982

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NO 3 FOLIO 317
JAN 8 2 12 PM '82

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

ABERDEEN MOTEL LIMITED PARTNERSHIP

AMENDED CERTIFICATE OF LIMITED PARTNERSHIP

1. As of October 27, 1981, Vincent A. Nese, 17 Patrice Court, Pittsburgh, Pennsylvania, 15221, withdrew as a general and limited partner of Aberdeen Motel Limited Partnership.

2. As of November 6, 1981, the First Amendment to Aberdeen Motel Limited Partnership Agreement, which Amendment is attached hereto and incorporated herein, was executed by the parties thereto.

27-82 A #2 956 ****31.00

IN WITNESS WHEREOF the parties hereto have hereunto properly executed this document as of January 26, 1982.

WITNESS

GENERAL PARTNERS:

Ella I. Ross

Herbert J. DeMarrais
Herbert J. DeMarrais

LIMITED PARTNERS:

Ella I. Ross

Herbert J. DeMarrais
Herbert J. DeMarrais

Ella I. Ross

Harvey E. Robins
Harvey E. Robins

FORMER GENERAL AND LIMITED PARTNER:

Sharon L. Walters

Vincent A. Nese
Vincent A. Nese

Mailed to: Piper & Marbury, 1100 Charles Center South, 36 S. Charles St., Baltimore, Md. 21201

Commonwealth of Pennsylvania)
County of Allegheny) to wit:

On this 26TH day of January, 1982, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Herbert J. DeMarrais, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Amended Certificate of Limited Partnership and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and notarial seal.

Sharon Lee Walters
Notary Public

My commission expires:

SHARON LEE WALTERS, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Mar. 1, 1982

Commonwealth of Pennsylvania)
County of Allegheny) to wit:

On this 26TH day of January, 1982, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Harvey E. Robins, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Amended Certificate of Limited Partnership and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and notarial seal.

Sharon Lee Walters
Notary Public

My commission expires:

SHARON LEE WALTERS, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Mar. 1, 1982

BOOK 3 PAGE 321

Commonwealth of Pennsylvania)
County of Allegheny) to wit:

On this 26th day of January, 1982, before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared Vincent A. Nese, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Amended Certificate of Limited Partnership and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and notarial seal.

Sharon Lee Walters
Notary Public

My commission expires:

SHARON DE WALTERS, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires March 1, 1984

FIRST AMENDMENT TO
ABERDEEN MOTEL LIMITED PARTNERSHIP AGREEMENT

The AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP dated July 9, 1981 by and among HERBERT J. DE MARRAIS and VINCENT A. NESE (the "General Partners") and HERBERT J. DE MARRAIS, VINCENT A. NESE and HARVEY E. ROBINS (the "Limited Partners") is hereby amended, effective as of the 6th day of November, 1981, in the following respects:

RECITALS

WHEREAS, on October 27, 1981 the 1% general partnership and 32% limited partnership interests of NESE were sold, transferred and conveyed to DE MARRAIS and to the Limited Partners hereinbelow named, resulting in the following revised percentage interests as of the date hereof:

	<u>General Partnership Interest</u>	<u>Limited Partnership Interest</u>
HERBERT J. DE MARRAIS	2%	77%
HARVEY E. ROBINS		21%

NOW, THEREFORE, the following amendments to the aforesaid Agreement and Certificate of Limited Partnership ("Agreement") are hereby adopted, effective as of the date hereof:

AMENDMENTS

Throughout the Agreement, the words "General Partners" shall be deemed to mean "General Partner."

Article 1C of the Agreement is amended to provide that the initial resident agent of the Partnership is Kenneth B. Frank, Esquire and that successor resident agents may be appointed from time to time by the General Partner.

Article 5(c) (2) is amended to provide that said subparagraph shall be applicable only as to transfer occurring or becoming effective after the date of this Amendment.

Article 6(c) is amended to provide that in the event of the transfer of all or any part of a Partnership interest at any time other than the end of a Partnership accounting year, allocation of the "Net Cash Flow" shall be in accordance with the provisions of Article 5(c) (2) as herein amended.

Article 9(b) is amended to provide that said subparagraph shall be applicable only as to dispositions of Partnership interests occurring or becoming effective after the date of this Amendment.

Article 9(c) is amended to delete the provision to the effect that a General Partnership Interest disposed of by gift or inter vivos trust or otherwise to a member of the immediate family of the General Partner shall thereby become a Limited Partnership Interest, provided that prior to the disposition, gift or otherwise, the General Partner obtains a consent from all other Partners for said transfer and disposition of his interest in the Partnership.

Article 10, subparagraphs (a), (b) and (c) are deleted and the following new subparagraphs are substituted therefore:

(a) Upon the death of a General Partner, his General Partnership Interest and all rights pertaining thereto shall become the property of his heirs or legatees in accordance with the decree of distribution of the court having jurisdiction over his estate; provided, however, that the personal representative of his estate shall have the right and power to sell and assign his said General Partnership interest to any person or corporation (including a Limited Partner) qualified to succeed to such interest, provided however the consent of all Limited Partners must be obtained prior to any sale or disposition of the General Partners' interest. It is the intent of all Partners that in the event of the disposition or transfer of the present General Partner's interest, Herbert J. de Marrais, that the Limited Partners' interest be also included in a sale or disposition and for said reason, it is agreed that prior to any disposition of Herbert J. de Marrais's interest in the partnership, either as a General or Limited Partner, the consent of the other Limited Partners will be obtained. The deceased General Partner's estate or the successor or successors in interest of his General Partnership interest shall remain liable for all obligations of the deceased General Partner arising or incurred prior to his death.

(b) The death of a Partner (either General or Limited) shall not cause dissolution or termination of the Partnership.

(c) Upon the death of a Limited Partner (who is not a General Partner), the personal representative of his estate and the successor or successors to his Limited Partnership Interest shall have all the rights and be subject to all the obligations hereunder of the deceased Limited Partner.

Article 12, subparagraph (b) is deleted in its entirety.

Article 13 is amended to read as follows:

13. Continuation of Partnership. Upon the death, insanity, bankruptcy or retirement of the General Partner, his Estate or successors in interest shall have the right to continue the Partnership as set forth in Article 10(a), as amended and shall retain the same General and Limited partnership interests as were held by the General Partner prior to the occurrence of such event.

Schedule A is amended to reflect the revised General and Limited Partnership interests resulting from the sale, transfer and conveyance of NESE's general and limited partnership interests to the remaining General Partner and Limited Partners as set forth in the revised Schedule A attached to and made a part of this Amendment. .

All other terms and provisions of the Agreement shall continue in full force and effect except to the extent, if any, inconsistent with the foregoing amendments.

WITNESS the due execution hereof by the General Partner and Limited Partners as of the date first appearing herein.

WITNESS:

GENERAL PARTNER

Ella L. Ross

Herbert J. de Marrais
Herbert J. de Marrais

LIMITED PARTNERS

Ella L. Ross

Herbert J. de Marrais
Herbert J. de Marrais

Ella L. Ross

Harvey E. Robins
Harvey E. Robins

SCHEDULE A

TO

FIRST AMENDMENT TO
 ABERDEEN MOTEL LIMITED PARTNERSHIP AGREEMENT

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
GENERAL PARTNERS:		
Herbert J. DeMarrais 409 Old Farm Road Rosslyn Farms Carnegie, PA 15106	\$ 12,400	2%
LIMITED PARTNERS:		
Herbert J. deMarrais 409 Old Farm Road Rosslyn Farms Carnegie, PA 15106	\$477,400	77%
Harvey E. Robins 2212 Harmain Road Pittsburgh, PA 15235	\$130,200	21%
Total	\$620,000	100%

RECD & RECORDED *Jae*
 NO 3 FOLIO 319
 JAN 27 2 17 PM '82
 HARFORD CO.
 H. DOUGLAS CHILCOAT
 CLERK

OAKINGTON FARMS
GENERAL PARTNERSHIP AGREEMENT

THIS PARTNERSHIP AGREEMENT (hereinafter referred to as the "Agreement") is made as of this 17th day of December, 1976, by and among the undersigned parties whose names, addresses and percentages of ownership interest are set forth on Exhibit "A" attached hereto and made a part hereof (each of whom is sometimes hereinafter individually referred to as "Partner", and all of whom are sometimes hereinafter together referred to as "Partners").

FEB -8-82 A #21905 *****79.00

WHEREAS, the Partners desire to enter into a Partnership to be known as "OAKINGTON FARMS GENERAL PARTNERSHIP" for the purpose of acquiring and owning certain real property as an investment and for the production of income and of carrying on all activities related thereto; and

WHEREAS, the Partners desire to set forth their agreements and understandings herein.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises herein set forth, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Formation of Partnership.

The parties hereto do hereby form a Partnership under the name "OAKINGTON FARMS GENERAL PARTNERSHIP" (hereinafter sometimes referred to as the "Partnership"), pursuant to the Uniform Partnership Act, Title 9, §9-101 through §9-703, Anno-

Mailed to: Donald Smith, Bel Air, Md.

LAW OFFICES

DANZANSKY DICKEY TYDINGS,
QUINT & GORDON
20 CONNECTICUT AVENUE N.W.
WASHINGTON, D.C. 20036

tated Code of Maryland, Corporations and Associations (1975), amended, and other relevant laws of the State of Maryland.

2. Principal Office.

The principal office and place of business of the Partnership shall be located at Oakington, Havre de Grace, Maryland. The Partnership may have such other or additional offices as the Partners may deem advisable.

3. Character of Business of the Partnership.

The character of the business of the Partnership shall be to acquire and hold title to all of the real property located in Harford County, Maryland, and described in Exhibit "B" attached hereto and made a part hereof, such property being referred to hereinafter as "Oakington", to manage farm, develop, encumber and dispose of all or any part of Oakington and to do all things related to or necessary for the conduct of the business of the Partnership.

4. Term.

The term of the Partnership shall commence effective for all purposes and in all respects as of the date first hereinabove set forth, and it shall continue from year to year, for the life of ELEANOR D. DITZEN or until terminated in accordance with provisions hereinafter stated.

5. Capital Contributions.

A. ELEANOR D. DITZEN has agreed to contribute and has contributed her interest in Oakington at an agreed value of \$389,250.00 as her initial contribution to the capital of the Partnership. The other Partners shall contribute to the capital of the Partnership, pro rata, in proportion to their respective percentages of Partnership Interest, such amounts in cash as is necessary in the judgment of ELEANOR D. DITZEN, and shall receive appropriate credits to their respective capital accounts therefor. Said contributions shall be made within thirty days of notification by ELEANOR D. DITZEN.

B. In the event that at any time in the judgment of the Managing Partner (or from time to time) additional funds are required by the Partnership for or in respect of its business or any of its obligations, expenses, costs or expenditures (including, without limitation of the generality of the foregoing, real estate taxes, carrying costs or operating deficits, and any payments of principal or interest on any mortgage [which term "mortgage" is hereby defined for all purposes of this Agreement to include a deed of trust, financing statement, chattel mortgage, pledge, conditional sales contract, and similiar security agreements] on any property of the Partnership), the Partners may, if they so elect, endeavor, for and on behalf of the Partnership, to borrow such funds, with interest payable at then prevailing rates, from commercial banks, savings and loan associations, and/or other lending institutions or persons

(including Partners). Loans from Partners shall require unanimous approval of all Partners and shall bear interest at prevailing rates. In the event that all of such required funds cannot be so obtained by the Partnership at the request of the Managing Partner, the Partners (pro rata in proportion to their respective percentages of Partnership Interest) shall contribute such required additional funds to the capital of the Partnership and shall receive appropriate credits to their respective capital accounts therefor. Said Partners shall contribute within thirty (30) days of notification. The execution of this Agreement by each Partner constitutes, and shall be deemed to be, the covenant and warranty by such Partner to the Partnership and each other Partner that, in the event the Partnership at any time (or from time to time) requires funds from the Partners (as aforesaid), such Partner shall fully and timely contribute his proportionate share of such required funds.

6. Profits and Losses.

The profits of the Partnership shall be shared, and the losses of the Partnership shall be borne, by the Partners pro rata, in proportion to their respective percentages of Partnership Interest.

7. Distribution of Net Cash Flow.

A. So far as practicable, the net cash flow of the Partnership shall be distributed to the Partners, pro rata in proportion to their percentages of Partnership Interest, at such time or times as shall be determined by the Managing Partner.

B. For all purposes of this Agreement, the term "net cash flow" shall mean:

(1) The taxable income for Federal income tax purposes as shown on the books of the Partnership -- increased by (i) the amount of depreciation deductions taken in computing such taxable income, and (ii) any non-taxable income or receipts of the Partnership (excluding capital contributions and the proceeds of any mortgages or of any other Partnership obligations or loans to the extent used to finance capital improvements or replacements) -- and reduced by (i) payments upon the principal of any mortgages upon Partnership property or of any other Partnership obligations or loans, (ii) expenditures for the acquisition of Partnership property and for capital improvements and/or replacements, and (iii) such reserves for capital improvements and/or replacements, for repairs and maintenance, for anticipated expenses, and/or for escrows as the Partners shall deem to be reasonably necessary in the efficient conduct of the Partnership business; plus

(2) to the extent not included in taxable income under Paragraph 7.B.(1), the net proceeds from the sale or other disposition of any part or all of the property owned by the Partnership; plus

(3) any other funds (including amounts previously set aside as reserves where and to the extent they no longer regard such reserves as reasonably necessary in the efficient conduct of the Partnership business) deemed available for distribution and designated as net cash flow by the Partners.

8. Legal Title to Partnership Property.

The General Partners are hereby authorized to arrange for the transfer of legal title to Oakington to the Partnership. However, the General Partners, or any of them, may, hold title in her, his, or their name or names, individually or as trustee or trustees for the Partnership, or they may arrange to have title taken and held in the name of other trustees for the Partnership or in the name of nominees or straw parties for the Partnership. It is expressly agreed that the manner of holding title to the Partnership's property, whether in the name of the General Partners, individually or as trustees, or in any other form of ownership or whether in the name of other trustees, nominees or straw parties, is solely for the convenience of the

Partnership; and the spouses, heirs, executors or administrators, beneficiaries, distributees, successors or assigns of the General Partners shall have no right, title and interest in or to such Partnership property by reason of the manner in which title is held, but all such property shall be treated as Partnership property subject to the terms of this Agreement. Inasmuch as legal title to Oakington is presently vested in ELEANOR D. DITZEN, unless and until such title is transferred to the Partnership or to the General Partners or their trustees or nominees for the benefit of the Partnership, said ELEANOR D. DITZEN, as evidenced by her execution of this Agreement, irrevocably declares that she holds title to Oakington in trust for the Partnership upon the terms and conditions provided for in this Agreement.

9. Management.

Unless otherwise expressly provided for in this Agreement, JOSEPH D. TYDINGS (herein referred to as the "Managing Partner") shall be authorized to act on behalf of all Partners with respect to all matters of Partnership business.

10. Management Services.

The Partners shall not be paid any salary for service to the Partnership. However, subject at all times to the provisions of Paragraph 9. hereof, the Partnership may contract with any person, firm or corporation, including any Partner or Partners (or any firm, corporation or other entity controlled

directly or indirectly by any Partner) for (i) the management, operation, repair or maintenance of any property owned by the Partnership; (ii) the placement or refinancing of mortgages on, and/or the lease or sale of, any said property owned by the Partnership; and (iii) the performance of any and all other services necessary, proper, convenient or advisable to effectively carry on the business of the Partnership.

11. Bank Accounts.

The funds of the Partnership shall be deposited in such bank accounts as shall be designated by the Managing Partner.

12. Books of Account.

There shall be kept at the principal office of the Partnership (or at such other office as the Partners shall determine) perfect, just and true books of account, in which shall be entered fully and accurately each and every transaction of the Partnership. Each Partner shall have access thereto at all reasonable times. Such books of account shall be kept on either the cash receipts and disbursements method or an accrued method, and for such accounting year (calendar or fiscal), as the Partners may agree upon. An audit (which need not be certified) shall be made as of the end of each accounting year by such public accountants or certified public accountants as the Partners may agree upon, and each Partner shall be entitled to a copy of the audit report or a summary thereof. Any Partner

shall further have the right to a private audit of the books and records of the Partnership, provided that such audit is made at the expense of the Partners desiring it and is made at reasonable times after due notice.

13. Assignment of Partnership Interest.

A. Notwithstanding any other provision of this Agreement, no Partner shall sell, assign, transfer or otherwise dispose of any part or all of his Partnership Interest (otherwise than by testamentary gift or bequest or transfer by operation of law).

B. The assignment by a Partner of all or any part of his or her Partnership Interest shall not relieve such Partner (or his or her executors or administrators, personal or legal representatives) from any obligation (matured or unmatured, fixed or contingent) to contribute funds to the Partnership, imposed upon such Partner prior to the date of such transfer pursuant to the provisions of Paragraph 5. hereof unless the assignee assumes all the Partnership obligations of the assignor and a majority in interest of the other Partners approve such assignment in writing.

14. Bankruptcy, Insolvency or Death of a Partner.

A. If any Partner shall take advantage of any bankruptcy or insolvency act, or if any bankruptcy or insolvency petition shall be filed against any Partner and a final adjudi-

cation of insolvency entered thereon, or if any Partner shall make an assignment for the benefit of his or its creditors, then the other Partners (pro rata, in proportion to their respective percentages of Partnership Interest) shall have the option (exercisable by giving notice thereof to such Partner or to his or its assignee, trustee in bankruptcy, receiver or other legal representative) to purchase all (but not less than all) of such Partner's Partnership Interest, within ninety (90) days after such taking advantage, adjudication or assignment, as the case may be, at an all-cash price equal to the sum of such Partner's capital account as of the date when such taking advantage, adjudication or assignment occurred.

B. In the event of the death of any Partner, his legal representative and/or heirs and/or legatee thereof shall succeed to the interest of the deceased Partner and it shall be the obligation of such party or parties to execute and become bound to the provisions of the Agreement.

15. Dissolution of Partnership.

A. The Partnership shall be dissolved upon the occurrence of any of the following events:

(1) The withdrawal of any Partner; but each Partner covenants for ten (10) years after the date of this Agreement not to withdraw;

(2) The decision of the Partners owning a majority of ownership interest that the Partnership be dissolved.

B. Upon such dissolution of the Partnership pursuant to any provision of Paragraph 15.A. hereof, all parties in interest shall determine as speedily as possible whether or not the Partnership shall, pursuant to agreement by all parties in interest, be reformed and its business continued under arrangements which make proper provision for its liabilities. In the event of such reformation pursuant to agreement by all parties in interest, such reformation of this Partnership.

C. In the event that all parties in interest cannot agree upon such reformation, they shall proceed with dispatch and without unnecessary delay to sell or otherwise liquidate the property of the Partnership and, after paying or duly providing for all liabilities to creditors of the Partnership, to distribute the net sale proceeds therefrom and any other liquid assets of the Partnership in accordance with the provisions of Paragraph 7.A. hereof.

D. Notwithstanding the provisions of Paragraph 15.C. hereof, before any property of the Partnership shall be placed on the market for sale, in the event that any Partner or Partners having more than 25% interest in the Partnership shall determine that he or they wish(es) to purchase all (but not less than all) of such Partnership property, then such Partner or

Partners (hereinafter, in this Paragraph 15.D., referred to as the "Purchasing Partners") shall have the option to purchase such Partnership property of the other Partner or Partners (hereinafter in this Paragraph 15.D. referred to as the "Selling Partners") in such property. The amount of the purchase price and the terms of the purchase shall be mutually agreed upon by the Purchasing Partners and the Selling Partners. If they are unable to reach such mutual agreement, the Purchasing Partners and the Selling Partners shall each promptly appoint an appraiser to find the value of said property, for the purposes of a cash sale subject to existing encumbrances and liabilities, of such property. If the two appraisers agree upon the value of such property, they shall jointly render a single written report of their opinion thereon. If the two appraisers cannot agree upon the value of such property, they shall each render a separate written report of their opinion thereon and shall together appoint a third appraiser, who shall appraise such property and shall render a written report of his opinion thereon. All appraisers appointed shall be qualified by experience and ability to appraise the property; and the fees and other costs of each of the first two appraisers shall be borne by the group appointing such appraiser, with the fees and other costs of the third appraiser borne equally by both such groups. The agreed value contained in said joint written report or in the written report of the third appraiser if such be necessary, as the case may be, shall be used to determine the purchase price of such property. Settlement shall be held within thirty (30) days from

the date of submission of said report. The terms of payment of the purchase price shall be: twenty percent (20%) cash down at settlement, with the balance payable in equal monthly installments (including interest payable annually at the rate of six percent (6%) per annum on the unpaid principal balance) over a period of five (5) years. The obligation of the Purchasing Partners to the Selling Partners shall be evidenced by the promissory note or notes, secured by the entire Partnership Interests of the Purchasing Partners.

E. The net proceeds from the sale or disposition of Partnership property pursuant to Paragraph 15.C and the other liquid assets of the Partnership, after making payment of or due provision for all liabilities to creditors of the Partnership, and after adjusting the capital accounts of all Partners to reflect the allocation of any profit or loss upon such sale or disposition, shall be distributed among all the Partners in accordance with their capital accounts so adjusted.

F. The Partnership shall terminate when all property owned by the Partnership shall have been sold (or otherwise disposed of), and the net sale proceeds and any other liquid assets, after payment of or due provision for all liabilities to creditors of the Partnership, shall have been distributed to the Partners in accordance with the provisions of Paragraph 7.A. hereof.

LAW OFFICES

DANZANSKY, DICKEY, TYDINGS,
QUINT & GORDON

120 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036

16. Miscellaneous Provisions.

A. Unless otherwise so provided in this Agreement, no Partner shall be liable to any other Partner or to the Partnership by reason of his actions in connection with the Partnership taken by him or her in good faith.

B. Except as provided herein, nothing herein contained shall be construed to constitute any Partner, the agent of any other Partner or to limit in any manner any Partner in the carrying on of his own respective business or activities.

C. Any Partner may engage in and/or possess any interest in other business and real estate ventures of any nature or description, independently or with others, including, but not limited to, the ownership, management, operation, financing, leasing, syndication, brokerage and development of real property; and neither the Partnership nor any Partner, by reason of this Agreement or by reason of holding an interest in this Partnership, shall have any right or interest in or to any such independent venture or the income or profits derived therefrom.

D. Any controversy or claim arising out of or relating to this Agreement or a breach hereof shall, upon the request of any party involved, be settled by arbitration in accordance with the rules then obtaining in the State of Maryland or the American Arbitration Association (or any other form of arbitration mutually acceptable to the parties so involved). The decision made pursuant to such arbitration shall be binding and

conclusive on all parties involved; and judgment upon such decision may be entered in the appropriate court having jurisdiction thereof.

E. All notices or other communications provided for herein shall be in writing and shall be sent by registered or certified mail, return receipt requested, and first-class postage prepaid, to the other Partners at their last recorded address on the books of the Partnership. The Partners shall at all times be responsible for notifying the Partnership and each other Partner of their correct addresses. Time periods shall commence on the date of mailing of a notice. Any notice which is required to be given within a stated period of time shall be considered timely if postmarked before midnight of the last day of such period.

17. Burden and Benefit.

This Agreement is binding upon, and shall inure to the benefit of, the respective parties hereto and their spouses, heirs, executors, administrators, partners, personal and legal representatives, successors and assigns.

18. Governing Law.

It is the intention of the parties hereto that all questions with respect to the construction of this Agreement and the rights and liabilities of the parties shall be determined in accordance with the provisions of the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their signatures and seals as of the day and year first above written.

WITNESS:

PARTNERS:

Susan H. Kleckas Eleanor D. Ditzen [SEAL]
As to Eleanor D. Ditzen ELEANOR D. DITZEN

Susan H. Kleckas Joseph D. Tydings [SEAL]
As to Joseph D. Tydings JOSEPH D. TYDINGS

Loetta R. Hyppert Eleanor Tydings Schapiro [SEAL]
As to Eleanor Tydings Schapiro ELEANOR TYDINGS SCHAPIRO

District of Columbia, ss

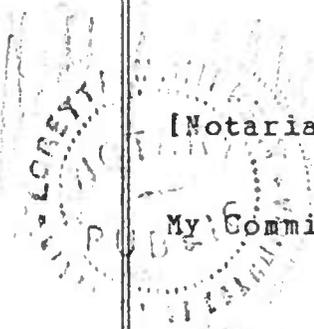
I hereby certify that on the 17th day of December, 1976, before the subscriber personally appeared Eleanor D. Ditzen, Eleanor T. Schapiro and Joseph D. Tydings, General Partners, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and being first duly sworn acknowledged that they executed the same for the purposes therein contained.

WITNESS my hand and notarial seal the date above written.

Lothar H. Hoppert
Notary Public

[Notarial Seal]

My Commission Expires: 4/30/80



OAKINGTON FARMS GENERAL PARTNERSHIPEXHIBIT A

<u>Name and Address</u>	<u>Partnership Interest and Percentage of Ownership</u>	<u>Capital Contribution</u>
Eleanor D. Ditzen 2474 Tracy Place, N.W. Washington, D.C. 20008	99.99	\$342,000.00
Joseph D. Tydings Oakington Havre de Grace, Maryland 21078	.0015	\$ 500.00
Eleanor Tydings Schapiro Tally-Ho Farm 3500 Hess Road Monkton, Maryland 21111	.0015	\$ 500.00

LAW OFFICES

DANZANSKY DICKEY, TYDINGS,
QUINT & GORDON
20 CONNECTICUT AVENUE N.W.
WASHINGTON, D.C. 20036

BOOK 3 PAGE 346

-19-

OAKINGTON FARMS GENERAL PARTNERSHIP

EXHIBIT B

Description of property referred to in Paragraph 3.

This Deed

Made this seventeenth day of December in the year of our Lord one thousand nine hundred and seventy-six by and between

Eleanor D. Ditzen

of 2474 Tracy Place, N.W., Washington

D. C. 20008

party of the first part, and Oakington Farms General Partnership, a general partnership formed under the Uniform Partnership Act of Maryland

of Oakington, Havre de Grace party of the second part:

Witnesseth, that in consideration of \$10 and other good and valuable consideration

Eleanor D. Ditzen, the said party of the first part

do es grant and convey unto Oakington Farms General Partnership

party of the second part, its successors and assigns heirs and assigns, in fee simple all that piece or parcel of ground situate lying and being in the 6th Election District of Harford County State of Maryland, being a part of the same land which the said party of the first part

obtained from The Oakington Company by deed dated December 23, 1936, and recorded among the land records of Harford County, Maryland in Liber 244, Folio 38

and being described as follows to wit:

348 acres of land and improvements thereon as more fully and accurately described in Exhibit A attached hereto.

Together with the building and improvements thereupon, erected, made, or being; an all and every, the rights, alleys, ways, waters, privileges, appurtenances, and advantages, to th same belonging or in anywise appertaining.

To Have and to Hold the said piece or parcel of ground and premises above described or mentioned, and hereby intended to be conveyed, together with the rights, privileges, appurtenances, and advantages thereto belonging or appertaining unto and to the only proper use, benefit and behoof forever of the said Oakington Farms General Partnership

And the said party of the first part covenant that she will warrant specially and generally the property hereby conveyed; that she is seized of the land hereby conveyed; that she has a right to convey said land; that the said part of the second part shall quietly enjoy said land; that she has done no act to encumber said land;

and that she will execute such further assurances of said land as may be requisite.

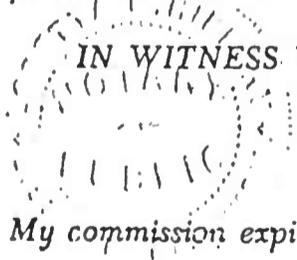
Witness hand and seal .

TEST: Susan H. Klekas Eleanor Ditzgen [SEAL] [SEAL]

STATE OF District of Columbia COUNTY OF Columbia

On this 17th day of December 1916, before me, Fretta L. Hippert the subscriber, personally appeared Eleanor D. Ditzgen and known to me (or satisfactorily proven) to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained.

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



Fretta L. Hippert Notary Public

My commission expires on the 30th day of April A. D., 1930.

FROM

TO

TO

Recorded for Record on the day, A. D. 19, o'clock M., and recorded in at Folio, of seq. Land Records for the Recorder.

EXHIBIT A

The 378 acres of land being conveyed herein by Eleanor D. Ditzen to the Oakington Farms General Partnership is all of the 550 acres originally conveyed by the Oakington Co. to Eleanor D. Ditzen (formerly Eleanor D. Tydings) and her late husband, Senator Millard E. Tydings by deed dated December 23, 1936, and recorded among the land records of Harford County in Liber 244, Folio 38, less the following Off:

Conveyances:

January 4, 1955 - Millard E. Tydings and Eleanor D. Tydings to Clark D. Connellee and wife - Liber 431 Folio 445	1.10 acres
February 21, 1955 - Millard E. Tydings and Eleanor D. Tydings to The Swan Creek Country Club, Inc., Liber 433 Folio 316	52.846 acres
November 15, 1956 - Millard E. Tydings and Eleanor D. Tydings to Joseph D. Tydings and Virginia C. Tydings Liber 471 Folio 490	1.33 acres
June 15, 1959 - Millard E. Tydings and Eleanor D. Tydings to Oakington Manor, Inc. Liber 528 Folio 286	50.00 acres
October 29, 1976 - Eleanor D. Ditzen to Swan Creek Country Club, Inc.	50.00 acres

and less 16.7737 acres and the use of a 50 foot right of way along the existing macadam road to Oakington Road, being retained by Mrs. Eleanor D. Ditzen. Said 16.7737 acres and right of way are more fully described as follows:

Beginning for the same at a pipe now set on the southeasterly side of a gravel drive, said pipe being distant North 47° 03' 47"

Exhibit A
Page Two

West 378.53 feet and North 40° 04' 48" East 447.49 feet from a pipe now set in a gravel drive at the end of the third or North 16° 25' East 92.77 foot line described in a deed from Virginia C. Tydings to Joseph D. Tydings, dated January 10, 1975, and recorded in the Land Records of Harford County, Maryland in Liber 967, Page 506, thence running for new lines of division through the land of the grantors as now surveyed, the eight following courses and distances, viz: (1) North 40° 34' 18" East 310.51 feet along the southeasterly side of said gravel drive to a pipe now set, thence crossing said drive and running with a fence, (2) North 38° 25' 35" West 917.00 feet to a pipe now set near the end of said fence by a gravel drive, thence running along the said drive (3) North 33° 48' 28" East 208.87 feet to a pipe now set at the edge of the intersection of said drive with a macadam drive, thence along the southerly edge of said drive (4) South 62° 25' 23" East 458.36 feet to a pipe now set, thence still along said drive (5) South 66° 54' 07" East 450.17 feet to a pipe now set, thence still along said drive (6) South 31° 54' 51" East 76.00 feet to a pipe now set, thence running along the westerly edge of said drive (7) South 03° 26' 10" West 218.57 feet to a spike now set in the intersection of said drive with a macadam drive, thence along the southwesterly side of said gravel drive then leaving said drive (8) South 47° 37' 56" East 283.20 feet, having passed over a pipe now set at a distance of 193.98 feet, to a point by the Chesapeake Bay at the approximate low tide mark, thence running

Exhibit A
Page Three

with the edge of said Bay and with the outline of the entire tract, the six following courses and distances, viz: (9) South $27^{\circ} 56' 55''$ West 39.15 feet to a point (10) South $16^{\circ} 35' 59''$ West 116.81 feet to a point (11) South $00^{\circ} 12' 58''$ West 167.00 feet to a point on the North side of a rock and concrete pier, thence crossing said pier (12) South $81^{\circ} 24' 58''$ West 74.00 feet to a point (13) South $38^{\circ} 52' 01''$ West 140.16 feet to a point (14) South $41^{\circ} 41' 15''$ West 23.54 feet to a point, thence leaving the edge of said Bay and the outline of the entire tract and running for new lines of division through the lands of the grantors the two following courses and distances viz: (15) North $76^{\circ} 07' 00''$ West 523.69 feet, having passed through the center of a 38" wild cherry tree at a distance of 76.30 feet, to a pipe now set, (16) North $48^{\circ} 16' 00''$ West 90.35 feet to the place of beginning.

Containing 16.7737 acres of land, more or less.

Being a part of the land conveyed and described in a deed from The Oakington Company to Millard E. Tydings and Eleanor D. Tydings, his wife, dated December 23, 1936, and recorded in the Land Records of Harford County, Maryland in Liber 244, folio 38.

Together with the use of a 50 foot wide right of way leading from the herein described property along the existing macadam road to Oakington Road.

OAKINGTON FARMS GENERAL PARTNERSHIPEXHIBIT CInterest as of December 20, 1976

<u>Name and Address</u>	<u>Partnership Interest and Percentage of Ownership</u>	<u>Capital Contribution</u>
Eleanor D. Ditzen 2474 Tracy Place, N.W. Washington, D.C.	70.00	\$272,475.00
Joseph D. Tydings Oakington Havre de Grace, Maryland 21078	15.00	\$ 58,387.50
Eleanor Tydings Schapiro Tally-Ho Farm 3500 Hess Road Monkton, Maryland 21111	15.00	\$ 58,387.50

RECD & RECORDED *HPC*NO 3 FOLIO 328

FEB 8 3 36 PM '82

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

ASSIGNMENT OF PARTNERSHIP INTEREST

THIS ASSIGNMENT, made this 3rd day of February, 1982, by and between FRANK GERON, hereinafter sometimes referred to as "Assignor" and MARY FRANCES GERON, hereinafter sometimes referred to as "Assignee",

WITNESSETH: FEB 16-82 B #22357 *****8.00

WHEREAS, Assignor is an equal partner with Bernard W. Muth, Jr. and James B. Foulk in a General Partnership known as "F.B.J. Partnership", established for the purpose of acquiring, leasing and otherwise dealing with real and personal property, by a Partnership Agreement dated October 15, 1981, hereinafter referred to as the "Partnership"; and

WHEREAS, Assignor desires to assign his interest in the Partnership and Assignee desires to obtain such interest, upon the terms and conditions hereinafter set forth, wherefore these presents are executed.

NOW, THEREFORE, THIS ASSIGNMENT OF PARTNERSHIP INTEREST WITNESSETH: That for and in consideration of the mutual promises, covenants and agreements contained hereinafter, the parties hereto intending to be legally bound, hereby agree as follows:

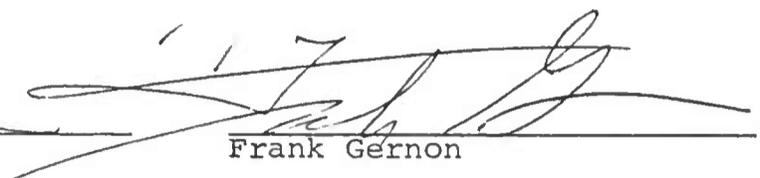
1. Assignor assigns all of his right, title and interest in the Partnership, being a one-third (1/3) share of the business, to Assignee.
2. Assignor shall be relieved of any future liability for Partnership debts and shall no longer be entitled to any share of the Partnership profits or assets.
3. Assignee shall be entitled to all future shares of the Partnership profits or any distribution of assets, and shall assume the liability for a proportionate share of all future Partnership losses.

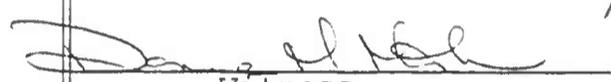
IN WITNESS WHEREOF, the parties have hereunto set their

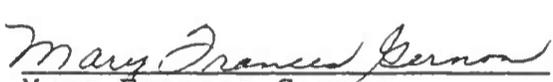
Brown, Brown & Lanahan, 200 S. Main St., Bel Air, Md. 21014 - Mailed to

hands and seals to this Assignment of Partnership Interest on the day and year first above written.


 Witness


 Frank Gernon (SEAL)
 ASSIGNOR

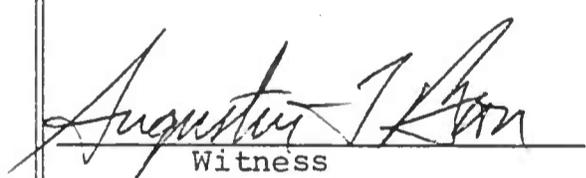

 Witness

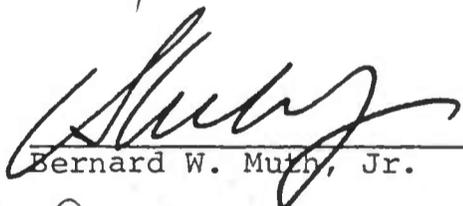

 Mary Frances Gernon (SEAL)
 ASSIGNEE

CONSENT OF REMAINING PARTNERS

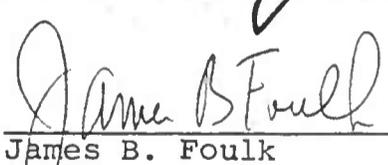
Bernard W. Muth, Jr. and James B. Foulk, as the remaining partners in F.B.J. Partnership, do hereby accept the assumption of a proportionate share of Partnership liabilities by Mary Frances Gernon, Assignee, and release Frank Gernon, Assignor, from any additional liabilities thereon. Mary Frances Gernon, Assignee, shall be entitled to participate in the management and control of the Partnership business, as specified in Paragraph 7 of the Partnership Agreement dated October 15, 1981.

Dated the 12th day of February, 1982.


 Witness


 Bernard W. Muth, Jr. (SEAL)


 Witness


 James B. Foulk (SEAL)

RECD & RECORDED *7/pe*
 NO. 3 FOLIO 353
 FEB 16 3 55 PM '82
 HARFORD CO.
 H. DOUGLAS CHILCOAT
 CLERK

AMENDMENT TO PARTNERSHIP AGREEMENT

THIS AMENDMENT, made this *3rd* day of *February*, 1982, by and between BERNARD W. MUTH, JR., MARY FRANCES GERONON and JAMES B. FOULK, hereinafter collectively referred to as "Partners" and individually as "Partner",

W I T N E S S E T H : FEB 16-82 B #22356 *****9.00

WHEREAS, on October 15, 1981, Bernard W. Muth, Jr., Frank Gernon and James B. Foulk entered into a Partnership Agreement creating the ¹¹F.B.J. Partnership, a copy of which is marked "Exhibit A", attached hereto and made a part hereof; and

WHEREAS, on *February 3rd*, 1982, the said Frank Gernon assigned all of his right, title and interest in and to F.B.J. Partnership to Mary Frances Gernon, the remaining Partners consenting thereto, a copy of said Assignment and Consent being marked "Exhibit B", attached hereto and made a part hereof; and

WHEREAS, the present Partners now desire to amend the Partnership Agreement, wherefore these presents are executed.

NOW, THEREFORE, THIS AMENDMENT TO PARTNERSHIP AGREEMENT WITNESSETH: That for and in consideration of the mutual promises, covenants and agreements contained hereinafter, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The first sentence of Paragraph 12, entitled "Death", of the aforesaid Partnership Agreement provides as follows:

"(a) Upon the death of any Partner, the surviving Partners shall have the right either to purchase the interest of the decedent in the Partnership or to terminate and liquidate the Partnership business."

That sentence shall be amended to provide as follows:

"Upon the death of any Partner, the spouse of such deceased Partner shall have the option of continuing as a Partner in the Partnership and if the spouse of the deceased Partner does not elect to exercise said option, in writing, within thirty (30) days of such deceased Partner's death, then the surviving Partners shall have the right either to purchase the

interest of the decedent in the Partnership or to terminate and liquidate the Partnership business."

2. The Partnership Agreement dated October 15, 1981, marked "Exhibit A", attached hereto and made a part hereof, shall remain unchanged in all other respects and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first above written.

Augusta Thron
Witness

Bernard W. Muth, Jr. (SEAL)

Augusta Thron
Witness

James B. Foulk (SEAL)
James B. Foulk

Daniel H. Hill
Witness

Mary Frances Gernon (SEAL)
Mary Frances Gernon

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NO 3 FOLIO 355
FEB 16 3 55 PM '82
HARFORD CO.
H. DOUGLAS CHILCOAT.
CLERK

The following persons have acquired an interest in Managed Option Fund - Series I by separate subscription agreements for Units of the Partnership. Copies of these subscription agreements are on file with Selection Services, Inc., 232-A Crocker Drive, Bel Air, Maryland 21014. Furthermore, the below named have executed Power of Attorney with full power of substitution, in their name, place, and stead, for Selection Services, Inc. to execute, acknowledge, swear to, file, and record on their behalf 1) the Limited Partnership Agreement of the Partnership; 1i) the Certificate of Limited Partnership including any and all amendments thereto, and other provisions. These Power of Attorney are also on file with Selection Services, Inc.

Under this Power of Attorney, Selection Services, Inc. hereby swears that the following are Limited Partners of Managed Option Fund - Series I.

FEB 22-82 A #22742 *****27.00

- | | |
|---|---------------------------------------|
| Oscar W. Carlson Jr.
3452 Church Road
Ellicott City, Md. 21-43 | ssn 170-22-6323

(301) 465-8284 |
| Thomas W. Childs Sr.
1001 Southern Dr.
Bel Air, Md. 21014 | ssn 220-18-5417

(301) 838-6296 |
| Eugene Graybeal
501 W. Gordon St.
Bel Air, Md. 21014 | ssn 212-03-1390

(301) 838-6040 |
| Manuel Feder
275 Fleming Ave.
Hanover, Pa. 17331 | ssn 093-03-0210

(717) 637-6017 |
| Richard F. Faber
100 Linwood Ave.
P. O. Box 400
Bel Air, Md. 21014 | ssn 207-12-3282

(301) 838-7186 |

Mailed to: Selection Services, Inc. P.O. Box 230, Bel Air, Md. 21014

Thomas N. Dombrowski ssn 160-26-9986
1110 Leeswood Rd.
Bel Air, Md 21014 (301) 838-4825

Joseph B. Foster ssn 412-10-1157
2900 Whitefield Rd.
Churchville, Rd. 21028 (301) 734-7665

Thomas J. Kelly ssn 066-10-3276
538 Rock Spring Rd
Bel Air, Md 21014 (301) 838-7515

Charles W. Michael Jr ssn 215-03-0592
327 Franklin
P. O. Box 365
Bel Air, Md. 21014 (301) 838-6707

Daniel D. and Mary E. O'Neill ssn 218-26-4815
Tenants by Entireties
310 Lakeside Dr.
Bel Air, Md. 21014 (301) 838-3450

John H. O'Neill ssn 212-16-4377
2000 Grafton Shop Rd.
Forest Hill, Md. 21051 (301) 838-6980

Charles H. and Susan K. McComas ssn 215-48-9136
Tenants by Entireties
P. O. Box 230
Bel Air, Md. 21014 (301) 836-9449

Charles H. McComas III ssn 215-48-9136
P. O. Box 230
Bel Air, Md. 21014 (301) 836-9449

Donald M. Sprengle Jr. ssn 208-38-1998
Rd #3 Box 80
Delta, Pa. 17314 717-456-5821

Donald G. Russell ssn 136-18-3466
215 Glenville Rd
Churchville, Md. 21028 (301) 836-2225

George A. and Ruth M. Swinerton ssn 564-34-1585
Joint Tenants
1411 SW 13th St.
Ft. Lauderdale, Fla. 33312 (305) 463-2681

C. H. McComas III
Attorney in Fact
Selection Services, Inc.

REC'D & RECORDED *Woe*
NO 3 FOLIO 357
FEB 22 11 56 AM '82
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

Agnes Herbert, Notary
Feb. 22, 1982

THIS AGREEMENT is made and entered into this 15th day of October, 1981, between BERNARD W. MUTH, JR., FRANK GERSON and JAMES B. FOULK, hereinafter referred to as the "Partners".

1. NAME AND BUSINESS:

The parties do hereby form a partnership under the name of F.B.J. PARTNERSHIP to own, build upon, alter, repair, rent, lease and otherwise deal with real and personal property of any kind or description, particularly the lands and premises known as 408 South Main Street, Bel Air, Maryland 21014, hereinafter referred to as the "Property". The initial principal office of the business shall be at 1108 Wheel Road, Bel Air, Maryland 21014.

MAR -5-82 B #23819 *****24.00

2. TERM:

The Partnership shall begin on the date of execution of this Agreement, and shall continue until terminated as herein provided.

3. CAPITAL:

(a) The Capital of the Partnership shall consist initially of a contract to purchase the Property, which the Partners have entered into and which they agree to contribute to the Partnership. The contract is dated October 15, 1981, and the seller under the contract is Frederick F. Schuster. A copy of the contract is attached as Exhibit "A". The Partners agree to contribute equally toward the purchase.

(b) A separate capital account shall be maintained for each partner. No partner shall withdraw any part of his capital account. If the capital account of a partner becomes impaired, his share of subsequent partnership profits shall be first credited to his capital account until that account has been restored, before such profits are credited to his income account.

(c) If at any time or times hereafter, the partners should determine that further capital is required by the Partnership, and that the capital of the Partnership should be increased, the additional capital

Mailed to:
BROWN, BROWN & LANAHAN
200 S. MAIN STREET
BEL AIR, MD 21014

4. PROFIT AND LOSS:

The net profits of the Partnership shall be divided equally among the partners, and the net losses shall be borne equally by them. A separate income account shall be maintained for each partner. Partnership profits and losses shall be charged or credited to the separate income account of each partner. If a partner has no credit balance in his income account, losses shall be charged to his capital account. If the capital account of a partner shall have been depleted by the charging of losses as aforesaid, future profits of that partner shall not be credited to his income account but shall be credited to his capital account until the depletion shall have been made good. After the depletion in his capital account shall have been made good, his share of the profits thereafter shall be credited to his income account.

5. SALARIES AND DRAWS:

No partner shall receive any salary for services rendered to the Partnership. Any partner may, from time to time, withdraw the credit balance in his income account. No additional share of profits shall inure to any partner by reason of his capital or income account being in excess of the capital or income account of any of the others.

6. INTEREST:

No interest shall be paid on the initial contributions to the capital of the Partnership or on any subsequent contributions of capital.

7. MANAGEMENT, DUTIES, AND RESTRICTIONS:

(a) The consent of all partners shall be required with respect to the management, conduct and operation of the partnership business in all respects and in all matters including, but not limited to, full power to sell and convey the Property on such terms as they may determine, to lease the Property or any part thereof on such terms and for such periods as they may determine, to mortgage the Property, whether such mortgage be a first or second mortgage lien, to make any agreements modifying any such lease or mortgage, and to borrow or lend money on behalf of the Partnership.

(b) Any partner may have other business interests and may engage in any other business or trade, profession or employment whatsoever,

BOOK 3 FILE 361
on his own account, or in partnership with or as an employee of, or as an officer, director or shareholder of any other person, firm or corporation; and he shall not be required to devote his entire time to the business of the Partnership. No partner shall be obligated to devote more time and attention to the conduct of the business of the Partnership than shall be required for the supervision of the ownership, operation and management of the Property.

8. BANKING:

All funds of the Partnership shall be deposited in its name in such checking account or accounts as shall be designated by the partners. All withdrawals therefrom are to be made upon checks signed by any two (2) of the partners.

9. BOOKS:

The partnership books shall be maintained at the principal office of the Partnership, and each partner shall at all times have access thereto. The fiscal year of the Partnership shall be the calendar year. The books shall be closed and balanced at the end of each such fiscal year.

10. VOLUNTARY TERMINATION:

The Partnership may be dissolved at any time by agreement of the partners, in which event the partners shall proceed with reasonable promptness to sell the real and personal property owned by the Partnership and to liquidate the business of the Partnership. The Partnership shall be dissolved also by the sale of all real property owned by the Partnership. Upon dissolution, the assets of the partnership business shall be used and distributed in the following order: (a) to pay or provide for the payment of all partnership liabilities and liquidating expenses and obligations; (b) to equalize the income accounts of the partners; (c) to discharge the balance of the income accounts of the partners; (d) to equalize the capital accounts of the partners; and (e) to discharge the balance of the capital accounts of the partners.

11. RETIREMENT:

(a) Any partner shall have the right to retire from the Partnership at the end of any fiscal year. Written notice of intention to retire shall be served upon the other partners at the office of the Partnership at least three (3) months before the end of the fiscal year. The retirement of any partner shall have no effect upon the continuance of the

partnership business. Within sixty (60) days of the remaining partners' receipt of said notice, each remaining partner may exercise ~~100%~~ option PAGE 362 purchase that portion of the interest in the Partnership of the partner who retires which equals that proportion which the interest in the Partnership owned by each such remaining partner at the time of the remaining partners' receipt of said notice is of the total interest in the Partnership then owned by all such remaining partners. If any remaining partner fails to exercise any of his options to purchase an interest in the Partnership so offered for sale, the other remaining partner may, within thirty (30) days after the expiration of said sixty (60) day period, exercise an option to purchase the portion of the interest in the Partnership so offered for sale for which a remaining partner failed to exercise his option.

(b) If the remaining partners, or either of them, elects to purchase the interest of the retiring partner in the Partnership, the purchase price and method of payment shall be the same as stated in Section 12 with reference to the purchase of a decedent's interest in the Partnership.

(c) If the remaining partners, or either of them, do not elect to purchase the interest of the retiring partner in the Partnership, the partners shall proceed with reasonable promptness to sell the real and personal property owned by the Partnership and to liquidate the business of the Partnership. The procedure as to liquidation and distribution of the assets of the Partnership business shall be the same as stated in Section 10 with reference to voluntary termination.

12. DEATH:

(a) Upon the death of any partner, the surviving partners shall have the right either to purchase the interest of the decedent in the Partnership or to terminate and liquidate the partnership business. If the surviving partners elect to purchase the decedent's interest, they shall serve notice in writing of such election within three (3) months after the death of the decedent upon the Personal Representative of the decedent, or, if at the time of such election no Personal Representative has been appointed, upon any one of the known legal heirs of the decedent at the last known address of such heir. Within sixty (60) days of the giving of such notice each surviving partner may exercise an option to purchase that

portion of the interest in the Partnership of the partner who dies which equals that proportion which the interest in the Partnership owned by each such surviving partner at the time of death of the decedent is of the total interest in the Partnership then owned by all such surviving partners. If any surviving partner fails to exercise any of his options to purchase an interest in the Partnership for sale pursuant to this Section, the other surviving partner may, within thirty (30) days after the expiration of said sixty (60) day period, exercise an option to purchase the portion of the interest in the Partnership so offered for sale for which a surviving partner failed to exercise his option.

(b) If the surviving partners, or any of them, elect to purchase the interest of the decedent in the Partnership, the purchase price shall be equal to the decedent's capital account as at the date of his death plus the decedent's income account as at the end of the prior fiscal year, increased by his share of partnership profits or decreased by his share of partnership losses for the period from the beginning of the fiscal year in which his death occurred until the end of the calendar month in which his death occurred, and decreased by withdrawals charged to his income account during such period. Further, the purchase price shall be adjusted by the fair market value of the Property as of the date of death. Fair market value shall be determined by a qualified real estate appraiser located in the County in which the Property is situated. If such an appraiser cannot be mutually agreed upon, then and in that event, each side to the transaction shall have the right to appoint an appraiser, the two (2) of them shall appoint a third appraiser, and the fair market value shall be finally determined by the three (3) appraisers. The costs of the appraisals shall be borne equally by each side of the transaction, the selection of appraisers and the actual appraisals being completed within ninety (90) days of the date of death. The purchase price, with interest at 10% on each installment from the end of the calendar month in which the decedent's death occurred to the date of payment, shall be paid in four (4) semi-annual installments beginning six (6) months after the end of the calendar month in which the decedent's death occurred. The unpaid balance shall be represented by a Promissory Note in a form customarily used by commercial banks in ^{MIRRORED CITY} Broward County, ^{FLA} Florida, and shall be secured by the Partnership interest being acquired.

J. B. F.

BOOK 3 PAGE 364

(c) If the surviving partners, or any of them, do not elect to purchase the interest of the decedent in the Partnership, they shall proceed with reasonable promptness to sell the real and personal property owned by the Partnership and to liquidate the business of the Partnership. The surviving partners and the estate of the deceased partner shall share equally in the profits and losses of the business during the period of liquidation, except that the decedent's estate shall not be liable for losses in excess of the decedent's interest in the partnership at the time of his death. No compensation shall be paid to the surviving partners for their services in liquidation. Except as herein otherwise stated, the procedure as to liquidation and distribution of the assets of the partnership shall be the same as stated in Section 10 with reference to voluntary termination.

13. MISCELLANEOUS:

(a) No partner may without the prior written consent of the other partners:

- (i) Borrow money in the Partnership name for partnership purposes or utilize collateral owned by the Partnership as security for such loans;
- (ii) Assign, transfer, pledge, compromise or release any of the claims of or debts due the Partnership except upon payment in full, or arbitrate or consent to the arbitration of any of the disputes or controversies of the Partnership;
- (iii) Make, execute or deliver any assignment for the benefit of creditors, or any bond, confession of judgment, chattel mortgage deed, guarantee, indemnity bond, surety bond, or contract to sell or contract of sale of all or substantially all of the assets of the Partnership;
- (iv) Lease or mortgage any partnership real estate or any interest therein or enter into any contract for any such purpose;
- (v) Sell, pledge, hypothecate, or in any manner transfer his interest in the Partnership, except to any party to this agreement;
- (vi) Become a surety guarantor, or accommodation party to any obligation.

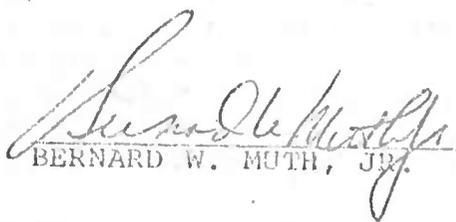
(b) Each partner shall at all times:

- (i) Promptly pay and satisfy his own personal debts; and
- (ii) Inform the other partners of all his work for, and transactions on behalf of, the Partnership.

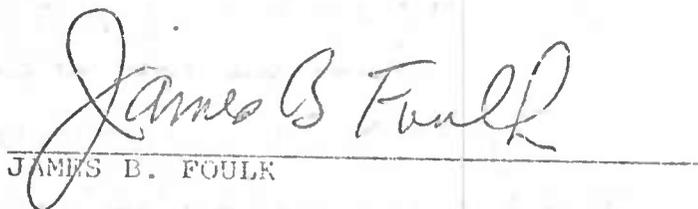
(c) The parties hereto covenant and agree that they will execute any further instruments and that they will perform any acts which are or may become necessary to effectuate and to carry on the Partnership created by this Agreement.

(d) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, successors and assigns and shall be administered and construed pursuant to the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seal the day and year first above written.


BERNARD W. MUTH, JR.


FRANK GERONON


JAMES B. FOULK

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H. DOUGLAS CHILCOAT
CLERK

AGREEMENT AND CERTIFICATE
OF LIMITED PARTNERSHIP OF
BAILEY PROPERTIES, LTD.

APR -7-82 B #26652 *****65.0

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is entered into as of the 16th day of February, 1982, by and among the individuals or entities identified as general partners on Exhibit "A" hereto as general partners (hereinafter referred to as the "General Partners") and the individuals or entities identified as limited partners on Exhibit "A" hereto, as limited partners (hereinafter referred to as the "Limited Partners").

W I T N E S S E T H:

WHEREAS, the parties hereto desire to join together in a Limited Partnership for the purpose of acquiring real estate for investment purposes and conducting other business activities pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants of the parties herein contained, it is hereby agreed as follows:

ARTICLE I

Organization

Section 1.1 Formation

The parties hereto hereby form a limited partnership (the "Partnership") pursuant to the provisions of the Uniform Limited Partnership Law of the State of Maryland.

Section 1.2 Names and Place of Business

The firm name and style of the Partnership shall be "Bailey Properties, Ltd." The principal place of business of the Partnership shall be 1136 Devon Road, Venice, Florida 33595, or such other address as shall be designated by the General Partners.

Section 1.3 Purposes

The purposes of the Partnership shall be the following:

Mailed to: Edward C. Wilson, Jr., Bel Air, Md. 21014

(a) To acquire, improve, own, maintain, hold, sell, exchange and lease real estate properties, either improved or otherwise.

(b) To carry on any and all other business allowed under the laws of the State of Maryland.

Section 1.4 Term

The term of the Partnership shall commence upon the date of filing with the appropriate Court or other officer in the State of Maryland of a Certificate of Limited Partnership pursuant to the Uniform Limited Partnership Law of Maryland and shall continue until January 1, 1997, provided, however, that the Partnership shall be dissolved prior to such date upon the happening of the events set forth in Section 8.

Section 1.5 Additional Filings

Promptly after the above filing, the Partnership shall also file with the appropriate government officials such other documents, certificates and instruments as may be required by law.

ARTICLE II

Capital Contributions; Partners' Loans

Section 2.1 Names, Place of Residence and Contributions of Cash and Property by Partners

The names, places of residence and total amount of cash contributions of each General Partner and each Limited Partner is set forth in Exhibit "A" attached hereto and made a part hereof. The value of non-cash items, if any, contributed by each Partner to the Partnership is also reflected in Exhibit "A" and, by executing this Agreement, each Partner agrees that the value assigned to each non-cash item in Exhibit "A" is the agreed fair value thereof. No interest shall be paid on any capital contributions.

Section 2.2 Partners' Rights With Respect to Contributed Property

By transferring to the Partnership the property

set forth in Exhibit "A" each Partner shall be deemed to surrender any claim of ownership with respect to specific property of the Partnership except such claims as may arise in the event of liquidation and dissolution of the Partnership as hereinafter set forth. No Partner shall have the right to withdraw or receive any return of his capital contributions, except as may be specifically provided herein.

ARTICLE III

Profit, Loss and Distributions

Section 3.1 Allocation of Profit and Loss

The net profits and net losses of the Partnership (and each item thereof, including gain, deduction, loss of credit) to be reported for Federal income tax purposes (hereinafter "Profits and Losses") shall be divided among the Partners in the manner set forth in Exhibit A hereto.

Section 3.2 Accounting

Partnership books shall be kept on the cash or accrual basis as selected by the General Partners and in accordance with accounting methods consistent with those employed for determining its income for Federal income tax purposes. The fiscal year of the Partnership shall be the calendar year ("Fiscal Year").

Section 3.3 Determination of Profit and Loss

The Profits and Losses of the Partnership shall be determined in accordance with the accounting methods employed by the Partnership for Federal income tax purposes. Profits and Losses of the Partnership shall be considered to have been earned ratably over the period of the Fiscal Year of the Partnership, except that Profits and Losses arising from the disposition of Partnership assets shall be taken into account as of the date thereof.

Section 3.4 Partners' Account

(a) There shall be maintained a capital account and an income account for each Partner. The amount of each

Partner's capital contribution to the Partnership shall be credited to his capital account. From time to time, but not less other than annually, the share of each Partner in Profits and Losses shall be credited or charged to his income account. Any negative balance in the income account of a Partner shall be charged to his capital account.

(b) If at any time the Partnership shall suffer a loss as a result of which the capital account of any Partner shall be a negative amount, such loss shall be carried as a charge against his capital account, and his share of subsequent profits of the Partnership shall be applied to restore such deficit in his capital account.

Section 3.5 Cash Distributions

(a) From time to time, the General Partners may make a determination of the amount of Surplus Cash, if any. "Surplus Cash" shall be deemed to mean the excess of the cash or the equivalent thereof held by the Partnership over (i) the amount required to be retained pursuant to any agreement or contract to which the Partnership may be a party, or (ii) which the General Partners may otherwise reasonably determine to be necessary or appropriate for the anticipated needs of the Partnership.

(b) The amount of Surplus Cash, as so determined, shall be distributed first to the Partners in repayment of the entire amount (principal and interest) of any outstanding partner loans and then among the Partners in proportion to their then percentage share in the Profits and Losses of the Partnership.

ARTICLE IV

Powers, Duties, Liabilities, and Compensation of General Partners

Section 4.1 Powers of General Partners

The General Partners shall have the exclusive right to manage and control the business of the Partnership and make all decisions affecting the business and assets of

the Partnership, including, without limitation, the power to:

(a) authorize or approve all actions with respect to distributions out of the Partnership, acquisition, mortgaging or disposition or construction of properties or leases, borrowing of funds, execution of contracts, bonds, guaranties, notes, mortgages and all other instruments to effect the purposes of this Agreement;

(b) appoint from among their number, in their discretion, one or more General Partners who shall be designated as Managing Partner(s);

(c) determine the amount of compensation to be paid for services performed for the Partnership by any independent contractor, and determine the time at which any such compensation shall be paid, consistent with the best of interest of the Partnership;

(d) cause the Partnership to be terminated and dissolved as of the last day of any month.

Except where this Agreement specifically required unanimous approval of all General Partners, the powers of the General Partners and all Partnership decisions shall be accomplished only upon approval of not less than a majority in interest of the General Partners. For all purposes hereunder, the "interest" of a Partner in the Partnership shall be determined by allocating one (1) vote to each Partner for each tenth of a percentage point he is entitled to claim with respect to the Profits and Losses of the Partnership.

Section 4.2 Compensation of Partners

The General Partners shall receive reasonable compensation for any services rendered to the Partnership; in addition, the General Partners may, on behalf of the Partnership, employ from time to time persons, firms or corporations on a consulting basis and for the operation and

management of any and all properties which may come under the ownership and/or control of the Partnership including, without limitations, accountants and attorneys on such terms and for such compensation as they shall determine.

Section 4.3 Rights and Authorities of Managing Partners

The Managing Partner(s), in the event such shall be appointed by a majority in interest of the General Partners, shall exercise all of the rights and authority of the General Partners on a day-to-day operations of the Partnership, contained in Section 4.1 hereof, except the rights and authorities specifically enumerated in subparagraphs (b) and (d) of Section 4.1 hereof, and shall be entitled to execute all instruments on behalf of the Partnership.

Section 4.4 Action by Managing Partners

Whenever there shall be more than one Managing Partner, any action to be taken by the Managing Partners shall be taken by not less than all of the Managing Partners then in office, and any documents or instruments to be executed on behalf of the Partnership shall be executed by not less than all Managing Partners.

Section 4.5 Successor Managing Partners

A General Partner shall cease to be a Managing Partner upon his resignation from such office, upon his ceasing to be a General Partner, or upon his removal by a vote of a majority in interest of the General Partners, and, in such event, a successor may be appointed by the vote of a majority in interest of the General Partners.

Section 4.6 Reliance on Authority of General Partners

In no event shall any person dealing with the General Partners or the Managing partner(s) with respect to any property of the Partnership be obligated to see that the terms of this Agreement have been complied with, or be obligated to inquire into the necessity or expediency of any act or omission to act of the General Partners or the

Managing Partner(s), and every contract, agreement, deed, mortgage, lease, promissory note or other instrument or document executed by any General Partner or any Managing Partner with respect to any property of the Partnership shall be conclusive evidence in favor of any and every person relying thereon or claiming thereunder that (i) at the time of the execution and/or delivery thereof, the Partnership was in full force and effect, (ii) such instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Partnership, and (iii) the General Partner(s) or the Managing Partner(s) was duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Partnership.

Section 4.7 Prohibitions on Actions and Limitations of Powers of General Partners

The General partners have no authority:

- (a) to do any act in contravention of this Agreement;
- (b) to do any act which would make it impossible to carry on the ordinary business of the Partnership;
- (c) to possess Partnership property or assign the right of the Partnership in specific Partnership property for other than a Partnership purpose;
- (d) except with the approval of a majority in interest of the Partners, to require partition of Partnership property or compel any sales or appraisements of Partnership assets or sale of a deceased Partner's interest therein, notwithstanding any provision of law to the contrary.

Section 4.8 Liabilities of General Partners

In carrying out his duties hereunder, a General Partner shall not be liable to the Partnership or to any other Partner for any actions (including failure to act) taken by him in good faith and reasonably believed to be in

the best interests of the Partnership, but shall only be liable for willful misconduct, fraud, gross negligence, breach of his obligations under this Agreement, or other breach of his fiduciary duties.

Section 4.9 Other Business Activities Permitted

The General Partners shall devote only such time to the business of the Partnership as shall be necessary for the proper performance of their duties hereunder. No General Partner shall be required to devote his full time and resources to the business of the Partnership. Each General Partner may, without accountability to the Partnership or any other Partner, engage in any other business venture(s) of any nature, including a business similar to that conducted by the Partnership, and neither the Partnership nor any other Partner shall have any right in any such business venture(s) or the income or profits derived therefrom.

ARTICLE V

RIGHTS, PROHIBITIONS AND LIABILITIES
OF LIMITED PARTNER

Section 5.1 Rights of Limited Partners

(a) The Limited Partners shall not in any way be prohibited from or restricted in engaging or owning an interest in any other business venture of any nature, including any venture which might be competitive with the business of the Partnership, and the Partnership may engage the Limited Partners or any person or firm associated with the Limited Partners for specific purposes and may otherwise deal with the Limited Partners on terms and for such compensation as may be agreed upon by and between the Limited Partners and the Partnership; provided, however that the Limited Partners shall not be entitled to participate in the control of the business of the Partnership.

(b) The Limited Partners shall be entitled to have the Partnership books kept at the principal place of

business of the Partnership, and at all times request that Partnership records be copied and forwarded upon request to such Limited Partners. The Limited Partners shall be entitled to all information affecting the Partnership and a formal account of Partnership affairs whenever circumstances render it just and reasonable.

Section 5.2 Prohibitions with Respect to Limited Partner

The Limited Partners, as such, shall not have the right:

(a) to take part in the control of the Partnership business or to sign for or bind the Partnership, such power being vested exclusively in the General Partners;

(b) to have their capital contributions or loans repaid except to the extent provided in this Agreement;

(c) to require partition of Partnership property or to compel any sale or appraisal of Partnership assets or sale of a deceased Partner's interest therein, notwithstanding any provisions of law to the contrary; or

(d) to seek judicial dissolution and winding up of the Partnership.

Section 5.3 Liabilities of Limited Partners/General Partners

No Limited Partner shall be liable for the debts, liabilities, contracts or any other obligations of the Partnership. A Limited Partner shall be liable only to make his capital contribution to the Partnership as set forth herein and shall not be required to lend any funds to the Partnership or, after his capital contribution shall have been paid, to make any further capital contribution to the Partnership. No General Partner shall have personal liability for the repayment of the capital contribution of any Limited Partner or any partner loans.

ARTICLE VI

Banking and Books

Section 6.1 Banking

All funds of the Partnership shall be deposited in such checking and savings accounts or time certificates as shall be designated from time to time by the General Partners. All Partnership checks written upon and withdrawals from any such bank account or accounts may be made by any of the General Partners or Managing Partner(s).

Section 6.2 Books

The Partnership shall maintain full and accurate books at its principal office of such office as shall be designated for such purpose by the General Partners, and all Partners shall have the right to inspect and examine such books at reasonable times. The books shall be closed and balanced at the end of each calendar year and annual statements (including Federal Form K-1) showing (i) cash receipts and disbursements, (ii) Partnership profits and losses for the calendar year, and (iii) profits and losses of each Partner for income tax purposes shall be prepared by the accountants for the Partnership and distributed to all the Partners within a reasonable time after the close of each calendar year. Accounts also shall be maintained showing the basis for Federal income tax purposes of each Partner's interest in the Partnership, and the Partners shall be advised of such basis annually.

ARTICLE VII

Death, Retirement, Bankruptcy, Insanity

Section 7.1 Notice of Retirement

A General Partner may elect to retire from the Partnership upon giving at least ninety (90) days, but not more than one hundred eighty (180) days, notice in writing of his intention to do so. Such notice shall be effective to cause the dissolution of the Partnership on the date specified therein unless the remaining General Partners, or the remaining General Partner, as the case may be, elect(s) to continue the Partnership prior to the date of retirement, as provided in Section 7.2 or unless the remaining Limited

Partners shall have elected to continue the Partnership prior to that date, as provided in Section 7.4.

Section 7.2 Dissolution or Continuation of Partnership

In the event of the death, bankruptcy, retirement or adjudication of insanity or incompetency of a General partner, the remaining General Partners may, within ninety (90) days after notice of such event, elect to continue the Partnership. In the absence of such election, or elections, the Partnership shall be dissolved on such ninetieth day, or in the event of the retirement of a Partner, on such subsequent day (within one hundred eighty (180) days) as shall be specified in the Notice of Retirement.

Section 7.3 Change of Status to Limited Partner

In the event the remaining General Partners, or remaining General Partner, elect to continue the Partnership after the death, bankruptcy, retirement or adjudication of insanity or incompetency of a General Partner, as provided in Section 7.2, the interest of such former General Partner shall become that of a Limited Partner and the remaining General Partners, or the remaining sole General Partner, shall be the General Partners or the General Partner of the Partnership, as the case may be, and all provisions of the Agreement shall be interpreted in this context.

Section 7.4 Election by Limited Partners to Continue the Partnership

In the event of the death, bankruptcy, retirement or adjudication of insanity or incompetency of a sole remaining General Partner, the remaining Limited Partners may, by unanimous agreement, within ninety (90) days after notice of such event, elect to continue the Partnership and designate from among themselves a new General Partner or General Partners who consent to and accept such designation or designations. In the event of an election under this paragraph, each Limited Partner shall be entitled to a vote in proportion to his interest in the profits of the

Partnership.

Section 7.5 Death of a Limited Partner

In the event any Limited Partner shall die, his personal representative, heirs, or successor in interest shall be substituted in the Limited Partnership as a substituted Limited Partner in his place upon compliance with the provisions of the Uniform Limited Partnership Law of Florida.

Section 7.6 Liability of General Partner After Change in Statutes to Limited Partner

The change in status of a General Partner to that of a Limited Partner pursuant to Section 7.3 shall not relieve such General Partner or his personal representative from liabilities or obligations to the Partnership or creditors thereof arising from acts (including the failure to act) which occurred prior to the date of change in status; provided, however, that from the date of change in status the General Partner or his personal representative shall have such liability for Partnership acts or omissions as is accorded a limited partner under the Uniform Limited Partnership Law of Florida.

ARTICLE VIII

Dissolution of Partnership

Section 8.1 Method of Distribution Upon Dissolution

In the event of the dissolution of the Partnership by reason of the failure of the remaining General Partners to exercise the rights or continue the business without liquidation of the Partnership affairs, or upon any voluntary dissolution to the Partnership by the written agreement of one or more General and/or Limited partners holding 20% or more interest in the partnership, the affairs of the Partnership shall be liquidated forthwith and the proceeds of such liquidation shall be applied and distributed in the following manner and order or priority:

- (a) to the payment of the 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;

(b) to the setting up of any reserves which a majority in interest of the General Partners may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership. Said reserves shall be paid over by the General Partners to any attorney at law of the State of Florida, as escrow agent, to be held by him for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies, and, at the expiration of such period as a majority in interest of the General Partners shall deem advisable, to distribute the balance thereafter remaining in the manner provided in subparagraphs (c), (d) and (e) of this Section 8.1 in the order named;

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

(d) to the payment of the balance, if any, of the capital accounts of the Partners but if the amount available for such payment shall be insufficient, then pro rata among all Partners in such manner that each Partner shall receive the same proportion of the net proceeds then available for distribution as his capital accounts bears to the aggregate capital accounts of all Partners; and

(e) any balance remaining shall be distributed among all Partners in proportion to their then percentage interest in the Profits and Losses of the Partnership.

Section 8.2 Orderly Liquidation

A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the

General Partners to minimize the normal losses attendant upon a liquidation.

Section 8.3 Accounting in Connection with Liquidation

Each of the General and Limited Partners shall be furnished with a statement prepared by the Partnership's then accountants, which shall set forth the assets and liabilities of the Partnership as of the date of completed liquidation. Upon the General Partners complying with the foregoing distribution plan (including payment over to the attorney escrow agent if there are sufficient funds therefor), the General Partners, as the sole remaining Partners of the Partnership, shall execute, acknowledge and cause to be filed such Certificates and other documents as may be appropriate to reflect the cancellation of the Partnership.

ARTICLE IX

Procedure for Sale of Partnership Interest

Section 9.1 No Right to Transfer Without Offer or Prior Consent

Each General or Limited Partner shall be entitled to sell or otherwise dispose of his economic interest in the Partnership (or any portion thereof) only if such selling partner first shall have made the offer to sell such interest as hereafter described, or unless such sale may be consented to by the prior written consent of all the other Partners.

In the event a Partner desires to sell or receives a bona fide offer to purchase his interest in the Partnership, the Partner shall deliver to the other Partners a written statement of an intent to sell, setting forth the interest to be sold, the person to whom the interest will be sold and the price and terms of payment for the interest in the Partnership.

The remaining Partners shall have the right of first refusal to purchase such interest and such remaining Partners shall, within thirty (30) days after the receipt of

the written statement of intent to sell, give notification to the selling Partner of their intention to exercise their right of first refusal. If such notification is not given on such timely basis, the remaining Partners shall be deemed to have elected not to exercise their right of first refusal. In such later case, the selling Partner shall have the right to sell his interest in the Partnership to the person named for a period of thirty (30) days after the first thirty (30) day period shall have expired above, at the price and upon the terms set forth in the written statement of intent to sell. If the sale is not consummated within such thirty (30) day period, then this Agreement shall again be binding upon the interest of the selling Partner and compliance with the terms of this Section 9.1 shall be required after the expiration of that period.

In the event that the remaining Partners elect to purchase the interest, the closing of the purchase shall take place at the principal office of the Partnership, thirty (30) days after the remaining Partners have given notice of their election to purchase the interest.

Section 9.2 Continuing Liability of a General Partner

The assignment or disposition by a General Partner of all of a portion of his economic interest in the Partnership in accordance with the above provisions shall not relieve the selling General Partner of his obligations and liabilities to the Partnership and creditors thereof.

ARTICLE X

Miscellaneous

Section 10.1 Federal Income Tax Elections

In the event of a transfer of all or part of the interest of any Partner in the Partnership, the Partnership may elect pursuant to Section 754 of the Internal Revenue Code (or any similar provision enacted in lieu thereof) to adjust the basis of the assets of the Partnership upon

written request of the transferee.

Section 10.2 Governing Law

The Partnership and this Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

Section 10.3 Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement, and the signature to any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

Section 10.4 Entire Agreement

This Agreement contains the entire understanding among the parties and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

Section 10.5 Severability

This agreement is intended to be performed in accordance with, and only to extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdictions in which the Partnership does business. If any provision of this Agreement, or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

Section 10.6 Waiver of Appraisement

An inventory and appraisement of the Partnership assets and sale of a deceased Partner's interest therein, as

provided by law or an account of the operations or any other rules of law in effect during the term of this Partnership relative to the death of a Partner is hereby waived and dispensed with, and the interest in the Partnership of a deceased Partner shall be subject to the provisions herein set forth.

Section 10.7 Notices

Notices to Partners or to the Partnership shall be deemed to have been given when mailed, by prepaid registered or certified mail, addressed as set forth in this agreement, or as set forth in any notice or change of address previously given in writing by the addressee to the addressor.

ARTICLE XI

Power of Attorney

Each Limited Partner, by his execution of a counterpart hereof, hereby irrevocably constitutes, empowers and appoints each General Partner of the Partnership and any successor general partner of the Partnership, individually and collectively, his true and lawful agent and attorney-in-fact, to make, prepare, execute, sign, acknowledge, certify under oath and file and record, in his name, place and stead:

(a) the Certificate of Limited Partnership referred to in Section 1.4 and all of the items referred to in Section 1.5, as well as amendments thereto and a statement of cancellation thereof, under the laws of the State of Maryland, or which may be required by, or be appropriate under, the laws of any other state or other jurisdiction;

(b) any certificates, instruments and documents (including fictitious name applications), as well as amendments thereto and statements of cancellation thereof, as may be required by, or be appropriate under, the laws of

any state or other jurisdiction in which the Partnership is doing or intends to do business in connection with the use of the name of the Partnership by the Partnership; and

(c) any other instrument which may be required to be filed by the Partnership under the laws of the United States, any state, or any political subdivision thereof, or by any governmental or quasi-governmental agency, or which the General Partners (acting by their unanimous consent) deem it advisable to file.

Each Limited Partner further agrees, whenever requested so to do, personally to sign, certify under oath and acknowledge any of the foregoing and to execute whatever further instruments shall be necessary or appropriate, and the General Partners shall attend to the due execution and recordation of any of the same.

The foregoing power of attorney is coupled with an interest, is irrevocable and, to the extent permitted by law, shall survive the death, dissolution, bankruptcy or legal incompetency of a Limited Partner. The foregoing power of attorney shall survive the sale, assignment or transfer by a Limited Partner of any part or all of his interest in the Partnership.

IN WITNESS WHEREOF, each of the parties hereto has executed this AGREEMENT as of the date first above written.

Witnessed by:

Sharon K. Graham
Patricia C. Tinderson

Lloyd A. Bailey
LLOYD A. BAILEY

"General Partner"

Witnessed by:

Sharon K. Graham
Patricia C. Tinderson

Mary M. Bailey
MARY M. BAILEY

"General Partner"

Witnessed by:

Sharon K. Graham
Patricia C. Tinderson

Nancy Hull
NANCY HULL

"General Partner"

Witnessed by:

Sharon K Graham
Patricia C Henderson

Lloyd A Bailey
LLOYD A. BAILEY

"Limited Partner"

Witnessed by:

Sharon K Graham
Patricia C Henderson

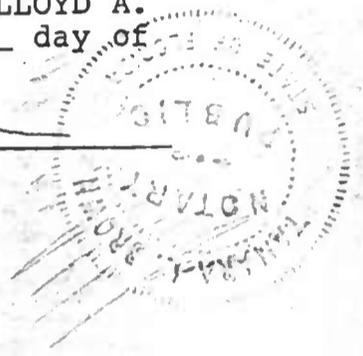
Mary M Bailey
MARY M. BAILEY

"Limited Partner"

STATE OF FLORIDA
COUNTY OF SARASOTA

SWORN TO AND SUBSCRIBED to before me by LLOYD A.
BAILEY and MARY M. BAILEY and NANCY HULL this 19 day of
February, 1981. 2

Tamara L Brown
Notary Public



My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Oct. 30, 1984
Bonded By U.S.F. & G.

BAILEY PROPERTIES, LTD.

A Maryland Limited Partnership

EXHIBIT "A"

<u>Name and Address</u>	<u>Percentage of Profits and Losses</u>	<u>Total Capital Contributions</u>
<u>General Partners:</u>		
Lloyd A. Bailey	12.4%	\$12.40
Mary M. Bailey	12.4%	\$12.40
Nancy Hull	.2%	\$.20
<u>Limited Partners:</u>		
Lloyd A. Bailey	37.5%	\$37.50
Mary M. Bailey	<u>37.5%</u>	<u>\$37.50</u>
Totals	100%	\$100.00

RECD & RECORDED *JDC*

NO 3 FOLIO 316

APR 7 1 19 PM '82

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

AMENDMENT TO THE CERTIFICATE OF
LIMITED PARTNERSHIP OF THE
FALLSTON GENERAL HOSPITAL LIMITED PARTNERSHIP

This amendment to the Certificate of Limited Partnership of the Fallston General Hospital Limited Partnership is made as of this 22 day of April, 1982 by and among the undersigned parties.

APR 23-82 B #28884 *****94.00

R E C I T A L S:

Whereas, the Fallston General Hospital Limited Partnership (the "Partnership") was formed as a limited partnership under the laws of the State of Maryland pursuant to a Limited Partnership Agreement (the "Partnership Agreement") dated August 12, 1974 and a Certificate of Limited Partnership (the "Certificate") dated August 12, 1974; and

Whereas, said Certificate was filed with the Office of the County Clerk of Harford County, Maryland on August 29, 1974; and

Whereas, the undersigned withdrawing limited partners have agreed to sell, assign and transfer their interests in the Partnership to the undersigned substituted limited partners; and

Whereas, the aforesaid assignment of partnership interests from the withdrawing to the substituted limited partners complies with all provisions of the Partnership Agreement and the Certificate; and

Mailed to: Richard D. Poteet, Fallston General Hospital, 200 Milton Ave., Fallston, Md. 21047

Whereas, the admission of substituted limited partners is specifically permitted by Section 10 of the Partnership Agreement and Articles X and XI of the Certificate; and

Whereas, Section 5(f) of the Partnership Agreement designates the general partner of the Partnership as the attorney-in-fact for all limited partners "to execute and deliver on [their] behalf and to file where required under the laws of the State of Maryland an appropriate Certificate of Limited Partnership [and] one or more amendments to the same....;" and

Whereas, it is the intent of the parties hereto that the Partnership not in any sense be deemed dissolved or terminated by the withdrawal of the undersigned withdrawing limited partners or by the substitution of the undersigned substituted limited partners, or by this amendment, but rather that the Partnership continue and remain in full force and effect from and after the date of this Amendment.

NCV, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned being all of the partners of the Fallston General Hospital Limited Partnership and desiring to amend the Certificate, by this writing certify as follows and amend the Certificate of Limited Partnership as follows:

1. The undersigned withdrawing limited partners hereby withdraw from the Partnership.

2. The undersigned substituted limited partners are admitted to the Partnership as substituted limited partners, having complied with all conditions to such admission and being entitled to the partnership interest as set forth on the revised Articles IV and VI of and the Certificate.

3. Article IV of the Certificate is revised as set forth in the attachment to this Amendment, designated Schedule A.

4. Article VI of the Certificate is revised as set forth in the attachment to this Amendment, designated Schedule B.

5. All parties hereto agree to execute such additional amendments to the Certificate as may be necessary and appropriate to conform those instruments to the intent of the parties.

6. In all other respects, except as herein amended, the provisions of the Certificate shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have properly executed this amendment to the Certificate of Limited Partnership of the Fallston General Hospital Limited Partnership as of the date and year first written above, and the Fallston Medical Complex Operating Corporation, the general partner, has caused this amendment to be signed in its corporate name by Richard D. Poteet, its President and attested to by Cathy Cassidy, its Secretary, and has caused the corporate seal to be hereunto affixed, and does hereby constitute Richard D. Poteet, its attorney-in-fact to acknowledge and deliver this amendment as its fact and deed.

BOOK

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ATTEST:

GENERAL PARTNER:

Mary C. Cassidy

[Signature]

DATE:

4-2-82

Fallston Medical Complex
Operating Corporation,
General Partner,
By Richard D. Poteet, President

WITNESS/DATE:

SUBSTITUTED LIMITED PARTNERS:

Mary C. Cassidy
4-8-82

D. L. Pirovolidis MD
D. L. PIROVOLIDIS, M.D.
1761 A. Harford Road
Fallston, Maryland 21047

Mary C. Cassidy
4-2-82

Jose Gracia MD
JOSE GRACIA, M.D.
9 West Riding Road
Bel Air, Maryland 21014

Mary C. Cassidy
4-8-82

Willard Amoss
WILLARD AMOSS, M.D.
2404 Pleasantville Road
Fallston, Maryland 21047

W. Perry Arnold
4-10-82

W. Perry Arnold, M.D.
W. PERRY ARNOLD, M.D.
4230 Harford Creamery Road
White Hall, Maryland 21161

Richard J. Croft
4/12/82

Vernon R. Croft, M.D.
VERNON R. CROFT, M.D.
12133 Two Penny Court
Ellicott City, Maryland 21043

Mary C. Cassidy
4-13-82

Jose Martinez
JOSE MARTINEZ, M.D.
1205 York Road
Lutherville, Maryland 21093

Mary C. Cassidy
4-7-82

Ralph Mirakchi
RALPH MIRAKCHI
2114 Preakness Drive
Fallston, Maryland 21047

Mary C. Cassidy
4-2-82

Chester L. Price
CHESTER L. PRICE
1700 Bordeaux Court
Fallston, Maryland 21047

Mary C. Cassidy
4-2-82

Chawalit Suddhimondala
CHAWALIT-SUDDHIMONDALA, M.D.
1710 A Harford Place
Fallston, Maryland 21047

Mary C. Cassidy
4-2-82

Robert H. Wright
ROBERT H. WRIGHT, M.D.
Skipper Lane
Castle Marina
Chester, Maryland 21619

WITNESS/DATE:

Mary C. Cassidy
4-22-82

WITHDRAWING LIMITED PARTNER:

Jose C. Arroyo
JOSE C. ARROYO, M.D.
2125 Chantilla Road
Westerlee, Maryland 21228

Mary C. Cassidy
4-22-82

Richard Maffezoli
RICHARD MAFFEZOLI, M.D.
1134 York Road 660 KENILWORTH DR.
Suite 305 - TOWSON 21204
Lutherville, Maryland 21093

Mary C. Cassidy
4-22-82

Stuart B. Silver
STUART B. SILVER, M.D.
1134 York Road
Suite 305
Lutherville, Maryland 21093

Mary C. Cassidy
4-22-82

George Bedon
GEORGE BEDON
1134 York Road 660 Kenilworth Drive
Suite 305 - TOWSON Md 21204
Lutherville, Maryland 21093

Mary C. Cassidy
4-22-82

KEIFFER MITCHELL, M.D.
1230 Druid Hill Avenue
Baltimore, Maryland

Mary C. Cassidy
4-22-82

PIETR HITZIG, M.D.
300 East Joppa Road
Towson, Maryland 21206
CARROLL MILK Rd. - ST. B.
PHOENIX - MD. 21151

Mary C. Cassidy
4-22-82

AUGUSTIN DORDAI, M.D.
5428 Sinclair Road
Baltimore, Maryland 21206

Mary C. Cassidy
4-22-82

ALFRED GRIGOLEIT, M.D.
Earlton Road
Havre de Grace, Maryland 21078

Mary C. Cassidy
4-22-82

W. K. BRENDLE, M.D.
980 Chesapeake Drive
Havre de Grace, Maryland 21078

Mary C. Cassidy
4-22-82

NAK J. IM, M.D.
601 South Union Avenue
Havre de Grace, Maryland 21078

Mary C. Cassidy
4-22-82

ROSS Z. PIERPONT, M.D.
5602 Enderly Road
Baltimore, Maryland 21212

Mary C. Cassidy
4-22-82

DONALD M. BARRICK, M.D.
7022 Lachlan Circle
Baltimore, Maryland 21239

Mary C. Cassidy
4-22-82

LOUIS A. FRITZ, M.D.
37 Windemere Parkway
Phoenix, Maryland 21131

Richard L. Agnew
4/23/82

JAMES FRENKIL
16 South Eutaw Street
Baltimore, Maryland 21201

BOOK

3 PAGE 392

Mary C. Cassidy
4-22-82

Mary C. Cassidy
4-22-82

Phillip E. Byrd
PHILLIP E.B. BYRD, M.D.
2707 Hanson Avenue
Baltimore, Maryland 21209

Irvin Donnack
IRVIN DONNICK
300 East Joppa Road
Towson, Maryland 21204

LIMITED PARTNERS:

- | | |
|-----------------------|-----------------------------|
| Dr. Manuel J. Alafriz | Dr. Michael W. Kilchenstein |
| Dr. Willard Amoss | Dr. Henry Kwah |
| Dr. W. Perry Arnold | Dr. David M. Lanphear |
| Dr. Jose C. Arroyo | Dr. Rita J. Lautz |
| Dr. Donald M. Barrick | Dr. Richard Maffezoli |
| Dr. George Bedon | Dr. Curtis Marshall |
| Dr. Steven Berlin | Dr. Jose Martinez |
| Dr. Lawrence D. Block | Dr. Murli Mathur |
| Dr. W. K. Brendle | Dr. Ralph J. Mirarchi |
| Dr. Phillip E.B. Byrd | Dr. Keiffer Mitchell |
| Dr. Anthony Costa | Dr. Joseph Orlando |
| Dr. Vernon R. Croft | Dr. Lutgardo Panlilio |
| Dr. Frank Damazo | Dr. Ross Z. Pierpont |
| Dr. Irvin Donnack | Dr. D. L. Pirovolidis |
| Dr. Augustin Dordai | Chester Price |
| Dr. Marino R. Facelo | Dr. Abdul Qureshi |
| Allen Failkow | Dr. S. K. Shin |
| Dr. James Frenkil | Dr. Stuart B. Silver |
| Dr. Louis A. Fritz | Dr. Chawalit Suddhimondala |
| Dr. Jose Gracia | Dr. Edgardo P. Villamater |
| Dr. Alfred Grigoleit | Dr. Mirtha Ward |
| Dr. Pieter Hitzig | Dr. Robert Howard Wright |
| Dr. Nak. J. Im | |
| Dr. Joseph Jack, Jr. | |

FALLSTON MEDICAL COMPLEX
OPERATING CORPORATION
Attorney-in-Fact

ATTEST:

Mary C. Cassid
Secretary

By [Signature]
Richard D. Poteet, President

Date: 4-23-82

STATE OF MARYLAND
SS:
COUNTY OF BALTIMORE

THIS IS TO CERTIFY that on this 23 day of April 1982,
before me, the subscriber, a Notary Public of the State of
Maryland, in and for Harford County, personally appeared Richard
D. Poteet, President of Fallston Medical Complex Operating

Corporation, a Maryland corporation, and in the name and on behalf of said corporation for itself as General Partner of Fallston General Hospital Limited Partnership and as attorney-in-fact for Dr. Manual J. Alafriz, Dr. Willard Amoss, Dr. W. Perry Arnold, Dr. Jose C. Arroyo, Dr. Donald M. Barrick, Dr. George Bedon, Dr. Steven Berlin, Dr. Lawrence D. Block, Dr. W. K. Brendle, Dr. Phillip E. B. Byrd, Dr. Anthony Costa, Dr. Vernon L. Croft, Dr. Frank Damazo, Dr. Irvin Donnack, Dr. Augustin Dordai, Dr. Marino R. Facelo, Allen Fialkow, Dr. James Frenkil, Dr. Louis A. Fritz, Dr. Jose Gracia, Dr. Alfred Grigoleit, Dr. Pietr Hitzig, Dr. Nak J. Im, Dr. Joseph Jack, Jr., Dr. Michael W. Kilchenstein, Dr. Henry Kwah, Dr. David M. Lanphear, Dr. Rita J. Lautz, Dr. Richard Maffezoli, Dr. Curtis Marshall, Dr. Jose Martinez, Dr. Murli Mathur, Dr. Ralph J. Mirarchi, Dr. Keiffer Mitchell, Dr. Joseph Orlando, Dr. Lutgardo Panlilio, Dr. Ross Z. Pierpont, D. D. L. Pirovolidis, Chester Price, Dr. Abdul Qureshi, Dr. S. K. Shin, Dr. Stuart B. Silver, Dr. Chawalit Suddhimondala, Dr. Edgardo P. villamater, Dr. Mirtha Ward, and Dr. Robert Howard Wright acknowledged the foregoing Certificate of Amendment to the Certificate of Limited Partnership to be the corporate act of said corporation, and at the same time made oath in due form of law that the matters and facts set forth in said Certificate of Amendment to the Certificate of Limited Partnership are true and correct.

BOOK 3 PAGE 395

WITNESS my hand and notarial seal the day and year last
written above.



My Commission Expires on

Georgia F. Hodson
Notary Public

July 1, 1983

Schedule A

The name and place of residence of each General and Limited Partner is as follows:

<u>Name</u>	<u>Residence of Principal Place of Business</u>	<u>Status</u>	<u>Capital Units</u>
Fallston Medical Complex Operating Corporation	1916 Belair Road Fallston, Maryland 21047	General Partner	
Dr. Willard Amoss	2018 Pleasant- ville Road Fallston, Maryland 21047	Limited Partner	2.00
Dr. W. Perry Arnold	3101 Monkton Road Monkton, Maryland 21111	Limited Partner	1.00
Dr. Steven Berlin	300 East Joppa Rd. Towson, Maryland 21204	Limited Partner	.50
Dr. Lawrence D. Block	300 East Joppa Rd. Towson, Maryland 21204	Limited Partner	.50
Dr. Anthony Costa	300 East Joppa Rd. Towson, Maryland 21204	Limited Partner	.50
Dr. Vernon R. Croft	5209 Hesperus Dr. Columbia, Maryland 21044	Limited Partner	1.00
Dr. Frank Damazo	Route 6 Frederick, Maryland 21701	Limited Partner	1.25
Allen Fialkow	3452 Van Mark Court Ellicott City, Md. 21043	Limited Partner	1.00

Dr. Jose Gracia	9 W. Riching Drive Bel Air, Maryland 21014	Limited Partner	.50
Dr. Joseph Jack, Jr.	507 Haverhill Rd. Joppa, Maryland 21085		1.00
Dr. Michael W. Kilchenstein	1705 Welford Court Lutherville, Md. 21093	Limited Partner	2.50
Dr. Henry Kwah	608 So. Union Ave. Havre de Grace, Maryland 21078	Limited Partner	.20
Dr. David H. Lanphear	1916 Belair Road Fallston, Maryland 21047	Limited Partner	.25
Dr. Curtis Marshall	104 Medical Arts Building Baltimore, Maryland 21201	Limited Partner	1.00
Dr. Jose Martinez	14 Foxknoll Court Timonium, Maryland 21093	Limited Partner	1.00
Dr. Murli Mathur	1815 Greenwich Woods Dr., #34 Silver Spring, Md. 20903	Limited Partner	1.00
Dr. Ralph Mirarchi	3114 Preakness Dr. Fallston, Maryland 21047	Limited Partner	1.00
Dr. Joseph Orlando	300 East Joppa Rd. Towson, Maryland 21204	Limited Partner	1.00
Dr. Lutgardo Panlilio	8413 Tallyho Road Timonium, Md. 21093	Limited Partner	.25
Dr. D. L. Pirovolidis	1916 Belair Road Fallston, Maryland 21047	Limited Partner	.25

Dr. Abdul Qureshi	447 N. Kenwood Baltimore, Md. 21224	Limited Partner	1.00
Chester Price	1700 Bordeaux Ct. Fallston, Maryland 21047		1.00
Dr. S. K. Shin	1916 Belair Road Fallston, Maryland 21047	Limited Partner	.25
Dr. Chawalit Suddhimondala	4 Bush Hill Court Baltimore, Md. 21207	Limited Partner	1.00
Dr. Edgardo P. Villamater	10510 Pottsring Timonium, Md. 21093	Limited Partner	.25
Dr. Mirtha Ward	1916 Belair Road Fallston, Maryland 21047	Limited Partner	.25
Dr. Robert Howard Wright	218 Medical Arts Building 101 W. Read Street Baltimore, Md. 21201	Limited Partner	1.00
Dr. D. L. Pirovolidis,		c/o Chester Price Limited Partner	7.80
Dr. Jose Gracia, Dr. Willard Amoss, Dr. W. Perry Arnold,		1700 Bordeaux Ct. Fallston, Maryland 21047	
Dr. Vernon R. Croft, Dr. Jose Martinez, Dr. Ralph Mirarchi, Dr. Chester Price, Dr. Chawalit Suddhimondala, and Dr. Robert H. Wright			

SCHEDULE B

VI. The Limited Partners have contributed cash to the partnership as follows:

<u>Name</u>	<u>Amount Contributed</u>	<u>Number of Capital Units</u>
Dr. Willard Amoss	50,000	2.00
Dr. W. Perry Arnold	25,000	1.00
Dr. Steven Berlin	12,500	.50
Dr. Lawrence D. Block	12,500	.50
Dr. Anthony Costa	12,500	.50
Dr. Vernon R. Croft	25,000	1.00
Dr. Frank Damazo	31,250	1.00
Dr. Allen Fialkow	25,000	1.00
Dr. Jose Gracia	12,500	.50
Dr. Joseph Jack, Jr.	25,000	1.00
Dr. Michael W. Kilchenstein	62,500	2.50
Dr. Henry Kwah	5,000	.20
Dr. David M. Lanphear	6,250	.25
Dr. Curtis Marshall	25,000	1.00
Dr. Jose Martinez	25,000	1.00
Dr. Murli Mathur	25,000	1.00
Dr. Ralph J. Mirarchi	25,000	1.00
Dr. Joseph Orlando	25,000	1.00
Dr. Lutgardo Panlilio	6,250	.25
Dr. D. L. Pirovolidis	6,250	.25
Chester Price	25,000	1.00

Dr. Abdul Qureshi	25,000	1.00
Dr. S. K. Shin	6,250	.25
Dr. Chawalit Suddhimondala	25,000	1.00
Dr. Edgardo P. Villamater	6,250	.25
Dr. Mirtha Ward	6,250	.25
Dr. Robert Howard Wright	25,000	1.00
Dr. D. L. Pirovolidis, Dr. Jose Gracia, Dr. Willard Amoss, Dr. W. Perry Arnold, Dr. Vernon R. Croft, Dr. Jose Martinez, Dr. Ralph Mararchi, Dr. Chester Price, Dr. Chawalit Suddhimondala, and Dr. Robert H. Wright	195,000	7.80

RECD & RECORDED *APC*

NO 3 FOLIO 386

APR 23 4 02 PM '82

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

PLEASANT VALLEY ASSOCIATES
AMENDMENT OF LIMITED PARTNERSHIP AGREEMENT

THIS AMENDMENT OF LIMITED PARTNERSHIP AGREEMENT, amde this 15th day of April, 1982, by Thomas A. Taylor, General Partner:

1. The name of William M. Hall, Sr., of 7538 Will Street, Fort Meade, Maryland 20755 and whose Social Security number is 218 12 2387, is hereby added as a Limited Partner for six units. These units were purchased from Ada C. Veney, 2 units, Danna L. Brown, 1 unit, Roland T. Smoot, 2 units and Anthony Houston, 1 unit.

IN WITNESS WHEREOF, the General Partner as authorized by Paragraph No. 10B of the Limited Partnership Agreement and Certificate (which appoints Thomas A. Taylor as the true and lawful attorney-in-fact for each of the limited partners to execute required instruments to affect the substitution and/or addition of limited partners) has executed this Amendment on behalf of the Limited Partnership under seal as of the day and year first above written.

WITNESS:

Janice M. Taylor

Thomas A. Taylor APR 29 82 A #29607 *****7.00 (SEAL)

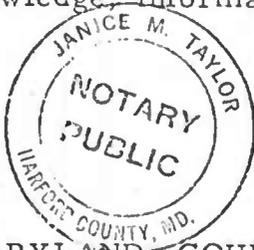
Thomas A. Taylor
General Partner and attorney-in-fact for all
Limited Partners

Janice M. Taylor

William M. Hall Sr (SEAL)
William M. Hall, Sr.
Limited Partner

STATE OF MARYLAND, COUNTY OF HARFORD, TO WIT:

I HEREBY CERTIFY, that on this 15th day of April, 1982, before me, the subscriber, a Notary Public of the State of Maryland, in and for the aforesaid County, duly commissioned and qualified, personally appeared Thomas A. Taylor and made oath in due form of law that the matters and facts set forth above are true and correct to the best of his knowledge, information and behalf.

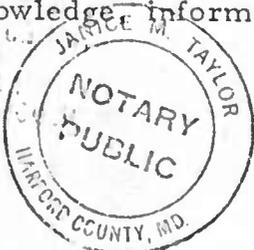


As Witness my hand and Notarial Seal.

Janice M. Taylor
Notary Public
My Commission Expires July 1, 1982

STATE OF MARYLAND, COUNTRY OF HARFORD, TO WIT:

I HEREBY CERTIFY, that on this 15th day of April, 1982, before me, the subscriber, a Notary Public of the State of Maryland, in and for the aforesaid County, duly commissioned and qualified, personally appeared William M. Hall, Sr., and made oath in due form of law that the matters and facts set forth above are true and correct to the best of his knowledge, information and behalf.



As Witness my hand and Notarial Seal.

Janice M. Taylor
Notary Public
My Commission Expires July 1, 1982

Mailed to: Thomas Taylor, 501 Pondersa Dr., Bel Air, Md. 21014

Rec'd & Recorded 4-29 19 82 at 11:55 A.M.
Folio 54 & examined per
Board of Chancery, Clerk, Harford Co.

CANCELLATION OF CERTIFICATE
OF LIMITED PARTNERSHIP FOR HAVRE
DE GRACE LIMITED PARTNERSHIP

WHEREAS, a Certificate of Limited Partnership of the Havre de Grace Limited Partnership was executed on October 11, 1976 and was filed and recorded in the Partnership Records of Harford County on January 12, 1977 at Liber 2, Folio 120; and

WHEREAS, the charter of R.F.B., Inc., one of the general partners of Havre de Grace Limited Partnership, was annulled on May 19, 1979; and

WHEREAS, Richard F. Beavers was the sole director and sole stockholder of R.F.B., Inc.; and

WHEREAS, the said Richard F. Beavers therefore was the successor in interest to all of the general partnership interest of R.F.B., Inc.; and

WHEREAS, by an Assignment of Partnership Interests, dated March 3, 1982, effective as of October 18, 1979, Havre de Grace, Inc. acquired the general partnership interest of Cecil F. Hill, Inc., and Lois F. Lapidus and Richard F. Beavers acquired the limited partnership interest of Cecil F. Hill; and

WHEREAS, by Notice of Abandonment of partnership interest filed on November 18, 1981, in The United States Bankruptcy Court for the District of Maryland, case no. 80-2-0334-L, and by an Assignment of Partnership Interests dated April 30, 1982, Alvin Lapidus acquired all of the general partnership interest and all of the limited partnership interest of Richard F. Beavers; and

WHEREAS, on May 25, 1982, the charter of Havre de Grace, Inc., was cancelled; and

WHEREAS, Alvin M. Lapidus was the sole director and sole stockholder of Havre de Grace, Inc.; and

WHEREAS, the said Alvin M. Lapidus therefore was the successor in interest to all of the general partnership interest of Havre de Grace, Inc.; and

WHEREAS, Alvin M. Lapidus, as the sole remaining general partner, does not desire to continue the business of the Havre de Grace Limited Partnership,

NOW, THEREFORE, WITNESSETH:

That the Certificate of Limited Partnership of Havre de Grace Limited Partnership as signed on October 11, 1976, be, and the same is hereby, cancelled.

IN WITNESS WHEREOF, the undersigned has caused the due execution of this agreement as of the 14 day of June, 1982.

WITNESS:

Nancy Lapidus
As to both.

Alvin M. Lapidus
Alvin M. Lapidus, General Partner

Lois F. Lapidus
Lois F. Lapidus, Limited Partner

STATE OF MARYLAND
COUNTY OF BALTIMORE
CITY I, NANCY LAPIDUS, a Notary Public of the State aforesaid, do hereby certify that on this 14 day of JUNE, 1982, personally appeared before me ALVIN M. LAPIDUS, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the General Partner of Havre de Grace Limited Partnership, and sworn and acknowledged to me that he executed the foregoing instrument for the purpose and in the capacity therein expressed, and that the statements contained therein are true and correct.

Nancy Lapidus
Notary Public

My Commission Expires: July 1, 1986



STATE OF MARYLAND
COUNTY OF BALTIMORE
CITY I, NANCY LAPIDUS, a Notary Public of the State aforesaid, do hereby certify that on this 14 day

of JUNE, 1982, personally appeared before me LOIS F. LAPIDUS, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that she is the Limited Partner of Havre de Grace Limited Partnership, and sworn and acknowledged to me that she executed the foregoing instrument for the purpose and in the capacity therein expressed, and that the statements contained therein are true and correct.

Nancy Lapidus
Notary Public

My Commission Expires: JULY 1, 1986



7511C

RECD & RECORDED NLC
NO 3 FOLIO 402
JUN 24 10 46 AM '82
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

JUN 24-82 B #26577 *****12.00

AUG 26-82 B #23430 *****18.00

ACREAGE ASSOCIATES

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT

This Modification of Limited Partnership Agreement made this 22nd day of June, 1982.

WHEREAS Joseph D. Deigert, a General Partner of said Partnership, has purchased the entire share of Charles L. Vickers, Jr., a Limited Partner of said Partnership, for the sum of \$54,552.00 and

WHEREAS pursuant to Item 14 of the Limited Partnership Agreement, the written consent of the General Partners and 60% of the Limited Partners are required to consent to such a sale and assignment and

WHEREAS such written consent is subscribed hereto.

Now therefore this Modification of Limited Partnership Agreement witnesseth that said Limited Partnership Agreement heretofore filed in the Circuit Court for Harford County is amended to show that Joseph D. Deigert, as well as being a General Partner, is now a Limited Partner to the extent of \$54,552.00 in the place and stead of the said Charles L. Vickers, Jr.

WITNESS:

Ingeborg G. Deigert Joseph D. Deigert
Joseph D. Deigert - General Partner

Margerie M. Blanchard Melvin F. Blanchard
Melvin F. Blanchard - General Partner

Margerie M. Blanchard John C. Jenkins
John C. Jenkins - Limited Partner

Margerie M. Blanchard Virginia W. Jenkins
Virginia W. Jenkins - Limited Partner

Dolores L. Freeman Dolores L. Freeman
Dolores L. Freeman - Limited Partner

Ingeborg G. Deigert Gertrude Palik
Gertrude Palik - Limited Partner

Charles L. Vickers, Jr. Charles L. Vickers, Jr.
Charles L. Vickers, Jr. - Transferring Limited Partner

Mailed to Melvin F. Blanchard, 212 Washington Ave., Towson, Md. 21204

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HARFORD CO.
H. DOUGLAS CHILCOAT
MELVIN F. BLANCHARD
ATTORNEY AT LAW
TOWSON, MD. 21204

PARTNERSHIP AGREEMENT

THIS AGREEMENT made this 30th day of September, 1980, by and between DR. LAWRENCE A. KAPLAN and BONNIE KAPLAN, his wife, LUTZ H. von MUEHLEN, M.D. and JENNIFER von MUEHLEN, his wife, and JOHN S. LANDBECK, JR., ESQUIRE and SANDRA J. LANDBECK, his wife, for purposes of this agreement each husband and wife being treated as one party,

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WITNESSETH THAT:

FIRST: The parties hereto agree that they will become and be partners in business for the purpose and on the terms hereinafter stated.

SECOND: The firm name of the partnership shall be PARKE ENTERPRISES.

THIRD: The business to be carried on by the partnership is that business contemplated to have been conducted by PARKE ENTERPRISES namely:

(a) To improve, manage, and operate, and to sell, convey, assign mortgage or lease any real property and any personal property.

(b) To borrow money and issue evidence of indebtedness in furtherance of any and all of the objects of its business, and to secure the same by mortgage, deed of trust, pledge or other lien.

(c) To enter into, perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishments of any one or more of the purposes of the partnership.

FOURTH: The place at which the partnership is to be carried on is 105 West Bel Air Avenue, Suite 4, Aberdeen, Maryland 21001.

FIFTH: The parties hereto, in consideration of the mutual covenants, promises, and stipulations hereinafter set forth, for themselves, and the respective heirs, personal representatives and assigns, do each and all agree with the other on the following terms, conditions and representation:

(a) The ownership of any real property obtained or acquired by the Partnership shall be acquired as between the spousal entities as tenants in common, each spousal entity owning an undivided one third (1/3) interest therein.

(b) The capital, of the partnership shall be contributed as required by the partnership equally and the net profits or losses, as the case may be,

10-20-82
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LANDBECK
~~AMERICAN~~ P.A.
34 West Bel Air
Avenue
Aberdeen, Maryland
21001
273-6636
575-6767

of the partnership, shall be divided and borne by the parties in equal shares.

(c) That each of them has been induced to enter into this agreement by their mutual representations of financial ability to meet promptly any and all financial obligations hereunder, time being of the essence in this regard.

(d) The parties agree that the following shall govern the conduct of the affairs of the partnership, namely:

(1) A checking account shall be opened in the name of the partnership at County Banking & Trust which account shall provide for the day to day operation of the partnership and which account shall provide for two signatures on any check exceeding the face amount of \$1000.00. Additionally, a savings account shall be opened up in the name of the partnership at County Banking & Trust which account shall require in order to transfer funds, signatures of any two partners. In either case checks requiring the signatures of two partners shall require separate signatures from at least two spousal entities.

(2) All monies received for the account of the partnership shall be deposited promptly in either of the above accounts.

(3) In the negotiation of any agreements involving the sale, re-sale, mortgage, investment, re-investment, development, improvement, maintenance, and leasing of any or all of the real, or personal property of the partnership, no act shall be done or agreement entered into on behalf of the partnership without first obtaining the approval of all of the parties hereto.

(4) Upon demand by any of the partners, the remaining partners shall promptly contribute their pro rata share in cash of such sums as may be required by the partnership to carry on the purposes for which it is formed such as, by way of particularity but not by way of limitation, the deposit and down payment for any real property purchased, interest, deferred purchase money amortizations, taxes, insurance, title acquisition expenses, and counsel fees, development and maintenance costs and charges, office expenses, etc., incident to the purposes of the partnership. The partner making such demands shall give each of the partners at least ten (10) days advance written notice setting forth the purposes of such contribution, the amount and due dates of the same.

(5) After payment of all debts, charges, costs and expenses of the partnership, any revenue, net profits, or losses, shall thereupon be distributed between the parties hereto in proportion to their then respective proprietary interest therein, namely, one-third (1/3) to DR. LAWRENCE A. KAPLAN and BONNIE KAPLAN, his wife, one-third (1/3) to LUTZ H. von MUEHLEN, M.D. and JENNIFER von MUEHLEN, his wife and one-third (1/3) to JOHN S. LANDBECK, JR., ESQUIRE and SANDRA J. LANDBECK, his wife. In the event disputes arise between the parties regarding the proper application and distribution of said revenue, profit, losses the records of the partnership shall be audited by a Certified Public Accountant, of recognized ability, to be mutually selected by the parties, and his report shall be final and binding upon the parties, and his compensation shall be borne by the partnership.

(6) Any disputes hereunder regarding the construction and performance of any of the provisions hereof or the business of the partnership shall be resolved by putting the same to a vote of the hereto and in the event all of them cannot agree, the dispute shall be submitted to three persons, one designated by each of the partners, and a majority vote of the three persons so designated shall be controlling even though such majority vote shall represent a compromise decision of the dispute. Time is of the essence in this regard and in the event one or more of the parties shall fail to designate a nominee to consider the dispute on his behalf within two (2) days of a written demand therefor, the remaining parties shall have the right to designate a disinterested attorney-at-law as the designee of the party failing to designate with respect to such dispute, or disputes.

(e) The partnership shall continue until October 3, 1990, unless sooner terminated by the agreement of all the partners. The partnership shall continue thereafter from year to year provided that on and after October 3, 1990, any of the joint partners shall have the right to retire therefrom at the end of any calendar year. The retirement of any partner shall have no effect upon the continuance of the partnership. The remaining partners shall have the right either to purchase the retiring Partner's interest in the partnership, or to terminate and liquidate the partnership. If the remaining partners elect to

purchase the interest of a retiring partner, they shall serve notice in writing of such election upon the retiring partner at the office of the partnership within two (2) months after receipt of the notice of intention to retire.

(1) If the remaining partners elect to purchase the interest of the retiring partner in the partnership, the purchase price and method of payment shall be the same as stated in this agreement with reference to the purchase of a decedent's interest in the partnership.

(2) If the remaining partners do not elect to purchase the interest of a retiring partner in the partnership, the partners shall proceed with reasonable promptness to liquidate the assets of the partnership. The partnership name shall be sold with the other assets of the business. The procedure as to liquidation and distribution of the assets of the partnership shall be as follows, namely: The assets of the partnership shall be used and distributed in the following order: (i) To pay or provide for the payment of all partnership liabilities and liquidating expense and obligations; (ii) To equalize the income accounts of the partners; (iii) To discharge the balance of the income accounts of the partnership; (iv) To equalize the capital accounts of the partnership; and (v) To discharge the balance of the capital accounts of the partnership.

(f) Upon the death of any partner, the surviving^{sans} partner shall have the right either to purchase the interest of the decedent in the partnership or to terminate and liquidate the partnership business. If the surviving partners elect to purchase the decedent's interest, they shall serve notice in writing of such election, within three (3) months after the death of the decedent, upon the executor, or administrator of the decedent's estate, or, if at the time of such election no legal representative has been appointed, upon any one of the known legal heirs of the decedent at the last known address of such heir.

(1) If the surviving partners elect to purchase the interest of the decedent in the partnership, the purchase price shall be equal to the decedent's capital and income accounts as shown on the partnership's books as at the end of the prior fiscal year, increased by his share of partnership profits or decreased by his share of partnership losses for the period from the beginning of the fiscal year, in which his death occurred until the end of the calendar month in which his death occurred and decreased by withdrawals during such period.

From time to time the partners shall endorse hereon such amount as they shall agree upon as the excess value to be added to the book value of the partnership for all intangible assets in determining the total value of the partnership property for purposes of computing the purchase price to be paid for the interest of the deceased partner. Upon such endorsement it shall be binding upon the parties until a subsequent endorsement shall be made. The purchase price computed as aforesaid shall be paid with interest at the rate of ten (10%) percent per annum computed from the first day of the month following the month in which the decedent's death occurred in ten (10) equal semi-annual installments beginning on the first day of the seventh month following the month in which the decedent's death occurred. Such purchase price to be represented by the promissory note of the purchasing partners in which note their respective spouses shall join as makers, they also evidencing the agreement to join in such note in consideration of the agreement of each of them so to do by joining in this instrument.

(2) If the surviving partners do not elect to purchase the interest of the decedent in the partnership, they shall proceed with reasonable promptness to liquidate the business of the partnership. The surviving partners and the estate of the deceased partner shall share equally in the profits and losses of the business during the period of liquidation, except that the decedent's estate shall not be liable for losses in excess of the decedent's interest in the partnership at the time of his death. No compensation shall be paid to the surviving partners for services in liquidation. Except as herein otherwise stated, the procedure as to liquidation and distribution of the assets of the partnership business shall be the same as stated in the paragraph previous to this with reference to voluntary termination.

SIXTH: No partner shall, without the consent of the others, borrow or lend money on behalf of the partnership, sell, assign, or pledge his interest in the partnership.

SEVENTH: The parties hereto acknowledge that they have not been induced to enter into this agreement by any representation, terms, conditions precedent, or subsequent, except those expressly herein set forth, and they expressly

stipulate and agree that this instrument contains the entire agreement between them, and the same shall be binding upon, and inure to, their respective heirs, administrators, and assigns.

EIGHTH: The partners agree that appropriate books and records shall be maintained at all times evidencing the condition of the business, the source of the clients, and other relevant information.

NINTH: The liability of the partners is expressly limited to the activities of the partnership and each agrees that they will not without consent of the other become bail or surety for any other person nor lend, spend, give or make away with any part of the partnership property; or draw or except any bill, note, or other security in the name of said firm, except in the do course of said partnership business.

TENTH: The partners agree to give their time and attention to the business and to use their utmost endeavors to promote the interest of the firm.

IN WITNESS WHEREOF, the parties hereto have signed their names and affixed their seals, all as of the day and year first above written.

WITNESS:

Arnold E. Raudenbush

Lawrence A. Kaplan (SEAL)
DR. LAWRENCE A. KAPLAN

Arnold E. Raudenbush

Bonnie V. Kaplan (SEAL)
BONNIE KAPLAN

Arnold E. Raudenbush

Lutz H. von Muehlen, M.D. (SEAL)
LUTZ H. von MUEHLEN, M.D.

Arnold E. Raudenbush

Jennifer von Muehlen (SEAL)
JENNIFER von MUEHLEN

Arnold E. Raudenbush

John S. Landbeck, Jr., Esq. (SEAL)
JOHN S. LANDBECK, JR., ESQ.

Arnold E. Raudenbush

Sandra J. Landbeck (SEAL)
SANDRA J. LANDBECK

RECD & RECORDED

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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

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SUPPLEMENTAL PARTNERSHIP AGREEMENT

THIS SUPPLEMENTAL PARTNERSHIP AGREEMENT made this 14th day of June, 1982, by and between DR. LAWRENCE A. KAPLAN and BONNIE KAPLAN, his wife, LUTZ H. VON MUEHLEN, M.D. and JENNIFER VON MUEHLEN, his wife, and JOHN S. LANDBECK, JR., and SANDRA J. LANDBECK, his wife, (for purposes of this Agreement each Husband and Wife are being treated as one party) parties of the first part and DR. PAUL S. STONESIFER, JR. and MARY JO STONESIFER, his wife, parties of the second part:

CT 19-82 B #28640 *****19.00

WITNESSETH:

FIRST: The parties of the first part entered into a Partnership Agreement, September 30, 1980, copy of which is attached hereto and intended to be a part hereof, further that the parties of the first part jointly and severally do agree and desire that the parties of the second part be made a part of and be incorporated into the Partnership Agreement, dated September 30, 1980.

SECOND: The parties of the second part, having reviewed and having full understanding of the Partnership Agreement of September 30, 1980 do hereby agree and desire to associate themselves with the parties of the first part in a partnership known as PARKE ENTERPRISES created pursuant to the aforesaid agreement.

THIRD: The parties hereto agree that the respective interest of all partnership parties, each partnership entity consisting of a Husband and Wife holding their interest as joint tenants, shall consist of ownership of Twenty-Five Percent (25%) of the partnership, including but limited to any and all real estate acquired by the partnership subsequent to September 30, 1980.

FOURTH: The parties agree that contribution capital by the parties of the second part to the partnership shall be ~~Forty~~ ^{THIRTY} Thousand Dollars (~~\$40,000.00~~ ^{\$30,000.00} PAR BLK LUM. *[Signature]*)

FIFTH: The parties hereto further agree that the parties of the first part and the parties of the second part will execute any and all agreements, contracts, deeds, mortgages, notes, or other documents necessary to accomplish the intention of this agreement, and pending execution of those documents the parties of the first part do covenant and agree that they shall convey unto the parties of the second part such of their interest in real estate owned by the partnership under their individual names trading as Parke Enterprises.

10-20-82
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BOUTIN,
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37 West Bel Air
Avenue
Aberdeen, Maryland
21001
273-6636
575-6767

Supplemental Partnership Agreement
Page 2

SIXTH: The parties hereto affirm or reaffirm the covenants, terms and conditions of the Partnership Agreement of September 30, 1980.

IN WITNESS WHEREOF, the parties hereto have signed their names and affixed their seals on this 14th day of June, 1980.
WITNESS:

Constance _____ Lawrence A. Kaplan (SEAL)
DR. LAWRENCE A. KAPLAN

_____ Bonnie Kaplan (SEAL)
BONNIE KAPLAN

_____ Lutz H. von Muehlen M.D. (SEAL)
LUTZ H. VON MUEHLEN, M.D.

_____ Jennifer von Muehlen (SEAL)
JENNIFER VON MUEHLEN

_____ John S. Landbeck, Jr., Esq. (SEAL)
JOHN S. LANDBECK, JR., ESQ.

_____ Sandra J. Landbeck (SEAL)
SANDRA J. LANDBECK

R.T. Stonesifer _____ Paul S. Stonesifer, Jr. (SEAL)
DR. PAUL S. STONESIFER, JR.

R.T. Stonesifer _____ Mary Jo Stonesifer (SEAL)
MARY JO STONESIFER

RECD & RECORDED WPC

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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

ABERDEEN HOUSING ASSOCIATES
AMENDMENT TO AMENDED AND RESTATED LIMITED
PARTNERSHIP AGREEMENT AND CERTIFICATE

BY -5-82 A #2 380 *****31.00

The undersigned, constituting all of the General and Limited Partners of Aberdeen Housing Associates, a Maryland limited partnership, do hereby amend the Amended and Restated Limited Partnership Agreement and Certificate dated July 2, 1981, as filed in the Office of the Clerk of the Circuit Court of Harford County, Maryland on May 14, 1982, as follows:

1. Pursuant to Section 4.2 of Article IV, the Managing General Partner, A&R-Waterford Joint Venture has purchased from the Original Limited Partner, Thomas P. Harkins, Inc., its entire 1% limited partnership interest for the sum of \$100.00. Effective as of June 25, 1982 Thomas P. Harkins, Inc. is no longer a limited partner and any references to it shall be deemed to be references to A&R-Waterford Joint Venture which, as of said date is admitted as a Substitute Limited Partner.

2. Schedule A is hereby amended as set forth in the form attached hereto, to reflect the name and address of the Substitute Limited Partner and to eliminate the name and address of the Original Limited Partner.

Except as herein amended, the Amended and Restated Limited Partnership Agreement and Certificate of Aberdeen Housing Associates shall remain unchanged and in full force and effect.

WITNESS the execution under seal as of this 4TH day of AUGUST, 1982.

WITNESS/ATTEST:

General Partners

A&R-WATERFORD JOINT VENTURE
By: A&R Development Corp.,
joint venturer

By: Theo C. Rodgers
Theo C. Rodgers, President

By: The Waterford Group, Inc.,
joint venturer

By: James L. Ginsburg
James L. Ginsburg, President

Theo C. Rodgers
Theo C. Rodgers

James L. Ginsburg
James L. Ginsburg

Cecilia B. Johnson

Christie M. Reiter

Cecilia B. Johnson

Christie M. Reiter

[Signatures Continued]

Mailed to Berks Title Ins. Co., 2505 Blaustein Bldg., 1 N. Charles St., Balto., Md. 21201

Mary Kathleen Bittner

Neil F. Lemon
Neil F. Lemon

Mary Kathleen Bittner

Lawrence A. Menefee, Jr.
Lawrence A. Menefee, Jr.
Limited Partners

WFC REALTY CO., INC.
Class A Limited Partner
By: A&R-Waterford Joint Venture,
Managing General Partner, Attorney-
in-Fact

By: A&R Development Corp.,
joint venturer

Callie B. Johnson

By: Theo C. Rodgers
Theo C. Rodgers, President

By: The Waterford Group, Inc.,
joint venturer

Christie M. Ruter

By: James L. Ginsburg
James L. Ginsburg, President

ABERDEEN PARTNERS
By: A&R-Waterford Joint Venture,
Managing General Partner, Attorney-
in-Fact

By: A&R Development Corp.,
joint venturer

Callie B. Johnson

By: Theo C. Rodgers
Theo C. Rodgers, President

By: The Waterford Group, Inc.,
joint venturer

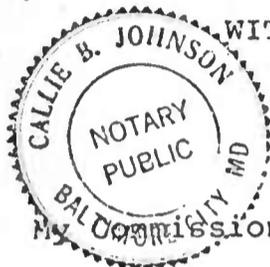
Christie M. Ruter

By: James L. Ginsburg
James L. Ginsburg, President

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 4th day of August, 1982, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared THEO C. RODGERS, President of A&R DEVELOPMENT CORP., who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate in his official capacity for said body corporate as joint venturer and as Managing General Partner and in his individual capacity as General Partner.

WITNESS my hand and Notarial seal.



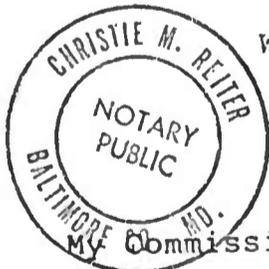
Callie B Johnson
Notary Public

My Commission expires: July 1, 1982

STATE OF MARYLAND)
County) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 19th day of October, 1982, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared JAMES L. GINSBURG, President of THE WATERFORD GROUP, INC., who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate in his official capacity for said body corporate as joint venturer and in his individual capacity as General Partner.

WITNESS my hand and Notarial seal.



Christie M Reiter
Notary Public

My Commission expires: July 1, 1986

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY that on this 30TH day of AUGUST, 1982, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared NEIL F. LEMON, known to me (or satisfactorily proven), who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate as his individual act.

WITNESS my hand and Notarial Seal.

Mary Kathleen Bittner
Notary Public

My Commission expires: JULY 1, 1986



STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY that on this 30TH day of AUGUST, 1982, before me, the subscriber, a Notary Public of the State and City aforesaid, personally appeared LAWRENCE A. MENEFE, JR., known to me (or satisfactorily proven), who acknowledged that he executed the foregoing Limited Partnership Agreement and Certificate as his individual act.

WITNESS my hand and Notarial Seal.

Mary Kathleen Bittner
Notary Public

My Commission expires: JULY 1, 1986



SCHEDULE A
TO
ABERDEEN HOUSING ASSOCIATES
AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE

<u>Name and Address</u>	<u>Capital Contributions</u>	<u>Percentage Interest</u>
<u>GENERAL PARTNERS:</u>		
A&R-Waterford Joint Venture 306 Metro Plaza Baltimore, Maryland 21215	\$ 50.00	.500%
Theo C. Rodgers 9762 Basket Ring Road Columbia, Maryland 21045	\$ 12.50	.125%
James L. Ginsburg 5604 Wexford Road Baltimore, Maryland 21209	\$ 12.50	.125%
Neil F. Lemon 538 Park Avenue Towson, Maryland 21204	\$ 12.50	.125%
Lawrence F. Menefee, Jr. 208 Club Road Baltimore, Maryland	\$ 12.50	.125%
	<u>\$ 100.00</u>	<u>1.00%</u>
<u>LIMITED PARTNERS:</u>		
<u>CLASS A LIMITED PARTNER</u>		
WFC REALTY CO, INC. Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$ 10.00	.1%
<u>SUBSTITUTE LIMITED PARTNER (Assignee of Thomas P. Harkins, Inc., Original Limited Partner)</u>		
A&R-Waterford Joint Venture 306 Metro Plaza Baltimore, Maryland 21215	\$ 100.00	1.0%
<u>INVESTOR PARTNERSHIP</u>		
Aberdeen Partners Suite 1110 225 Franklin Street Boston, Massachusetts 02110	\$659,736.00	97.9%
	<u>\$659,846.00</u>	<u>100.0%</u>

REC'D & RECORDED *7/11/82*

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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

BOOK 3 PAGE 419
CERTIFICATE OF LIMITED PARTNERSHIP

1. NAME OF THE LIMITED PARTNERSHIP.

The name of the Limited Partnership shall be "ALICEANNE ASSOCIATES, LIMITED PARTNERSHIP".

2. THE PURPOSES FOR WHICH THE PARTNERSHIP IS FORMED.

The purposes of the Partnership are as follows:

A. The Partnership has acquired the contract right to purchase in fee simple a tract of real property located on Alice Anne Street, Bel Air, Maryland. Said property is more fully described in the Agreement of Sale dated as of August 1982, between the Partnership and the Town of Bel Air, a Maryland Municipal Corporation. The Partnership shall acquire the property and construct on said property twelve (12) Townhouse Apartment Units which the Partnership shall operate as such. Said tract of real property together with the improvements to be constructed thereon and appurtenances thereto shall be hereinafter referred to as the "Property".

B. The Partnership may sell all or any part of the Property.

C. The Partnership may also do and engage in any and all other things and activities incident to the acquisition, holding, management, operation, leasing, development and/or sale of the Property, including, by way of illustration and not by way of limitation, arranging and consummating financing; executing deeds, leases, ground leases, mortgages or deeds of trust; creating agreements for the construction, design, operation and management of the improvements; and doing all things reasonably incident to the development, operation, management and leasing of all or any part of the Property.

D. The Partnership may engage in any other business or make any other transaction which the General Partners or their

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General Partners or their

sole discretion shall deem to be reasonable related to the further-
ance of the foregoing business and purposes of the Partnership as
a whole.

3. THE ADDRESS OF THE PRINCIPAL OFFICE AND THE NAME AND ADDRESS
OF THE RESIDENT AGENT.

A. Address of the Principal Office:

101 Wheel Road
Bel Air, Maryland 21014

B. Name and Business Address of Resident Agent:

John C. Magness
101 Wheel Road
Bel Air, Maryland 21014

4. NAME AND HOME ADDRESS OF EACH PARTNER.

A. John C. Magness
1213 Whitaker Mill Road
Joppa, Maryland 21085 - General Partner

B. Tommy W. Morrison
603 Wheel Road
Bel Air, Maryland 21014 - General Partner

5. PARTNERSHIP INTERESTS: CAPITAL CONTRIBUTIONS.

A. John C. Magness - Cash - \$6,025.00

B. Tommy W. Morrison - Cash - \$6,025.00

6. ADDITIONAL CAPITAL CONTRIBUTIONS.

No additional capital contributions have been agreed upon by
the partners hereto.

7. ASSIGNABILITY OF PARTNERSHIP INTEREST.

A. Except as otherwise provided in this Section 7, the
General Partners shall not have the right to retire from the
Partnership or sell or assign all of their interest in the
Partnership. Any part but not all of the Partnership Interest of
each General Partner, as General Partner, shall be assignable to
family members or associates without the consent of any of the
Partners or to any other person upon the approval of Limited
Partners holding an aggregate of Sixty Percent (60%) of all Limited
Partnership Interests, provided such assignment or transfer does

not terminate the Partnership for Federal income tax purposes; and the assignee thereof shall be a Limited Partner entitled to all the rights and privileges and shall be liable for all the obligations and duties of a Limited Partner under this Agreement.

B. Subject to the further provisions hereof and the written approval of a majority of the General Partners, the Partnership Interest of each Limited Partner shall be assignable provided such assignment does not terminate the Partnership for Federal income tax purposes. Unless the assigning Limited Partner so provides in the instrument of assignment, the assignee shall not become a substituted Limited Partner (as that term is used in the Act), but shall have only the rights of an assignee as set forth in the Act. If the assigning Partner so provides in the instrument of assignment that the assignee shall be a substituted Limited Partner, then the assignee shall have the right to become a substituted Limited Partner, (entitled to any and all rights and duties to which the assigning Limited Partner was entitled or subject) provided that the assignee pay a fee not to exceed Five Hundred Dollars (\$500.00) to the Partnership to cover the costs and expenses of preparation, execution and recordation of an Amended Certificate of Limited Partnership. Unless named in this Agreement, or unless admitted to the Partnership as herein provided, no person shall be considered a Partner; and the Partnership, each Partner, and any other persons having business with the Partnership need deal only with Partners so named or so admitted. Such other persons shall not be required to deal with any other person by reason of an assignment by a Partner or by reason of the death of a Partner, except as otherwise provided in this Agreement. In the absence of substitution of a Limited Partner for an assigning or deceased Limited Partner, any payment to a Partner or to the executors, administrators or assignee of a Partner shall acquit the Partnership of all liability

to any other person who may be interested in such payment by reason of an assignment by such Partner or by reason of the death of such Partner.

C. Except as otherwise provided in Section D, no Limited Partner shall sell, hypothecate, pledge, assign or otherwise transfer with or without consideration (hereinafter collectively referred to as "dispose" or a "disposition") or agree to dispose of all or any of his interest in the Partnership without first giving notice to all of the other Partners, at least thirty (30) days in advance of such disposition. A statement setting forth all the terms and conditions of the proposed disposition (the "Statement"), with the names and addresses of the proposed parties to such disposition, shall be attached to the notice. For a period of thirty (30) days from the date of notice, the other Partners shall have the option (the "Option") to make the purchase from the Limited Partner desiring to dispose of his interest (the "Offeror") under the same terms and conditions as are set out in the Statement. The Partners desiring to exercise the aforesaid Option shall do so by giving notice to the Offeror. If such notice has not been given by any Partner by the expiration of the aforesaid thirty (30) day period, the Offeror shall be free to make the proposed disposition; provided, however, that the disposition shall be made within ninety (90) days after such expiration to the party or parties set forth in the Statement and in strict accordance with the terms and conditions set forth therein. Such disposition shall in any event be subject to the provisions of this Section 7. The Option shall be exercisable by all the Limited Partners other than the Offeror in proportion to their percentages of Partnership Interest (or in such other proportion as may be mutually agreed upon by such Partners); but if any of such Limited Partner does not exercise the Option within thirty (30) days, his portion may be

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taken up pro rata by the remaining Limited Partners or Partner, as the case may be, and in default of the exercise of the Option by the Limited Partners, the General Partners shall have the right, in proportion to their percentages of Partnership Interest (or in such other proportion as may be mutually agreed upon by such General Partners), to exercise the Option in accordance with the terms hereof.

D. Subject to the provisions of Section 7 other than Section 7C the provisions of Section 7C shall not be applicable to the transfer of a Limited Partnership interest, by gift, bequest, intestate succession, sale or exchange, to a spouse, ancestor, descendant, brother or sister of either (i) the transferor, whether or not the transferor is an original party to this Agreement, or (ii) to a testamentary or inter vivos trust of which the primary beneficiaries are one or more of the group consisting of the spouse, ancestor, descendant, brother or sister of the transferor.

E. The Partnership Interest owned by an assignee who has not become a substituted Limited Partner in accordance with the provisions of this Section 7 shall be assignable to the same extent as if such assignee had become a substituted Limited Partner, but any such assignment shall be subject to all the provisions of this Section 7..

F. In the event of the withdrawal of a Partner pursuant to this Section 7 the Partnership shall continue with respect to the remaining Partners, appropriate adjustments shall be made to their capital accounts and Partnership Interests to reflect the purchase of the Partnership Interest of the withdrawing partner, and an election may be made to adjust the basis of Partnership assets in accordance with Section 754 of the Internal Revenue Code of 1954 as amended, or the corresponding provisions

of any Federal Internal Revenue Law, and the similar provisions of the tax law of any State or other jurisdiction.

G. Anything contained herein to the contrary notwithstanding, each of the Partners, who is purchasing Partnership Interests issued by the Partnership in a transaction exempt from registration under the Securities Act of 1933 (the "1933 Act"), hereby warrants and represents that the securities being acquired by him pursuant to the Rule are being acquired for his own account for investment only and not with a view to, offer for sale or for sale in connection with, the distribution or transfer thereof. Each of the Partners further warrants and represents that he is not participating, directly or indirectly, in a distribution or transfer of such Partnership Interests, nor is he participating, directly or indirectly, in the underwriting of any such distribution or transfer of such Partnership Interests. Each of the Partners further warrants and represents that he will not act in any way that would constitute him to be an underwriter, within the meaning of the 1933 Act, of such Partnership Interest.

Each of the Partners understands that the Partnership is offering, offering to sell, offering for sale and selling the Partnership Interests only to persons whom the Partnership has reasonable grounds to believe, and actually believes, prior to making an offer and prior to making a sale, that all offerees and all purchasers (i) are able to evaluate the merits and risks of investment in the Partnership or (ii) are able to bear the economic risk of investment in the Partnership and prior to the purchase of such Partnership Interest are represented by an offeree representative who is able to evaluate the merits and risks of the investment. In connection therewith each of the Partners represents that he has executed such pre-offering and pre-sale suitability letters as have been requested by the Part-

nership, and where applicable has had his offeree representative execute an offeree representative letter.

Each of the Partners hereby agrees that the Partnership Interests purchased by him and any agreement or certificate evidencing such Partnership Interests shall be stamped or otherwise imprinted with a conspicuous legend in substantially the form set forth at the top of the first page of this Agreement. Such Partnership Interests shall not be transferable except upon the conditions specified in this Section 7G. Each of the Partners realizes and agrees that by becoming a Partner in the Partnership pursuant to the terms of this Agreement and the aforesaid legend, that, prior to any permitted transfer of a Partnership Interest, he is required to give written notice to the General Partners expressing his desire to effect such transfer and describing the proposed transfer.

Upon receiving such notice the General Partners shall present copies thereof to counsel for the Partnership and the following provisions shall apply:

(1) If in the opinion of such counsel the proposed transfer of such Partnership Interests may be effected without registration thereof under the 1933 Act, as then in force, or any similar statute then in force, and applicable state securities law, the General Partners shall promptly thereafter notify the holder of such Partnership Interest, whereupon such holder shall be entitled to transfer such Partnership Interest all in accordance with the terms of the notice delivered by such holder to the General Partners, and upon such further terms and conditions as shall be required by counsel for the Partnership in order to assure compliance with the Act and applicable state securities law.

(2) If in the opinion of such counsel the

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proposed transfer of such Partnership Interest may not be effected without registration of such Partnership Interest under the 1933 Act and/or applicable state securities law, a copy of such opinion shall be promptly delivered to the holder who had proposed such transfer, and such transfer shall not be made unless such registration is then in effect.

Each Partner realizes that the Partnership Interests are not and will not be registered under the 1933 Act or under the Maryland Securities Act (the "State Act") and that the Partnership does not file periodic reports with the Securities and Exchange Commission pursuant to the requirements of the Securities Exchange Act of 1934. Each Partner also understands that the Partnership has not agreed with any Partner to register the Partnership Interests for distribution in accordance with the provisions of the 1933 Act or the State Act, and that the Partnership has not agreed to comply with any exemption under the 1933 Act or the State Act for the sale hereafter of such securities.

Hence, it is the understanding of each Partner that by virtue of the provisions of certain rules respecting "restricted securities" promulgated under the 1933 Act, the Partnership Interests which he is purchasing pursuant hereto must be held by him indefinitely unless and until subsequently registered under the 1933 Act and/or applicable state securities law or unless an exemption from such registration is available, in which case such Partner may still be limited as to the amount of said securities that he may sell.

8. DISSOLUTION OF THE PARTNERSHIP.

A. The Partnership shall be dissolved only upon the happening of any of the following events:

(1) The written decision of Partners whose respective percentages of Partnership Interest exceed Seventy

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Percent (70%) in the aggregate of the total of One Hundred Percent (100%) of the Partnership Interests of the Partnership.

(2) The sale or other disposition of all or substantially all of the Partnership assets and the distribution to the Partners of the proceeds thereof.

(3) The expiration of the term of the Partnership.

(4) The unanimous consent or agreement of the General Partners.

(5) The retirement, death, incompetency, bankruptcy, insolvency or dissolution of one of the General Partners.

B. Upon a dissolution of the Partnership the assets shall be liquidated, and the proceeds therefrom, together with assets distributed in kind to the extent sufficient therefor, shall be applied and distributed in order of priority as follows:

(1) First, to the payment and discharge of all of the Partnership's debts and liabilities to persons other than Partners.

(2) Second, to the payment and discharge of any loan made by any of the Partners to the Partnership.

(3) Third, to the creation of any reserves which may be deemed reasonably necessary for contingent liabilities of the Partnership of the General Partners (which reserves shall be held in escrow).

(4) The balance remaining, if any, shall be distributed among all Partners in proportion to each Partners respective percentage of Partnership Interest.

C. Upon completion of the dissolution, winding up, liquidation and distribution of the liquidation proceeds, except as provided in Section 15B(3), the Partnership shall terminate, the Limited Partners shall cease to be such, and the General

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Partners, as the sole remaining Partners of the Partnership, shall execute, acknowledge and cause to be filed a certificate of cancellation of the Partnership.

D. The Partnership shall not be dissolved by the death, incompetency, bankruptcy, insolvency, dissolution, or retirement of any Limited Partner; by the assignment by any Limited Partner of his Partnership Interest; or by the admission of new Limited Partners.

E. The General Partners shall not be personally liable for the return or repayment of all or any part of the capital contributions of the Limited Partners. Any such return shall be made solely from Partnership assets.

9. DISTRIBUTION OF NET CASH FLOW.

A. For purposes of this Certificate:

(1) "Net Cash Flow" shall mean:

(a) Taxable income for Federal Income tax purposes as shown on the books of the Partnership including dividends, capital gains, involuntary conversions, and gains or losses from Section 1231 property, as defined in the Internal Revenue Code, and any charitable contributions, increased by (i) the amount of depreciation deductions taken in computing such taxable income and (ii) any nontaxable income received by the Partnership (not including proceeds of any loans) and reduced by (i) payments upon the principal of any indebtedness, secured or unsecured, of the Partnership, (ii) expenditures for capital improvements, additions or replacements (except to the extent financed through any Partnership indebtedness, secured or unsecured) and (iii) any cash outlays which are used in computing the Partnership's Federal taxable income, such as reserves for said improvements, additions or replacements, and such reserves for repairs and reserves to meet anticipated expenses as the General

Partners shall deem to be reasonably necessary; plus

(b) Any other funds deemed by the General Partners to be available for distribution.

B. The Net Cash Flow of the Partnership shall be distributed at least annually among the partners in proportion to each Partner's respective percentage of Partnership Interest.

C. The net proceeds from the sale of all or any portion of the Property or any excess funds resulting from the placement or refinancing of any mortgage on the Property or the encumbrancing of such Property in any other manner shall be distributed to the Partners in proportion to each Partner's respective percentage of Partnership Interest.

10. ANY RIGHT OF A PARTNER TO RECEIVE, OR OF A GENERAL PARTNER TO MAKE, DISTRIBUTIONS TO A PARTNER WHICH INCLUDE A RETURN OF ALL OR ANY PART OF THE PARTNER'S CONTRIBUTIONS.

None.

11. ANY TIME AT WHICH OR EVENTS UPON THE HAPPENING OF WHICH THE LIMITED PARTNERSHIP IS TO BE DISSOLVED AND ITS AFFAIRS WOUND UP.

See Item 8 above.

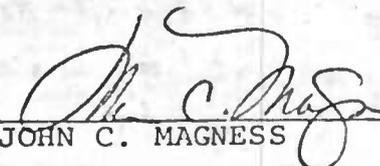
12. RIGHT OF THE REMAINING GENERAL PARTNERS TO CONTINUE THE PARTNERSHIP ON THE HAPPENING OF AN EVENT OF WITHDRAWAL OF A GENERAL PARTNER.

There is no right of the remaining General Partners to continue the Partnership on the happening of an event of withdrawal of a General Partner.

13. OTHER MATTERS THE PARTNERS DETERMINE TO INCLUDE.

NONE.

GENERAL PARTNERS:

 (SEAL)
JOHN C. MAGNESS

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Tommy W. Morrison (SEAL)
TOMMY W. MORRISON

STATE OF MARYLAND, COUNTY OF HARFORD, TO WIT:

I HEREBY CERTIFY that on this 10th day of August, 1982, before me, the subscriber, a Notary Public in and for the County and State aforesaid, personally appeared John C. Magness and Tommy W. Morrison, who acknowledged themselves to be General Partners of ALICEANNE ASSOCIATES, LIMITED PARTNERSHIP, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument, and acknowledged the facts therein contained to be true and correct to the best of their knowledge, information and belief.

AS WITNESS my hand and Notarial Seal.

[Empty box for signature]

Linda L. Beavers
Notary Public


My Commission Expires: July 1, 1986

CERTIFICATE OF LIMITED PARTNERSHIP

OF

ALICEANNE ASSOCIATES, LIMITED PARTNERSHIP

received for record August 9, 1982, at 9:04 AM.

and recorded on Film No. 2551 13 Frame No. 3366 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA No 0094

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Fee Paid \$50.00

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NO 3 FOLIO 419
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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

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CHARLES CENTER OF HARFORD COUNTY
LIMITED PARTNERSHIP

THIS LIMITED PARTNERSHIP AGREEMENT, Made this 18 day of August, 1982 by and among JOHN P. SEISMAN, DR. JONATHAN SENIOR and DR. JEAN BOGARTY SENIOR, his wife, STANLEY J. SWIDER and NICOLETTA L. SWIDER, his wife, JOHN TERZIU, III and MARY L. TERZIU, his wife, and DR. CHARLES M. WAX and JUDITH A. WAX, his wife (all of whom are sometimes hereinafter collectively referred to as "PARTNERS").

W I T N E S S E T H:

WHEREAS, the parties hereto desire to join together and do hereby join together in a Limited Partnership for the purpose of acquiring a certain piece of property, commonly known as 321 South Main Street, Bel Air, Harford County, Maryland 21014, for investment purposes and renovating same and developing same and conducting other business activities pursuant to the terms and conditions set forth herein; and,

WHEREAS, the parties either have or will file a Certificate of Limited Partnership or a Limited Partnership Agreement among the appropriate Land Records and Partnership Records of Harford County, in the State of Maryland; and,

WHEREAS, the parties have been operating a Limited Partnership since that time, have executed a contract to purchase the land in question, have or may have entered into various agreements and have performed or may have performed various functions preliminary to the ultimate development of the

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Mailed to John Seisman, 1601 Tollgate Rd., Bel Air, Md. 21014

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subject property, have negotiated or may have negotiated and have executed or may have executed certain leases, providing for the occupancy of certain space to be renovated within the building presently located on the property, by the tenants or by the landlord with whom said leases were negotiated, have caused or may have caused various partnership statements to be rendered and have or may have generally conducted the business of the Limited Partnership; and,

WHEREAS, it is the intention of the parties that this written Partnership Agreement shall take precedence over and supercede any and all previous agreements under which the parties have operated; and,

WHEREAS, in order to clarify the understanding and agreement by and among all of the parties hereto, these presents are executed.

NOW, THEREFORE, in consideration of the premises and of the mutual promises of the parties hereto, each to the other, and of other good and valuable considerations, the receipt and validity of all of which is hereby acknowledged, the parties hereto do agree as follows:

1. Formation. The parties hereto hereby form a Limited Partnership (Hereinafter sometimes referred to as the "Partnership") pursuant to the provisions of Title 10 of the Corporations & Associations Article of the Annotated Code of Maryland ("Maryland Revised Uniform Limited Partnership Act"), effective July 1, 1982, which said Partnership shall be conducted under the firm name and style of:

"CHARLES CENTER OF HARFORD COUNTY LIMITED PARTNERSHIP".

2. Certificate of Limited Partnership. The parties hereto have or will sign and acknowledge a Certificate of Limited Partnership, pursuant to the provisions of Section 10-201 of the Corporations & Associations Article of the Annotated Code of Maryland. The partners have or will cause the Certificate or this Limited Partnership Agreement

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to be filed among the Partnership Records of the Circuit Court for Harford County, where the principal office of the Partnership shall be located, and where the property to be developed is located.

3. Principal Office. The principal office of the Partnership shall be maintained at 1601 Toll Gate Road, Bel Air, Maryland 21014, and/or at such other place or places as the General Partner may from time to time designate.

4. Resident Agent. The Resident Agent of and for the Partnership shall be John P. Seisman, General Partner, whose address is 1601 Toll Gate Road, Bel Air, Maryland 21014. The Resident Agent is a citizen of Harford County, Maryland and actually resides therein.

5. Character of Business of the Partnership. The business and principal purpose of the Partnership shall be to purchase that real estate commonly known as 321 South Main Street, Bel Air, Harford County, Maryland 21014, and to hold, develop, improve, encumber (by mortgage, Deed of Trust, or other form or method of financing or refinancing), manage same and dispose of all or any part of same, and to do all things related to or necessary for the conduct of the business of the Partnership.

6. Term. The Partnership shall commence as of the date of this agreement and shall continue for FIFTY (50) YEARS thereafter, unless sooner terminated in accordance with the provisions hereinafter stated.

In the event that the partners have signed and have filed a Certificate of Limited Partnership before executing this formal agreement, then the term of the Partnership shall be deemed to have commenced upon the date of the filing of the Certificate with the Circuit Court for Harford County or other officer in the State of Maryland.

Promptly after filing the Certificate, the Partnership shall also file with the appropriate government officials such other documents, certificates and instruments as may be required by law.

7. Record Keeping. In accordance with Section 10-105 of the Corporations & Associations Article of the Annotated Code of Maryland, the Partnership shall keep at its principal office the following records, which are subject to inspection and copying at the reasonable request, and at the expense of any Partner during ordinary business hours:

A. A current list of the full name and last known home or business address of each Partner set forth in alphabetical order;

B. A copy of the Certificate together with executed copies of any Powers of Attorney, pursuant to which any Certificate has been executed;

C. Copies of the Limited Partnership's Federal, State and local income tax returns and report, if any, for the three most recent years;

D. Copies of then effective written Partnership Agreements and of any financial statements of the Limited Partnership for the three most recent years; and,

E. The Partnership Books.

8. Business Transactions of Partner With Partnership. Except as provided in this Partnership Agreement, a Partner may lend money to and transact other business with the "Partnership" and, subject to other applicable law, has the same rights and obligations with respect thereto as a person who is not a Partner.

9. Partners. The names and addresses of the Partners, their status in the Partnership and their percentage of ownership in the Partnership are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>PERCENTAGE</u>	<u>STATUS</u>
John P. Seisman	1601 Tollgate Road Bel Air, Maryland 21014	16.66%	Gen. Partner
Dr. Jonathan Senior Dr. Jean Bogarty Senior, ux	534 E. Jarrettsville Road Forest Hill, Md. 21050	33.33%	Ltd. Partner
Stanley J. Swider Nicoletta L. Swider, ux	3907 Stoney Ridge Trail Charlotte, North Carolina 28210	16.67%	Ltd. Partner
John Terziu, III Mary L. Terziu, ux	910 Creeks Road Havre de Grace, Maryland 31078	16.67%	Ltd. Partner
Dr. Charles M. Wax Judith A. Wax, ux	123 Kipling Court Abingdon, Md. 21009	16.67%	Ltd. Partner

10. Capital Contributions. The capital contributions which the Partnership has received, either prior to or together with the execution of this agreement, consist of FIVE (5) separate contributions (one from each Limited Partner (with or without spouse) in the amount of TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) each, resulting in a total cash deposit of ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$125,000.00).

The initial use of Partnership funds shall be to acquire the property (321 South Main Street) at a purchase price of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000.00). Renovation costs are estimated at NINETY THOUSAND DOLLARS (\$90,000.00), resulting in a total projected commitment of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00).

The Partnership shall make a downpayment of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) and execute a First Mortgage in the amount of SIXTY THOUSAND DOLLARS (\$60,000.00) at TWELVE PERCENT (12%) and a Second Mortgage in the amount of SIXTY FIVE THOUSAND DOLLARS (\$65,000.00) at EIGHTEEN PERCENT (18%). Certain projections based upon these figures and other assumptions are reflected on "Attachment A" hereto. Copies of the contract of sale, deed and mortgages will be provided to each Partner.

11. Ownership Interest In Partnership. All Partners, Limited Partners and General Partner, shall have an equal ONE-SIXTH (1/6th) ownership interest in the Partnership. The General Partner will not be required to make an initial capital contribution and will serve as the General Manager of the Partnership. A management agreement reflecting the valuation of his services and providing for certain compensation is attached as "Attachment B". Essentially, the Limited Partners shall not be obligated to pay into the Partnership any additional contributions. The General Partner shall be solely responsible for deficits. The General Partner shall be paid a management fee equal to FIFTY PERCENT (50%) of all monthly income in excess

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of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) per month, received by the Partnership. The Limited Partners shall not be expected or required to guarantee any Partnership loans. The General Partner shall have the sole responsibility for managing the Partnership property. It is the intention of the General Partner to list the property for sale sixty (60) months after the property has been renovated and made available for sale. This does not preclude any or all of the Partners from purchasing the property at fair market value.

12. Allocation Of Profit and Loss. The net profit and net losses of the Partnership (and each item thereof, including gain, deduction, loss of credit) to be reported for Federal Income Tax purposes (hereinafter "Profit and Losses") shall be divided among the Partners in proportion to their respective percentages of Partnership interests.

13. Distribution of Net Cash Flow.

A. So far as practicable, the net cash flow of the Partnership shall be distributed to the Partners, pro rata in proportion to their percentages of Partnership Interest, at such time or times as shall be determined by the Managing Partner.

B. For all purposes of this Agreement, the term "Net Cash Flow" shall mean:

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(1) The taxable income for Federal income tax purposes as shown on the books of the Partnership -- increased by (i) the amount of depreciation deductions taken in computing such taxable income, and (ii) any non-taxable income or receipts of the Partnership (excluding capital contributions and the proceeds of any mortgages or of any other Partnership obligations or loans to the extent used to finance capital improvements or replacements) -- and reduced by (i) payments upon the principal of any mortgages upon Partnership property or of any other Partnership obligations or loans (ii) expenditures for the acquisition of Partnership property and for capital improvements and/or replacements, and (iii) such reserves for capital improvements and/or replacements, for repairs and maintenance, for anticipated expenses, and/or for escrows as the Managing Partner shall deem to be reasonably necessary in the efficient conduct of the Partnership business; plus

(2) to the extent not included under paragraph B above, the net proceeds from the sale or other disposition of any part or all of the property owned by the Partnership; plus

(3) any other funds (including amounts previously set aside as reserves where and to the extent the Managing Partner no longer regards such reserves as reasonably necessary in the efficient conduct of the Partnership Business) deemed available for distributions and designated as net cash flow by the Partner.

14. Accounting. The Partnership Books shall be kept on the cash or accrual basis as selected by the Managing Partner and in accordance with accounting methods consistent with those employed for determining its income for Federal Income Tax purposes. The fiscal year of the Partnership shall be the calendar year.

15. Determination Of Profits And Loss. The Profits and Losses of the Partnership shall be determined in accordance with the accounting methods employed by the Partnership for Federal Income Tax purposes. Profits and losses of the Partnership shall be considered to have been earned ratably over the period of the fiscal year of the Partnership, except that profits and losses arising from the disposition of the Partnership assets shall be taken into account as of the date thereof.

16. Partners' Accounts.

A. The Partnership shall maintain for each Partner an account to be designated as his "Capital Account". Such capital accounts shall be a combined capital, income and distribution account, to which shall be credited the Partner's capital contribution(s) and distributive shares of profits and against which shall be debited his distributive shares of the losses of the Partnership and all distributions made to him.

B. A Partner's capital account may indicate a negative balance resulting from distributions and losses in excess of capital contributions and profits. No Partner shall have any obligation to the Partnership arising solely out of the existence of the negative balance in his capital account. However, the General Partner shall continue to be liable for any Partnership deficits.

C. The Partnership shall maintain for each Partner, in addition to his capital account, an account to be designated "Loan Account" (if and when such an account should be necessary) to which shall be credited any loans or advances by the Partner to the Partnership, which do not constitute capital contributions under the provisions of this Agreement, and against which shall be debited any repayments of any such loans or advances. Nothing herein is intended to infer any obligation upon the Limited Partner to make any loans to the Partnership.

17. Allocation of Certain Items of Account to Partners.

For purposes of Sections 702 and 704 of the Internal Revenue Code as it may be amended from time to time, and any similar tax laws of the State of Maryland, each Partner's distributive share of the Partnership's income, gains, losses, deductions and credits shall be equal to that percentage thereof as equal his ownership percentage as set forth above, or as changed from time to time pursuant to other provisions of this Agreement. In the event of an assignment of all or a part of a Partner's interest in the Partnership at any time other than at the end of the Partnership's fiscal year, the Partnership's profits, gains, losses, deductions and credits allocatable to the interest so transferred shall be further allocated between the assignor and assignee in the ratio of the number of days in the taxable year before and after the effective date of the assignment; provided, however, that nothing herein shall preclude the assignor and assignee from making special provision for extraordinary or non-recurring items of profits, gain, loss or credit.

18. Partnership Receipts. As used herein, the term "net cash receipts of the Partnership" shall mean the taxable income for federal income tax purposes as shown on the books of the Partnership, adjusted as follows: increased by the amount of depreciation and book amortization of buildings, improvements, leaseholds, personalty and intangibles to the extent that such items were deductions in computing the taxable income; increased by the amount of any non-taxable income or receipts of the Partnership; increased by the amounts received by the Partnership upon the sale of capital assets and intangibles subject to amortization to the extent that such proceeds are not promptly expended for Partnership purposes, and so long as such sale shall not have been made in conjunction with the dissolution of the Partnership;

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increased by the net proceeds received from the placement or refinancing of any mortgages or deeds of trust on Partnership property, or the encumbrancing or financing of such property in any other manner, to the extent that such proceeds are not promptly expended for Partnership purposes; decreased by the actual amortization of the principal of any debt obligations of the Partnership (including loans made by a Partner to the Partnership); decreased by such amounts as shall be determined by the General Partner to provide reasonable reserves for working capital, improvements and other contingencies of the Partnership; and, decreased by any amounts expended by the Partnership for capital improvements, other capitalized items and intangibles subject to amortization, except amounts withdrawn from any reserve fund created for such expenditures.

19. Application of Partnership Receipts. The net cash receipts of the Partnership shall be applied and distributed in the following order or priority:

A. Repayment, on a pro rata basis, of all loans and advances by Partners, other than capital contributions.

B. Distributions, from time to time, as determined by the General Partner, pro rata to each Partner in accordance with his Participation Percentage as set forth in Paragraph 6 above; provided, however, that no such distribution hereunder need be made unless the assets of the Partnership immediately thereafter shall be adequate in kind and sufficient in amount to discharge all of the Partnership's obligations for which liability is not limited to the assets of the Partnership. Net cash receipts of the Partnership may be distributed to the Partners without regard to the balances in the capital accounts for the Partners or any of them at the time of such distribution so long as each distribution constitutes a pro rata distribution in accordance with each Partner's Participation Percentage.

20. Powers of General Partner.

A. The Genral Partner shall possess all of the powers and rights of a General Partner set forth in Sections 9 and 10 of the Corporations & Associations Article of the Annotated Code of Maryland, including without limiting the generality of the foregoing, the power in his absolute discretion and on behalf of the Partnership to:

(i) To purchase, acquire, own, lease, manage and/or operate real and personal property as may be consistent with the business purposes of the Partnership;

(ii) Sell, assign, convey or otherwise transfer title to any portion of the real and personal property and other assets of the Partnership, including any interest in any mortgage, lease or other interest in real or personal property owned by the Partnership;

(iii) Borrow money for the Partnership, and, as security therefor, mortgage all or any part of the Partnership's real and personal property, and in conjunction therewith execute all necessary papers and documents, including but not limited to bonds, notes, mortgages, pledges, and security agreements for and on behalf of the Partnership;

(iv) Prepay, in whole or part, refinance, recast, increase, modify, consolidate, correlate or extend on such terms as he may deem proper any mortgages affecting the real or personal property of the Partnership;

(v) Place record title to the Partnership's real or personal property in the name or names of a nominee or nominees for the purpose of mortgage refinancing or any other convenience or benefit of the Partnership;

(vi) Employ from time to time persons, firms and corporations, on such terms and for such compensation as he shall deem proper, to assist in the development, leasing and management of the Partnership's real property and any such firm or corporation so employed may be owned and/or controlled by the General Partner;

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(vii) Enter into a contract with general contractors for the construction of any and all improvements on real property of the Partnership;

(viii) Set aside investment funds of the Partnership for payment of past, current, and future liabilities of the Partnership (including, but not limited to, liabilities of the Partnership to individual Partners);

(ix) Reallocate on a pro rata basis among the Capital Accounts of all other Partners, any capital surplus created by the admission of a new Partner, whether or not there exist deficit Capital Accounts for individual Partners and for the Partnership as a whole prior to or following such admission; and

(x) To make or revoke such elections under the Internal Revenue Code, as it may from time to time be amended, and under the tax laws of the State of Maryland, as to the treatment of items of income, gain, loss, deduction and credit, and as to all other relevant matters, including, but not limited to, the election referred to in Section 754 of the Internal Revenue Code, as the General Partner in his sole discretion deems necessary and appropriate;

(xi) To commence or defend litigation with respect to the Partnership or any of its assets or liabilities and to compromise, settle, arbitrate or otherwise adjust claims in favor of or against the Partnership; and,

(xii) To do all such acts and take all such proceedings, and execute all such contracts, documents or instruments, although not specifically mentioned herein, as the General Partner, in his sole discretion, may deem necessary to conduct the business of the Partnership.

(b) The General Partner shall devote such time and effort as he may deem necessary or appropriate to the business and affairs of the Partnership. The General Partners shall be compensated in accordance with the terms of his General Manager's Agreement with the partnership.

20. Prohibitions on Actions and Limitations of Powers of General Partner.

The General Partner has no authority:

- A. To do any act in controvention of this Agreement;
- B. To do any act which would make it impossible to carry on the ordinary business of the partnership;
- C. To possess partnership property or assign the right of the partnership in specific, partnership property for other than partnership purposes;
- D. Except with the approval of a majority in interest of the partners, to require partition of the partnership property or compel any sales or appraisments of partnership assets or sale of a deceased partner's interest therein, notwithstanding any provision of law to the contrary.

21. Liability of General Partner. In carrying out his duties hereunder, the General Partner shall not be liable to the partnership or to any other partner for any action (including failure to act) taken by him in good faith and reasonably believed to be in the best interests of the partnership, but shall only be liable for willfull misconduct, fraud, gross negligence, breach of his obligations under this Agreement, or other breach of his fiduciary duties.

22. Other Business Activity Permitted.

The General Partner shall devote only such time to the business of the partnership as shall be necessary for the proper performance of his duties

hereunder. He shall not be required to devote his full time and resources to the business of the partnership. He may, without accountability to the partnership or any other partner, engage in any other business venture(s) of any nature, including a business similar to that conducted by the partnership, and neither the partnership nor any other partner shall have any right in any such business venture(s) for the income or profits derived therefrom.

23. Status of Limited Partners.

(a) No Limited Partner shall have or exercise any right or powers in connection with the management or control of the Partnership's business, nor transact any business for the Partnership, nor have the power to sign for or bind the Partnership in any way, said powers being vested solely and exclusively in the General Partner; provided, however, that the General Partner may delegate the power to sign checks on behalf of the Partnership to a Limited Partner in emergency situations where the General Partner is not available to sign such checks.

(b) No Limited Partner shall be bound by, or be personally liable for, the expenses, liabilities or obligations of the Partnership except to the extent of his Capital Account, plus his share of the undistributed profits of the Partnership.

(c) The Limited Partners shall have no voting rights except those pertaining to dissolution of the Partnership and the amendment of this Agreement, as hereinafter provided, or otherwise specifically provided in this Agreement.

(d) The Limited Partners shall indemnify the General Partner and hold him harmless from any liability arising from claims or suits by third parties, to the limited extent only of said Limited Partners' ownership

of assets of the Partnership. Nothing herein contained shall be construed as placing any liability on a Limited Partner beyond his proportionate share of Partnership interest.

24. Rights of Limited Partners.

A. The Limited Partners shall not in any way be prohibited from or restricted in engaging or owning an interest in any other business venture of any nature, including any venture which might be competitive with the business of the Partnership, and the Partnership may engage the Limited Partners or any person or firm associated with the Limited Partners for specific purposes and may otherwise deal with the Limited Partners on terms and for such compensation as may be agreed upon by and between the Limited Partners and the Partnership; provided, however, that the Limited Partners shall not be entitled to participate in the control of the business of the Partnership.

B. The Limited Partners shall be entitled to all information affecting the Partnership and a formal account of Partnership affairs whenever circumstances render it just and reasonable.

25. Prohibitions with Respect to Limited Partners. The Limited Partners, as such, shall not have the right:

A. To take part in the control of the partnership business or to sign for or bind the partnership, such power being vested exclusively in the General Partner.

B. To have their capital contribution or loan repaid, except to the extent provided for in this Agreement;

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C. To require partition of partnership property or to compel any sale or appraisal of partnership assets or sale of a deceased partner's interest therein, notwithstanding any provisions of law to the contrary; or,

D. To seek judicial dissolution and winding up of the partnership.

26. Liabilities of Limited Partners/General Partner. No Limited Partner shall be liable for the debts, liabilities, contracts or any other obligations of the Partnership. A Limited Partner shall be liable only to make his capital contribution to the Partnership as set forth herein and shall not be required to lend any funds to the Partnership or, after his capital contribution shall have been made, to make any further capital contribution to the Partnership. The General Partner shall have no personal liability for the repayment of the capital contribution of any Limited Partner or any Partner loans.

27. Banking and Books. All funds of the Partnership shall be deposited in such checking and savings accounts or other investments such as time certificates or money market accounts, etc., as shall be designated from time to time by the General Partner.

28. Assignment of General Partner's Interest. The General Partner may not assign or otherwise transfer his interest as General Partner, except to a corporation; provided, however, that such an assignee corporation must at all times maintain a net worth equal to at least fifteen (15%) percent of the total capital contributions to the Partnership and otherwise meet the requirements for a corporate General Partner described in Rev. Proc. 72-13, Internal Revenue Bulletin, 1971-72, and in no way jeopardize

the Partnership's limited partnership status under the existing federal income tax laws and applicable regulations.

29. Assignment of Limited Partner's Interest. A Limited Partner may assign his interest in the Partnership only upon the following conditions:

A. That the assignee shall be the spouse, parent or lineal descendant(s) of the Partner or a trust created for the benefit of the spouse, parent or lineal descendant(s) of the Partner or for the benefit of the said Partner; or the assignee shall be a nominee corporation or entity in which the assigning Partner has and maintains at least a fifty-one (51%) percent interest.

B. That, if the proposed assignee does not qualify under subparagraph (a) above, the assigning Partner shall first give to the other Partners at least sixty (60) days notice in writing of his intention to make the assignment, pursuant to a bonafide offer to purchase, setting forth in such notice the terms and conditions of the offer and the name and address of the proposed assignee. Each of the remaining Partners shall have the right to acquire his pro rata share of the interest proposed to be assigned; or, if some but not all of the other Partners desire to acquire such interest, they shall have the right to do so, pro rata, based upon their respective Participation Percentages among themselves, or in such other proportions as they otherwise agree among themselves. Unless some or all of the other Partners agree within sixty (60) days following receipt of the above notice to acquire the full interest proposed to be assigned on the same terms and conditions as the offer, the assigning Partner shall be free to make the assignment as set forth in the notice within thirty (30)

days of the termination of such sixty (60) day period.

C. That in no event shall any Partnership interest be assigned to a minor or an adjudicated incompetent.

D. That no assignment shall be effective unless the prospective assignee shall have furnished to the Partnership an "investment letter" in form acceptable to it under the Securities Act of 1933, or any similar federal or state statute then in force, containing such indemnity provisions and other undertakings pertaining to the requirements of any such statutes as the General Partner may reasonably require.

E. That a Partnership interest may not be hypothecated, collaterally assigned, or otherwise subjected to a security interest, except upon the written consent of the General Partner.

30. Substituted Limited Partner. The assignee of a Limited Partner's interest shall not be entitled to Limited Partnership status without the written consent of the General Partner, which shall not be given unless such assignee has:

A. Accepted and assumed, in form satisfactory to the General Partner, all terms and provisions of this Agreement;

B. Provided, in the case of a corporate assignee, a certified copy of a resolution of its Board of Directors authorizing it to become a Limited Partner under the terms and conditions of this Agreement;

C. Provided an opinion of counsel, in form and substance satisfactory to the counsel for the Partnership, that neither the offering nor the assignment of the Partnership interest violates any federal or state securities laws then in force;

D. Executed such other documents and instruments as the General Partner may require in order to effect admission of such assignee as a

Limited Partner;

E. Paid such reasonable expenses as may be incurred by the Partnership in connection with the admission of such a Limited Partner; and

F. Executed a Power of Attorney identical to that contained in Paragraph 31 of this Agreement.

31. Power of Attorney. Each of the Limited Partners hereby makes, constitutes and appoints the General Partner, with full power of substitution, his true and lawful attorney, for him and in his name, place and stead and for his use and benefit to sign, seal, acknowledge, file and record:

A. A Certificate of Limited Partnership under the laws of the State of Maryland;

B. Any Certificate or other instrument which may be required to be filed by the Partnership under the laws and regulations of any governmental authority, or which the General Partner shall deem it advisable;

C. Amendments and modifications of the instruments described in the preceding clauses (a) and (b);

D. Documents required to effectuate dissolution and termination of the Partnership provided such dissolution and termination are in accordance with the terms of this Agreement.

The Power of Attorney granted hereunder to the General Partner is a special power of appointment, coupled with an interest which is irrevocable and shall (to the extent permitted by applicable law) survive the disability of a Limited Partner. This Power of Attorney shall further survive the delivery of an assignment by a Limited Partner of his Partnership interest; except where the assignee thereof has been approved by the

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General Partner for admission to the Partnership as a substituted Limited Partner, in which event this Power of Attorney shall survive the delivery of such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

32. Death, Incapacitation, or Bankruptcy of General Partner. If the General Partner dies, becomes incapacitated, or becomes bankrupt, the Partnership shall dissolve, unless there is more than one General Partner at the time of any of such events, in which case the Partnership shall not dissolve and the business of the Partnership shall be continued by the remaining General Partner. The Partnership shall thereafter conduct only activities necessary to wind up its affairs, unless within sixty (60) days after one of the listed events the Limited Partners elect in writing to continue the Partnership. If an election to continue the Partnership is made, then:

A. A successor General Partner or General Partners who shall agree to serve shall be selected by the Limited Partners;

B. The Partnership shall continue until the end of the term for which it is formed or until the subsequent death, withdrawal, incapacity or bankruptcy of the remaining General Partner, in which event the Partners shall again elect whether they wish to continue the Partnership operation;

C. The interest of the deceased, incapacitated, or bankrupt General Partner shall be deemed to be that of a Limited Partner and, therefore, subject to the provisions of Paragraph 33 below; and Attachment C hereto; and

D. All necessary steps shall be taken to amend the Certificate of Partnership.

For the purposes of this Paragraph, a General Partner shall be deemed to be incapacitated if he is disabled and unable to take an active part in the management of the Partnership business for a continuous period of at least three (3) months. For the purposes of this Paragraph, the bankruptcy of a General Partner shall be deemed to have occurred when he is adjudicated a bankrupt under the Federal Bankruptcy Law or has executed and delivered an assignment for the benefit of his creditors.

33. Notice of Retirement by General Partner. The General Partner may not cause the termination of the Partnership business by voluntarily retiring from or withdrawing from the Partnership. However, the General Partner may retire or withdraw from the Partnership provided he first obtains the written consent of a majority of the other Partners and their designation of a new General Partner who is willing and able to accept such responsibilities. Upon obtaining the written approval of the majority of the other partners, the General Partner may retire or withdraw from the Partnership by giving sixty (60) days notice thereof. Thereafter, the General Partner shall be considered to be a Limited Partner and his capital account shall be adjusted in accordance with attachment C, unless otherwise agreed to, in writing, by all of the Limited Partners.

34. Retirement, Death, Incompetency or Bankruptcy of a Limited Partner. The death, retirement, adjudication of incompetency or adjudication of bankruptcy of a Limited Partner shall not dissolve or terminate the Partnership. The personal representative of a deceased Limited Partner or the guardian of an incompetent Limited Partner shall have, subject to the terms and conditions of this Agreement, all of the rights of a Limited Partner hereto to the extent of the deceased or incompetent Limited Partner's interest in the Partnership and shall have the right to permit an assignee

to become a substitute Limited Partner on the same terms and conditions as were within the powers of the deceased or incompetent Limited Partner. In the event a Limited Partner is adjudicated a bankrupt or makes an assignment for the benefit of creditors, his interest shall immediately be deemed to be that of an assignee of a Limited Partnership interest and not that of a Limited Partner or of a substituted Limited Partner, as defined herein.

35. Withdrawal of Limited Partners. No Limited Partner shall at any time withdraw from the Partnership except upon assignment of his total interest as permitted hereby. A Limited Partner may, at any time, by written instrument delivered to the General Partner, renounce his interest in all current and future profits, losses and distributions of the Partnership, and/or abandon to the Partnership his capital contribution.

36. Termination/Dissolution.

A. Unless sooner dissolved by (i) the death, retirement, incapacity or bankruptcy of the General Partner as provided above, or (ii) the affirmative vote of Partners owning an aggregate Participation Percentage of at least sixty-six percent (66%), the Partnership shall be dissolved at the end of the term of the Partnership provided for in Paragraph 6 of this Agreement; and, its assets shall be distributed in the following order of priority, no distribution being made in any category set forth below and unless and until each preceding category has been satisfied in full:

(i) Payment of debts and liabilities of the Partnership (other than loans or advances made by the Partners to the Partnership) and any expenses of liquidation, provided that the General Partner shall have the right to designate the order in which specific liabilities are to be satisfied out of Partnership assets in order to minimize the risk of personal liability on the part of any Partner.

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(ii) Establishment of reserves deemed reasonably necessary to cover contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership. Such reserves shall be paid to a bank or trust company authorized to do business in the State of Maryland to be held in escrow and applied from time to time to the payment of any such contingent or unforeseen liabilities as provided in the escrow agreement and at the expiration of six (6) years following the termination of the Partnership or at such earlier time as may be provided in the escrow agreement the balance thereafter remaining to be distributed in the order of priority provided in the next ensuing subparagraphs of this Paragraph 36.

(iii) Repayment on a pro rata basis of outstanding loans, including both principal and interest or advances made by the Partners to the Partnership.

(iv) Repayment on a pro rata basis of the capital contributions of the Partners.

(v) Distribution on a pro rata basis of any remaining balance among all the partners in accordance with their respective Participation Percentages.

B. Notwithstanding anything to the contrary in the Maryland Revised Uniform Limited Partnership Act, or any other statute, a Limited Partner shall have no right to priority over the General Partner as to repayment of loans and advances, repayment of capital contributions, or otherwise, in the application and distribution of the assets of the Partnership on dissolution as provided herein.

C. No Partner may demand or receive property other than cash in return for his capital contributions, loans or advances or upon distribution on dissolution as provided herein, provided, however, that in the

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event that a majority in interest of the Partners at the time of dissolution so determine, it shall not be necessary to liquidate all of the assets of the Partnership; but those assets which shall not be required to be liquidated to satisfy the categories of distribution described in clauses (i) and (ii) of subparagraph A of this Paragraph 36 may be distributed in kind, including but not limited to undivided interests in such assets, whether or not like assets are distributed to each Partner.

D. During the periods of dissolution (which shall be such reasonable time as may be required for the orderly completion of distribution as set forth above), the General Partner as trustee for the benefit of all of the Partners as tenants in common, shall take any and all action necessary or appropriate to complete such dissolution and distribution as provided in this Paragraph 36, having for such purposes all of the powers and obligations enumerated in this Agreement appropriate to accomplish the same.

E. If the event terminating the Partnership is the bankruptcy of the General Partner, then there shall be substituted as such Trustee, with all of such powers, the person, firm or corporation designated by the remaining Partners. A copy of said notice shall be filed at the principal office(s) of the Partnership. Any such designation may be changed from time to time by similar notice. The copy of each such notice filed at the principal office(s) of the Partnership shall have endorsed thereon the acceptance of the designee named therein.

F. A final statement of the accounts of the Partnership as of the date of termination shall be prepared by the accountants for the partnership as promptly as possible thereafter and a copy thereof shall be furnished to each Partner. Such statement shall set forth the actual or

contemplated application and distribution of the assets of the Partnership pursuant to the provisions of this Paragraph 36. Upon completion of distribution as required hereby, a further statement for the period of dissolution shall be so prepared and furnished to each Partner.

G. Upon completion of distribution in accordance with the foregoing plan (including any payment to an escrowee), the Limited Partners shall cease to be such, and the General Partner shall execute, acknowledge and cause to be filed a Certificate of Cancellation of the Partnership. If the General Partner shall fail to do so, any Limited Partner may file such Certificate.

37. Liability of General Partner After Change in Status to Limited Partner. The changing status of the General Partner to that of a Limited Partner under any of the provisions of this Agreement, shall not relieve such General Partner or his personal representative from liabilities or obligations to the partnership or creditors thereof arising from acts (including the failure to act) which occurred prior to the date of change in status; provided, however, that from the date of change in status, the General Partner or his personal representative shall have such liability for partnership acts or omissions as is accorded a Limited Partner under the Maryland Revised Uniform Limited Partnership Act.

38. Arbitration. All controversies, disputes, questions and claims whatsoever which shall arise with respect to this Partnership Agreement, relating to or touching upon any of the rights, obligations or duties of the parties hereto, shall be referred to and finally determined by a reputable and experienced corporate lawyer or lawschool professor in the Metropolitan Baltimore area to be designated by the attorneys for the parties to the controversy in question. If such an arbitrator cannot be agreed to within thirty (30) days from the date arbitration is requested

by either of the parties to the controversy, then each of the parties to the controversy shall designate an arbitrator who in turn shall designate a third arbitrator. The decision of the sole arbitrator or the three arbitrators, as the case may be, shall be final and binding upon the parties and the cost of arbitration shall be assessed within the discretion of the arbitrator or arbitrators; provided, however, that it is the intention of the parties that the costs of such an arbitration be kept to a minimum.

39. Miscellaneous Provisions.

A. In the event of a transfer of all or part of the interest of any Partner in the Partnership, the Partnership may elect, pursuant to Section 754 of the Internal Revenue Code (or any similar provision enacted in lieu thereof) to adjust the basis of the assets of the partnership upon written request of the transferee.

B. Governing Law - The Partnership and this Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

C. Counterparts - This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one Agreement, and the signature of any party to any counterpart shall be deemed to be a signature too, and may be appended to any other counterpart.

D. Entire Agreement - This Agreement contains the entire understanding among the parties and supercedes any prior understanding and Agreements between them respecting the within subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

E. Severability - This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws,

ordinances, rules and regulations of the State of Maryland. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

F. Notices - Notices to Partners or to the Partnership shall be deemed to have been given when mailed, by prepaid registered or certified mail, addressed as set forth in this Agreement, or as set forth in any Notice or change of address previously given, in writing, by the addressee to the addressor.

G. Arbitration Award/Judgment - The parties hereto acknowledge that any decision made pursuant to arbitration, as called for herein, shall be binding and conclusive on all parties involved; and judgment upon such decision may be entered in the appropriate court or courts of the United States having jurisdiction thereof. Each party further agrees, when requested so to do, personally to sign, certify under oath and acknowledge any document or instrument which would be necessary or appropriate to carry out the decision of the Arbitrator(s).

H. Burden and Benefit - This Agreement is binding upon, and shall inure to the benefit of, the respective parties hereto and their spouses, heirs, administrators, partners, personal and legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their signatures and seals as of the day and year first above written.

Lida M. Vance
Witness

John P. Seisman (SEAL)
JOHN P. SEISMAN, General Partner

Ada M. Vance
Witness

Jonathan Senior (SEAL)
DR. JONATHAN SENIOR, Ltd. Partner

Ada M. Vance
Witness

Jean Bogarty Senior (SEAL)
DR. JEAN BOGARTY SENIOR, Ltd. Partner

Dorothy M. Seisman
Witness

Stanley J. Swider (SEAL)
STANLEY J. SWIDER, Ltd. Partner

Dorothy M. Seisman
Witness

Nicoletta L. Swider (SEAL)
NICOLETTA L. SWIDER, Ltd. Partner

Donetta Waldrop
Witness

John Terziu, III (SEAL)
JOHN TERZIU, III, Ltd. Partner

Ada M. Vance
Witness

Mary L. Terziu (SEAL)
MARY L. TERZIU, Ltd. Partner

Ada M. Vance
Witness

Dr. Charles M. Wax (SEAL)
DR. CHARLES M. WAX, Ltd. Partner

Ada M. Vance
Witness

Judith A. Wax (SEAL)
JUDITH A. WAX, Ltd. Partner

EXHIBIT "A"

TAX BENEFITS:

Problem: Late in Tax Year - Purchase

ESTIMATED TAX SAVINGS

57 1/2% Tax Bracket

RENOVATION TAX CREDIT:

20% x 90,000 18,000 18,000

OPERATING LOSS:

Rents (4 mos.) 6,400
 Interest 9,600
 R. E. Taxes & Insurance 2,400
 Negative Cash Flow
 Responsibility G.P. (5,600)
 Depreciation (210,000 Building)
 40,000 Land -18,000 Tax Credit)
 6 mos. 192,000 @ S/L 15 yrs. (6,400)
 LOSS (12,000)

TAX BRACKET 57 1/2 6,900
 FIRST YEAR TAX SAVINGS 24,900
 LTD. PARTNERS (5) \$ 20,752
 GENERAL PARTNERS (1) \$ 4,148

PURCHASE PRICE 160,000
 RENOVATION 90,000
 COST 250,000
 LIMITED PARTNERS (5) 125,000
 FINANCE
 60,000 @ 12% 720 month
 65,000 @ 18% or less 1050 month
 Debt Service 1770 month
 Tax. & Insurance 200 month
 1970 month

RENTS: LOWER FLOOR

John P. Seisman, C.P.A. 600 month
 Pennwood Insurace 600 "

UPPER FLOOR

John Nowicke, Esquire 400 "
 Vacant 400 "
 5 year lease

BASEMENT

Vacant 250 "

GARAGE

Storage (Vacant) 100 "

Rent 2,350

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EXHIBIT "A" (cont.)

ANY DEFICIT RESPONSIBILITY

John Seisman, General Partner

MANAGEMENT

John Seisman, General Partner
Management Fee50% Excess Rents
over 2500 month

GUARANTOR OF LOANS

John Seisman, General Partner

CONSTRUCTION - General Contractor

John Seisman

FINANCIAL BENEFITS:

Tax Savings

Appreciating in Property

Sale to take place after 5th year

Capital Gains Rate

Re-Syndication of Property

Re-Finance Property

Appraised in Estate @ \$272,000.00

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 Exhibit B

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT, dated as of August 18, 1982, by and between JOHN P. SEISMAN and CHARLES CENTER OF HARFORD COUNTY LIMITED PARTNERSHIP, a Limited Partnership organized under the Laws of the State of Maryland, (the "PARTNERSHIP"):

W I T N E S S E T H:

WHEREAS, the Partnership, was formed and created largely through the effort of John P. Seisman and all of the Partners contemplate that the said John P. Seisman will have his offices in the building and on the property, which is the principal property of the Partnership; and,

WHEREAS, none of the Limited Partners are interested in being directly involved and responsible for the day-to-day management of the property; and,

WHEREAS, John P. Seisman plans to be a tenant of the Partnership and is expected to be on or about the premises on a regular basis and is interested in managing the property and has agreed to manage the property as part of his contribution to the Partnership endeavor; and,

WHEREAS, the Partnership desires to employ John P. Seisman to manage the property, all in accordance with the terms and conditions of this agreement and the Limited Partnership Agreement, executed by and among all of the Partners on the 18 day of August, 1982;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other good and valuable considerations, the receipt and validity of all of which is hereby acknowledged, the parties hereto agree as follows:

1. The Partnership hereby employs John P. Seisman and John P. Seisman hereby accepts the appointment as Manager of the Partnership's properties.
2. The parties recognize and agree that John P. Seisman is the General Partner of the Limited Partnership and his duties, responsibilities and liabilities are spelled out in the Limited Partnership Agreement, executed by and among the Partners on the 18 day of August, 1982.
3. As the originator of the Partnership, John P. Seisman has been given a full ONE-SIXTH (1/6th) interest in the Partnership. As additional compensation for services to be rendered, the Partnership shall pay to him a

Management Fee equal to FIFTY PERCENT (50%) of all monthly income in excess of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) per month, received by the Partnership.

4. The General Partner, John P. Seisman, shall be solely responsible for all Partnership deficiencies. The Limited Partners shall not be expected or required to guarantee any Partnership Loans, nor shall they be expected or required to make any further contributions of capital to the Partnership.

5. John P. Seisman shall have the sole responsibility for managing the Partnership business and property in all respects in accordance with the terms of the Partnership Agreement and the Laws in force, from time to time, in the State of Maryland, governing the activities of Limited Partnerships and the General Partner of such Limited Partnerships.

6. Upon SIXTY (60) days' written notice, either party may terminate this Agreement, with or without cause. Any notice required or permitted herein to be given, shall be given in accordance with the terms of the Limited Partnership Agreement. The validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties shall be governed by the Laws of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written. For this purpose, the Limited Partners shall sign this Agreement as between themselves and the General Partner.

CHARLES CENTER OF HARFORD COUNTY LIMITED PARTNERSHIP

BY:

John P. Seisman

 JOHN P. SEISMAN, General Partner

Jonathan Senior

 DR. JONATHAN SENIOR, Ltd. Partner

Jean Bogarty Senior

 DR. JEAN BOGARTY SENIOR, Ltd. Partner

Stanley J. Swider

 STANLEY J. SWIDER, Ltd. Partner

Nicoletta L. Swider

 NICOLETTA L. SWIDER, Ltd. Partner

John Terziu, III

 JOHN TERZIU, III, Ltd. Partner

Mary L. Terziu

 MARY L. TERZIU, Ltd. Partner

Dr. Charles M. Wax

 DR. CHARLES M. WAX, Ltd. Partner

Judith A. Wax

 JUDITH A. WAX, Ltd. Partner

John P. Seisman

 JOHN P. SEISMAN, GENERAL MANAGER

CERTIFICATE OF LIMITED PARTNERSHIP

OF

CHARLES CENTER OF HARFORD COUNTY LIMITED PARTNERSHIP

23

received for record August 20, 1982

, at 10:16 A M.

and recorded on Film No. *2553*

Frame No. *1650* one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA No 0127

8300974

Fee Paid \$50.00

NOV -5-82 B #2 423 *****12.50

bt

RECD & RECORDED *7/20/82*
 NO 3 FOLIO 432
 NOV 5 2 06 PM '82
 HARFORD CO.
 H. DOUGLAS CHILCOAT
 CLERK
[Signature]

Comment

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3706

Mailed to: Richard Beavers, 728 Bel Air Rd., Bel Air, Md. 21014

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP
SELF-SERVICE-STORAGE, CAMBRIDGE LIMITED PARTNERSHIP

1982 SEP -3 P 1:23

SELF-SERVICE-STORAGE, CAMBRIDGE LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS CONFIDENTIAL MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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SELF-SERVICE-STORAGE, CAMBRIDGE LIMITED PARTNERSHIP AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 3rd day of September, 1982, by and among Richard F. Beavers, Robert L. Peterman, and Horatio W. Turner III, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to acquire, own and develop a tract of land in Dorchester County, Maryland; and to construct thereon "mini-warehouse" buildings offering storage space to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family or any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

- (a) that it is generally not paying its debts as such debts become due;
- (b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;
- (c) making a general assignment for the benefit of creditors;
- (d) consenting to the appointment of a receiver for all or a substantial part of its property;
- (e) being adjudicated a bankrupt;
- (f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or
- (g) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of its property.

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means the parcel known as City of Cambridge, Dorchester County, Maryland, fronting 250 feet on Casby Avenue by a depth along Leonards Lane of 630 feet, comprising 3.12 acres.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, an Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Self-Service-Storage Management Inc. ("SSSMI"), a Maryland corporation, or its successor.

"General Partners" means Richard F. Beavers, Robert L. Peterman and Horatio W. Turner III, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

"Project" means the land and the mini-warehouse buildings to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland.

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$15,000, or \$7,500 for a 1/2 Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1. Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

SELF-SERVICE-STORAGE, CAMBRIDGE LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. *THE RESIDENT AGENT AT THAT LOCATION SHALL BE RICHARD F. BEAVERS.*

Section 2.3. Purpose. The purpose of the Partnership is to acquire, own and develop the Land and to construct thereon "mini-warehouse" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

(ix) To engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development or construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in Section 4.7.C for its services in connection with the sale of Units;

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the Consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1. General Partners. The General Partners of the Partnership are Richard F. Beavers, Robert L. Peterman and Horatio W. Turner III. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general partner without the prior consent of all remaining General Partners and the Consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$300,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after August 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$15,000 for each unit, or \$7,500 for each 1/2 unit, each additional Limited Partner being required to make an initial minimum purchase of at least 1/2 unit. Under no conditions, however, shall there be more than 35 purchasers.

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$300,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$300,000 are not received on or before February 28, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than August 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lend any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however, that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1990, General Partners shall inquire in writing of all

Limited Partners not later than April 30, 1990 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1990 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1990 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "mini-warehouse" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "mini-warehouse" buildings is not sufficient to enable the "mini-warehouse" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$80,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "mini-warehouse" buildings exceeds the price set forth in the construction contract for construction of the "mini-warehouse" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.B.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Self-Service-Storage Management Inc. ("SSSMI"), or another firm designated by the General Partners, an annual Management Fee of 6% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to SSSMI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$25,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$406,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. Land Contract. The Partnership shall pay to Peninsula Land Company, Inc. a sum of \$100,000 for the Land on which the Project will be constructed, from the Capital Contributions and Mortgage Proceeds.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding 66 2/3% of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 8% to the General Partners and 92% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the mini-warehouse buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 8% to the General Partners and 92% to the Limited Partners in the ratio stated in Section 5.1.A.

C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 8% to the General Partners and 92% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 92% to the Limited Partners and 8% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 75% to the Limited Partners and 25% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 33 1/3% to each Individual General Partner.

Section 5.3. Distribution of Financing Proceeds and Cash Flow after a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 75% to the Limited Partners and 25% to the General Partners.

Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 33 1/3% to each Individual General Partner.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. In the event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the mini-warehouse buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

(i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;

(ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(iv) fourth, 25% to the General Partners, and 75% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 33 1/3% to each Individual General Partner.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records. The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions

with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding 66 2/3% of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee, guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

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Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

Section 8.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 8.5. General Partners May Require Exculpation. Notwithstanding the Fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all Partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 9.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his Interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 3rd day of September 1982.

ATTEST:

GENERAL PARTNERS:

Jeanette L. Umkle

Richard F. Beavers
Richard F. Beavers

ATTEST:

Jeanette L. Umkle

Robert L. Peterman
Robert L. Peterman

ATTEST:

Jeanette L. Umkle

Horatio W. Turner III
Horatio W. Turner III

ATTEST:

ORIGINAL LIMITED PARTNER:

Jeanette L. Umkle

Harold D. Beavers
Harold D. Beavers

3737

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SCHEDULE A

TO

SELF-SERVICE-STORAGE, CAMBRIDGE LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution (1)</u>
GENERAL PARTNERS:	
Richard F. Beavers 728 Bel Air Road Bel Air, Maryland 21014	\$333.34
Robert L. Peterman 1307 E. Northern Parkway Baltimore, Maryland 21239	333.33
Horatio W. Turner III P.O. Box 1094 Easton, Maryland 21601	333.33
INITIAL LIMITED PARTNER:	
Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	<u>500.00</u>
TOTAL	<u><u>\$1,500.00</u></u>

(1) Contributed in cash on September 3, 1982.

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CERTIFICATE OF LIMITED PARTNERSHIP

OF

SELF-SERVICE-STORAGE, CAMBRIDGE LIMITED PARTNERSHIP

received for record September 3, 1982

33

, at 1:23 P.M.

and recorded on Film No. 2555

Frame No. 3705 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA No 0170

8301546

Fee Paid \$50.00

NOV-9-82-B #2 720 *****1250

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RECD & RECORDED *ZAC*

NO 3 FOLIO 465

NOV 9 2 14 PM '82

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

conant

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP
SELF-SERVICE-STORAGE, BALTIMORE AND COLUMBIA LIMITED PARTNERSHIP

Mailed to Richard Beavers, 728 Belair Rd. #100, Bel Air, Md. 21014

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SELF-SERVICE-STORAGE, BALTIMORE AND COLUMBIA LIMITED PARTNERSHIP
 AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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SELF-SERVICE STORAGE, BALTIMORE AND COLUMBIA LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 25th day of October, 1982, by and among Self-Service-Storage Inc., a Maryland corporation ("SSSI") and Richard F. Beavers, the Individual General Partner, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to acquire, own and develop a tract of land in Baltimore and Howard County, Maryland; and to construct thereon "mini-warehouse" buildings offering storage space to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family or any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

(a) that it is generally not paying its debts as such debts become due;

(b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;

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

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

(e) being adjudicated a bankrupt;

(f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or

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

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means the parcel known as Baltimore County, Maryland and Howard County, Maryland.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, an Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Self-Service-Storage Management Inc. ("SSSMI"), a Maryland corporation, or its successor.

"General Partners" means Self-Service-Storage Inc., a Maryland corporation, ("SSSI") and Richard F. Beavers, the Individual General Partner, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

"Project" means the land and the mini-warehouse buildings to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland.

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$50,000, or \$25,000 for a $\frac{1}{2}$ Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1. Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

SELF-SERVICE-STORAGE, BALTIMORE AND COLUMBIA LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. The resident agent of the Partnership is Richard F. Beavers.

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Section 2.3. Purpose. The purpose of the Partnership is to acquire, own and develop the Land and to construct thereon "mini-warehouse" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

(ix) To engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development or construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in Section 4.7.C for its services in connection with the sale of Units;

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the Consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1. General Partners. The General Partners of the Partnership are Self-Service-Storage Inc., a Maryland corporation ("SSSI"), and Richard F. Beavers, the Individual General Partner. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general partner without the prior consent of all remaining General Partners and the consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$1,300,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after October 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$50,000 for each unit, or \$25,000 for each $\frac{1}{2}$ unit, each additional Limited Partner being required to make an initial minimum purchase of at least $\frac{1}{2}$ unit. Under no conditions, however, shall there be more than 35 (plus an unlimited amount of accredited investors) purchasers.

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$1,300,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$1,300,000 are not received on or before April 30, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than October 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

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or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lend any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however, that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1991, General Partners shall inquire in writing of all

Limited Partners not later than April 30, 1991 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1991 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1991 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "mini-warehouse" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "mini-warehouse" buildings is not sufficient to enable the "mini-warehouse" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$150,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "mini-warehouse" buildings exceeds the price set forth in the construction contract for construction of the "mini-warehouse" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.B.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Self-Service-Storage Management Inc. ("SSSMI"), or another firm designated by the General Partners, an annual Management Fee of 6% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to SSSMI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$80,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$1,700,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. In the event that the Project is sold, a sales commission at customary market rates will be paid to the selling broker, which may be the General Partners.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding $66 \frac{2}{3}\%$ of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 8% to the General Partners and 92% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the mini-warehouse buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 8% to the General Partners and 92% to the Limited Partners in the ratio stated in Section 5.1.A.

C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 8% to the General Partners and 92% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 92% to the Limited Partners and 8% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 75% to the Limited Partners and 25% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 1% to Self-Service-Storage Inc. and 7% to Richard F. Beavers, the Individual General Partner.

Section 5.3. Distribution of Financing Proceeds and Cash Flow After a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 75% to the Limited Partners and 25% to the General Partners.

Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 1% to Self-Service-Storage Inc. and 7% to Richard F. Beavers, the Individual General Partner.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. The event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the mini-warehouse buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

(i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;

(ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(iv) fourth, 25% to the General Partners, and 75% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 1% to Self-Service-Storage Inc. and 7% to Richard F. Beavers, the Individual General Partner.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records. The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions

with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

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B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding 66 2/3% of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

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D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee, guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

Section 8.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 8.5. General Partners May Require Exculpation. Notwithstanding the Fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all Partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 9.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his Interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 25th day of October, 1982.

ATTEST:

Janette Little

GENERAL PARTNERS:

Gilbert F. Beavers
Self-Service-Storage Inc.
Gilbert F. Beavers
Vice-President

ATTEST:

Janette Little

Richard F. Beavers
Richard F. Beavers
Individual General Partner

ATTEST:

Janette Little

ORIGINAL LIMITED PARTNER:

Harold D. Beavers
Harold D. Beavers

SCHEDULE A
TO
SELF-SERVICE-STORAGE, BALTIMORE AND COLUMBIA LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution (1)</u>
GENERAL PARTNERS:	
Self-Service-Storage Inc. 728 Bel Air Rd. Bel Air, Maryland 21014	\$100.00
Richard F. Beavers 728 Bel Air Rd. Bel Air, Maryland 21014	900.00
INITIAL LIMITED PARTNER:	
Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	<u>500.00</u>
TOTAL	<u>\$1,500.00</u>

(1) Contributed in cash on October 25, 1982.

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CERTIFICATE OF LIMITED PARTNERSHIP

OF

SELF-SERVICE-STORAGE, BALTIMORE AND COLUMBIA LIMITED PARTNERSHIP

received for record October 25, 1982, at 2:44 P M.

and recorded on Film No. 2559 ³³ Frame No. 3358 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA N^o 0264

8303701

Fee Paid \$50.00

bt

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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

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SELF SERVICE STORAGE

mini warehouses

728 Belair Road, Unit 100
BEL AIR, MARYLAND 21014

879-1350
838-1104

Self Service Storage, Inc. gives permission
to Self Service Storage, Properties I Limited
Partnership to use its name.



Self Service Storage, Inc.

Richard F. Beavers

Mailed to Richard Beavers, 728 Belair Rd. #100, Bel Air, Md. 21014

consent

3394

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AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP
SELF-SERVICE-STORAGE, PROPERTIES I LIMITED PARTNERSHIP

SELF-SERVICE-STORAGE, PROPERTIES I LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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SELF-SERVICE STORAGE, PROPERTIES I LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 25th day of October, 1982, by and among Self-Service-Storage Inc., a Maryland corporation ("SSSI") and Richard F. Beavers, the Individual General Partner, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to acquire, own and develop a tract of land in Harford, Cecil, and Wicomico County, Maryland; and to construct thereon "mini-warehouse" buildings offering storage space to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family or any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

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referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

- (a) that it is generally not paying its debts as such debts become due;
- (b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;
- (c) making a general assignment for the benefit of creditors;
- (d) consenting to the appointment of a receiver for all or a substantial part of its property;
- (e) being adjudicated a bankrupt;
- (f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or
- (g) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of its property.

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

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"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means the parcel known as Harford County, Maryland, Cecil County, Maryland, and Wicomico County, Maryland.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, an Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Self-Service-Storage Management Inc. ("SSSMI"), a Maryland corporation, or its successor.

"General Partners" means Self-Service-Storage Inc., a Maryland corporation, ("SSSI") and Richard F. Beavers, the Individual General Partner, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

"Project" means the land and the mini-warehouse buildings to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland.

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$40,000, or \$20,000 for a $\frac{1}{2}$ Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1. Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

SELF-SERVICE-STORAGE, PROPERTIES I LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. The resident agent of the Partnership is Richard F. Beavers.

Section 2.3. Purpose. The purpose of the Partnership is to acquire, own and develop the Land and to construct thereon "mini-warehouse" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

(ix) To engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development or construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in Section 4.7.C for its services in connection with the sale of Units;

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the Consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale or part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1. General Partners. The General Partners of the Partnership are Self-Service-Storage Inc., a Maryland corporation ("SSSI"), and Richard F. Beavers, the Individual General Partner. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general partner without the prior consent of all remaining General Partners and the consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$1,200,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after October 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$40,000 for each unit, or \$20,000 for each $\frac{1}{2}$ unit, each additional Limited Partner being required to make an initial minimum purchase of at least $\frac{1}{2}$ unit. Under no conditions, however, shall there be more than 35 (plus an unlimited amount of accredited investors) purchasers.

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$1,200,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$1,200,000 are not received on or before April 30, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than October 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lend any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however, that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1991, General Partners shall inquire in writing of all

Limited Partners not later than April 30, 1991 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1991 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1991 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

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Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "mini-warehouse" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "mini-warehouse" buildings is not sufficient to enable the "mini-warehouse" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$150,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "mini-warehouse" buildings exceeds the price set forth in the construction contract for construction of the "mini-warehouse" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.B.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Self-Service-Storage Management Inc. ("SSSMI"), or another firm designated by the General Partners, an annual Management Fee of 6% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to SSSMI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$80,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$1,630,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. In the event that the Project is sold, a sales commission at customary market rates will be paid to the selling broker, which may be the General Partners.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding 66 2/3% of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 8% to the General Partners and 92% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the mini-warehouse buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 8% to the General Partners and 92% to the Limited Partners in the ratio stated in Section 5.1.A.

C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 8% to the General Partners and 92% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 92% to the Limited Partners and 8% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 75% to the Limited Partners and 25% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

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(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 1% to Self-Service-Storage Inc. and 7% to Richard F. Beavers, the Individual General Partner.

Section 5.3. Distribution of Financing Proceeds and Cash Flow After a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 75% to the Limited Partners and 25% to the General Partners.

Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 1% to Self-Service-Storage Inc. and 7% to Richard F. Beavers, the Individual General Partner.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. The event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the mini-warehouse buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

(i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;

(ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(iv) fourth, 25% to the General Partners, and 75% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 1% to Self-Service-Storage Inc. and 7% to Richard F. Beavers, the Individual General Partner.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records. The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions

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with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding 66 2/3% of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee, guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

BOOK 3 PAGE 559

Section 8.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 8.5. General Partners May Require Exculpation. Notwithstanding the Fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all Partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 9.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

BOOK 3 PAGE 560

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his Interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

BOOK 3 PAGE 562

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 25th day of October, 1982.

ATTEST:

Jaxette Unkle

GENERAL PARTNERS:

Gilbert F. Beavers
Self-Service-Storage Inc.
Gilbert F. Beavers
Vice-President

ATTEST:

Jaxette Unkle

Richard F. Beavers
Richard F. Beavers
Individual General Partner

ATTEST:

Jaxette Unkle

ORIGINAL LIMITED PARTNER:

Harold D. Beavers
Harold D. Beavers

SCHEDULE A

TO

SELF-SERVICE-STORAGE, PROPERTIES I LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution (1)</u>
GENERAL PARTNERS:	
Self-Service-Storage Inc. 728 Bel Air Rd. Bel Air, Maryland 21014	\$100.00
Richard F. Beavers 728 Bel Air Rd. Bel Air, Maryland 21014	900.00
INITIAL LIMITED PARTNER:	
Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	<u>500.00</u>
TOTAL	<u><u>\$1,500.00</u></u>

(1) Contributed in cash on October 25, 1982.

BOOK 3 PAGE 564
CERTIFICATE OF LIMITED PARTNERSHIP

OF

SELF-SERVICE-STORAGE, PROPERTIES I LIMITED PARTNERSHIP

received for record October 25, 1928, at 2:44 PM.

and recorded on Film No. *2559* *37* Frame No. 3392 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

8303702

AA N^o 0265

EC 20-82 B #24516 *****125

Fee Paid \$50.00

bt

RECD & RECORDED *WPC*
NO. 3 FOLIO 531
DEC 20 1 07 PM '82
HARFORD CO.
H. DOUGLAS CHILCOAT.

BOOK 3 PAGE 565

ALICEANNE ASSOCIATES LIMITED PARTNERSHIP
 CERTIFICATE OF AMENDMENT TO LIMITED PARTNERSHIP
AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP

THIS FIRST AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP, Made and entered into this 15th day of October, 1982, by and between JOHN C. MAGNESS and TOMMY W. MORRISON (hereinafter referred to as "Partners").

WITNESSETH:

WHEREAS, on August 9, 1982, the State Department of Assessments and Taxation received among its Limited Partnership records a Certificate of Limited Partnership, which was recorded on Film 2551, Frame No. 3366; and

WHEREAS, the parties wish to enter into this First Amendment to Certificate of Limited Partnership in order to include additional provisions and to amend the Paragraph 4 of the original Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and in accordance with Section 10-102 of the Corporations and Associations Article of the Annotated Code of Maryland, (1975 Ed., as amended), the parties agree as follows:

1. Paragraph 4 of the original Certificate of Limited Partnership is amended by deleting the words "general partner" next to the names of John C. Magness and Tommy W. Morrison and inserting in each place the following: " 1 % General Partner" and " 49 % Limited Partner."

2. Paragraph 8(a)(3) shall be amended by deleting the "." at the end thereof, and inserting the words ", which shall be December 31, 2025."

3. Paragraph 13 shall be amended by deleting the word "none" and adding the following:

"Section 13.1 The Partnership is authorized to execute a Deed of Trust Note and Deed of Trust in order to secure a loan insured by the Federal Housing Commissioner and to execute a Regulatory Agreement and all other documents required by the Federal Housing Commissioner, or any mortgagee in connection with a loan under Section 221(d)(4) or any other section of the National Housing Act and the Section 8 Program of the Department of Housing and Urban Development in connection with such loan. Any incoming general partner shall, as a condition of receiving an interest in the Partnership property, agree to be bound by the Deed of Trust Note, the Deed of Trust, and the Regulatory Agreement and other documents required in connection with the FHA-insured loan and the Section 8 Program to the same extent and on the same terms as other partners. Upon dissolution, no title or right to possession and control of the project, and no right to collect rents therefrom, shall pass to any person who is not bound by the Regulatory Agreement in a manner satisfactory to the Federal Housing Commissioner.

Section 13.2 In the event of a conflict between the provisions of this Agreement and the Regulatory Agreement with the Federal Housing Commissioner, the Regulatory Agreement shall prevail and govern."

IN WITNESS WHEREOF, the parties have set their hands and seals the date first above written.

WITNESS:

Kathleen L. Junker

John C. Magness
John C. Magness
General Partner

Kathleen L. Junker

Tommy W. Morrison
Tommy W. Morrison
General Partner

Kathleen L. Junker

John C. Magness
John C. Magness
Limited Partner

Kathleen L. Junker

Tommy W. Morrison
Tommy W. Morrison
Limited Partner

CITY BALTIMORE
STATE OF MARYLAND, COUNTY OF HOWARD, to wit:

I HEREBY CERTIFY that on this 14th day of October, 1982, before me, the subscriber, a Notary Public of the State of Maryland, Baltimore City, personally appeared JOHN C. MAGNESS, and he acknowledged that he executed the foregoing for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Kathleen L. Junker
KATHLEEN L. JUNKER
NOTARY PUBLIC
BALTIMORE CITY, MD.
Notary Public

My Commission Expires: 7/1/82

CITY BALTIMORE
STATE OF MARYLAND, COUNTY OF HOWARD, to wit:

I HEREBY CERTIFY that on this 14th day of October, 1982, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared TOMMY W. MORRISON, and he acknowledged that he executed the foregoing for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Kathleen L. Junker
KATHLEEN L. JUNKER
NOTARY PUBLIC
BALTIMORE CITY, MD.
Notary Public

My Commission Expires: 7/1/82

DUUP 3 PAGE 567
CERTIFICATE OF AMENDMENT

OF

ALICEANNE ASSOCIATES LIMITED PARTNERSHIP

received for record October 15, 1982, at 11:12 AM.
and recorded on Film No. 2559 3 Frame No. 3233 one of
the limited partnership records of the State Department of Assessments and Taxation of Maryland.
To the clerk of the Circuit court of Harford County

AA N^o 0253

8303312

Fee Paid \$50.00

bt

RECD & RECORDED *Joe*

NO 3 FOLIO 565

DEC 20 1 03 PM '82

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

80-20-82 B 24518 *****1

DAVIS PROPERTIES LIMITED PARTNERSHIP
FOURTH AMENDMENT TO
CERTIFICATE OF LIMITED PARTNERSHIP

WE, THE UNDERSIGNED, desiring to amend the Certificate of Limited Partnership of Davis Properties Limited Partnership as of July 21, 1982, do hereby certify as follows:

Virginia R. Davis, W. Lester Davis, II, and Marie D. Williams (formerly McCraw), as Personal Representatives of the Estate of W. Lester Davis, Limited Partner, have irrevocably transferred and assigned to Virginia R. Davis, W. Lester Davis, II, and Marie D. Williams (formerly McCraw), as Trustees under the Will of W. Lester Davis, the 7.37% limited partnership interest of the Estate of W. Lester Davis. Virginia R. Davis, W. Lester Davis, II, and Marie D. Williams (formerly McCraw), as Trustees under the Will of W. Lester Davis, have been substituted as Limited Partner with respect to such transferred and assigned limited partnership interest. The beneficiaries of such Trust under the Will of W. Lester Davis are existing owners of interest as Limited Partners. Therefore, Articles IV and IX of the Certificate of Limited Partnership are amended as herein provided.

1. Article IV is amended in its entirety to read as follows:

"IV. The name and place of residence of each member, general and limited partners being respectively designated, are:

Virginia R. Davis 3714 Churchville Road Aberdeen, Maryland 21001	General and Limited Partner
Virginia R. Davis, W. Lester Davis, II, and Marie D. Williams (formerly McCraw), Trustees under the Will of W. Lester Davis 3714 Churchville Road Aberdeen, Maryland 21001	Limited Partner
W. Lester Davis, II 64 Davis Lane North East, Maryland 21901	Limited Partner
Marie D. Williams (formerly McCraw) 103 James Street Elkton, Maryland 21921	Limited Partner
Virginia D. Ulehla Bldg. B - Apt.1-C Coffee Run Condominium Hockessin, Delaware 19707	Limited Partner
Leslie D. Hyatt 195 Shoreham Drive Rochester, New York 14618	Limited Partner
Deborah D. Haywood Rt. #7, Box 3885 Okeechobee, Florida 33472	Limited Partner

Vickie L. Davis
3714 Churchville Road
Aberdeen, Maryland 21001

Limited Partner

Sheree G. Davis
10 North East Road, Apt. 3-D
Aberdeen, Maryland 21001

Limited Partner

2. Article IX is amended in its entirety to read as follows:

"IX. The Limited Partners shall receive a share of the profits or losses of the Partnership as follows:

Virginia R. Davis	56.73
Virginia R. Davis, W. Lester Davis, II, and Marie D. Williams (formerly McCraw), Trustees under the Will of W. Lester Davis	7.37
W. Lester Davis, II	3.7
Marie D. Williams (formerly McCraw)	3.7
Virginia D. Ulehla	3.7
Leslie D. Hyatt	3.7
Deborah D. Haywood	3.7
Vickie L. Davis	3.7
Sheree G. Davis	3.7"

3. All other provisions of the Certificate of Limited Partnership shall remain in full force and effect and the Partnership and its business shall be continued as amended hereby.

IN WITNESS WHEREOF the parties hereto have signed these presents and affixed their seals on the day and year first above written.

GENERAL PARTNER:

Virginia R. Davis (SEAL)
Virginia R. Davis, individually

LIMITED PARTNERS:

Virginia R. Davis (SEAL)
Virginia R. Davis, individually

W. Lester Davis, II (SEAL)
W. Lester Davis, II
individually

Marie D. Williams (SEAL)
Marie D. Williams (formerly
McCraw), individually

Virginia R. Davis (SEAL)
Virginia R. Davis, Trustee
under the Will of W. Lester Davis

W. L. Davis, II (SEAL)
W. Lester Davis, II, Trustee
under the Will of W. Lester Davis

Marie D. Williams (SEAL)
Marie D. Williams (formerly
McCraw), Trustee under the Will
of W. Lester Davis

Virginia R. Davis (SEAL)
Virginia R. Davis, Personal
Representative of the Estate
of W. Lester Davis

W. L. Davis, II (SEAL)
W. Lester Davis, II, Personal
Representative of the Estate
of W. Lester Davis

Marie D. Williams (SEAL)
Marie D. Williams (formerly
McCraw), Personal Representative
of the Estate of W. Lester Davis

Virginia D. Ulehla (SEAL)
Virginia D. Ulehla

Leslie D. Hyatt (SEAL)
Leslie D. Hyatt

Deborah D. Haywood (SEAL)
Deborah D. Haywood

Vickie L. Davis (SEAL)
Vickie L. Davis

Sheree G. Davis (SEAL)
Sheree G. Davis

STATE OF Maryland, CITY OR COUNTY OF Cecil, TO WIT:

I HEREBY CERTIFY, that on this 21st day of July 1982,
before me, a Notary Public of said State, personally appeared
Virginia R. Davis, individually as General Partner, known to me

(or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Claudia M. Hastings
Notary Public

My Commission Expires: July 1, 1986

STATE OF Maryland, CITY OR COUNTY OF Cecil, TO WIT:

I HEREBY CERTIFY, that on this 21st day of July 1982, before me, a Notary Public of said State, personally appeared Virginia R. Davis, individually as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Claudia M. Hastings
Notary Public

My Commission Expires: July 1, 1986

STATE OF Maryland, CITY OR COUNTY OF Cecil, TO WIT:

I HEREBY CERTIFY, that on this 29 day of November 1982, before me, a Notary Public of said State, personally appeared W. Lester Davis, II, individually as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Sherril A. Davis
Notary Public

My Commission Expires: July 1, 1989

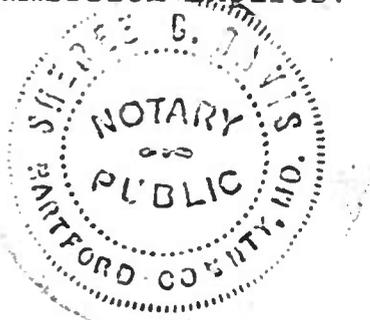
STATE OF Maryland, CITY OR COUNTY OF Harford, TO WIT:

I HEREBY CERTIFY, that on this 27 day of November 1982, before me, a Notary Public of said State, personally appeared Marie D. Williams (formerly McCraw), individually as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Sherril A. Davis
Notary Public

My Commission Expires: July 1, 1986

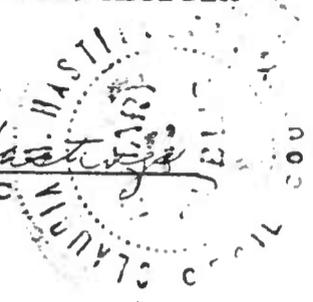


STATE OF *Maryland*, CITY OR COUNTY OF *Cecil*, TO WIT:

I HEREBY CERTIFY, that on this *21st* day of *July* 1982, before me, a Notary Public of said State, personally appeared Virginia R. Davis, Trustee under the Will of W. Lester Davis as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Claudia M. Hastings
Notary Public



My Commission Expires: *July 1, 1986*

STATE OF *Maryland*, CITY OR COUNTY OF *Harford*, TO WIT:

I HEREBY CERTIFY, that on this *29th* day of *November* 1982, before me, a Notary Public of said State, personally appeared W. Lester Davis, II, Trustee under the Will of W. Lester Davis as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Sherrill L. Davis
Notary Public



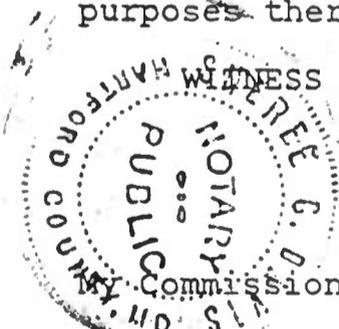
My Commission Expires:

STATE OF *Maryland*, CITY OR COUNTY OF *Harford*, TO WIT:

I HEREBY CERTIFY, that on this *29th* day of *November* 1982, before me, a Notary Public of said State, personally appeared Marie D. Williams (formerly McCraw), Trustee under the Will of W. Lester Davis as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Sherrill L. Davis
Notary Public



My Commission Expires:

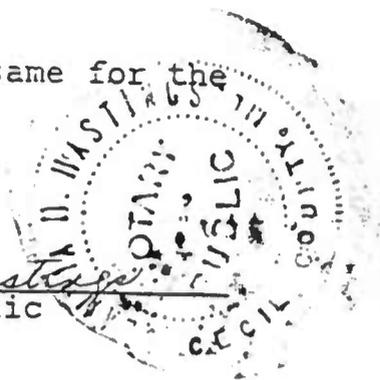
STATE OF *Maryland*, CITY OR COUNTY OF *Cecil*, TO WIT:

I HEREBY CERTIFY, that on this *21st* day of *July* 1982, before me, a Notary Public of said State, personally appeared Virginia R. Davis, Personal Representative of the Estate of W. Lester Davis as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing

instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Claudia M. Hastings
Notary Public



My Commission Expires: July 1, 1986.

STATE OF Maryland, CITY OR COUNTY OF Harford, TO WIT:

I HEREBY CERTIFY, that on this 29th day of November 1982, before me, a Notary Public of said State, personally appeared W. Lester Davis, II, Personal Representative of the Estate of W. Lester Davis as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Shere L. Davis
Notary Public



My Commission Expires: July 1, 1986

STATE OF Maryland, CITY OR COUNTY OF Harford, TO WIT:

I HEREBY CERTIFY, that on this 29th day of November 1982, before me, a Notary Public of said State, personally appeared Marie D. Williams (formerly McCraw), Personal Representative of the Estate of W. Lester Davis as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Shere L. Davis
Notary Public



My Commission Expires: July 1, 1986

STATE OF Maryland, CITY OR COUNTY OF Cecil, TO WIT:

I HEREBY CERTIFY, that on this 21st day of July 1982, before me, a Notary Public of said State, personally appeared Virginia D. Ulehla, as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Claudia M. Hastings
Notary Public



My Commission Expires: July 1, 1986.

STATE OF Maryland, CITY OR COUNTY OF Harford, TO WIT:

I HEREBY CERTIFY, that on this 29 day of November 1982, before me, a Notary Public of said State, personally appeared Leslie D. Hyatt, as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Sheree L. Davis
Notary Public

My Commission Expires: July 1, 1986

STATE OF Maryland, CITY OR COUNTY OF Harford, TO WIT:

I HEREBY CERTIFY, that on this 29 day of November 1982, before me, a Notary Public of said State, personally appeared Deborah D. Haywood, as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Sheree L. Davis
Notary Public

My Commission Expires: July 1, 1986

STATE OF Maryland, CITY OR COUNTY OF Cecil, TO WIT:

I HEREBY CERTIFY, that on this 21st day of July 1982, before me, a Notary Public of said State, personally appeared Vickie L. Davis, as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Claudia M. Hastings
Notary Public

My Commission Expires: July 1, 1986

STATE OF Maryland, CITY OR COUNTY OF Cecil, TO WIT:

I HEREBY CERTIFY, that on this 21st day of July 1982, before me, a Notary Public of said State, personally appeared Sheree G. Davis, as Limited Partner, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

Claudia M. Hastings
Notary Public

My Commission Expires: July 1, 1986

REC'D & RECORDED WDC

NO. 3 FOLIO 568

JAN 24 10 12 AM '83

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

AMENDMENT OF AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP FOR
MANAGED OPTION FUND - SERIES I

UN 31-83 B #28267 *****20.00

This is an amendment to the Limited Partnership Agreement and Certificate of Managed Option Fund - Series I, filed in the Harford County Clerk's Office on December 14, 1981. The management fees to Selection Services, Inc., the General Partner, as outlined on page 8 of the Partnership Agreement, have been increased from 1/12 of 1% of Net Assets to 1/12 of 5% of Net Assets. Thus line 7 of paragraph 1 on page 8 of the Agreement will read as follows:

...a monthly management fee in an amount equal of 1/12 of 5% of the Net Assets of the Partnership....

This amendment has been approved by the General Partner and by the Limited Partners currently owning more than 50% of the Units in accordance to the rules in the Agreement on page 15. The following Partners have agreed to this amendment by signing and dating this document.

DATE	PARTNERS: GENERAL	PERCENTAGE OF INTEREST
<u>31 Jan 1983</u>	<u>C. H. McComas III</u>	<u>2.04</u>
PARTNERS: LIMITED		
<u>11 Jan 1983</u>	<u>Daniel O'Neil Mary Ellen O'Neil</u>	<u>20.4</u>
<u>15 Jan 1983</u>	<u>Thomas Kelly</u>	<u>10.2</u>
<u>15 " 1983</u>	<u>Ernest Boylston</u>	<u>4.08</u>
<u>15 Jan 1983</u>	<u>Shirley O'Neil</u>	<u>10.2</u>
<u>20 Jan 1983</u>	<u>John W. Bond</u>	<u>10.2</u>
<u>20 Jan 1983</u>	<u>Betty O'Neil McComas</u>	<u>4.08</u>
<u>21 Jan 1983</u>	<u>Ruth Livingston</u>	<u>2.04</u>
	<u>W.A. Livingston</u>	

Mailed to C.H. McComas III, P.O. Box 230, Bel Air, Md. 21014

STATE OF MARYLAND
COUNTY OF HARFORD

I, Patricia A. Bedson, a Notary Public of the State aforesaid, do hereby certify that on this 31st day of January, 1983, personally appeared before me Charles H. McComas III, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of Selection Services, Inc., a Wyoming Corporation, which is the General Partner of Managed Option Fund-Series I, and swore and acknowledged to me that he executed the foregoing instrument for the purpose and in the capacity therein expressed, and that the statements contained therein are true and correct.

Patricia A. Bedson
Notary Public

My commission expires:

July 31, 1988

RETURN TO
C.H. MCCOMAS III
P.O. BOX 230
BEL AIR, MD
21014

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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

AMENDMENT TO
CERTIFICATE OF LIMITED PARTNERSHIP 83 B #28564 *****27.00
OF
/ UNITED LIMITED PARTNERSHIP

Effective for all purposes and in all respects as of the 31st day of October, 1982, the undersigned hereby certify as follows:

WHEREAS, United Limited Partnership ("the Limited Partnership") is a limited partnership organized under the laws of the State of Maryland pursuant to a Limited Partnership Agreement dated the 29th day of December, 1976, as amended and restated as of the 31st day of October, 1982; and

WHEREAS, a Certificate of Limited Partnership has been duly recorded in the State of Maryland; and

WHEREAS, Melvin G. Bosely and R. Walter Ward, the general partners of the Limited Partnership, have transferred additional real property and improvements to the Limited Partnership in exchange for limited partnership interests; and

WHEREAS, the partnership agreement of the Limited Partnership has been amended to reflect the changes in partnership interests resulting from the previously described transfer of property and improvements to the Limited Partnership;

NOW, THEREFORE, it is agreed as follows:

1. The Certificate of Limited Partnership of the Limited Partnership is hereby affirmed and ratified in all respects, except that such certificate is hereby amended as set forth below.

2. Melvin G. Bosely and R. Walter Ward shall contribute to the capital of the Limited Partnership, in exchange for limited partnership interests, their beneficial interests in the real property and improvements described in Schedule A attached hereto. The agreed fair market value of the property and improvements is \$551,193.14.

3. The following persons are admitted as limited partners in the Limited Partnership:

<u>Name</u>	<u>Place of Residence</u>
Melvin G. Bosely	Harford County Bel Air, Maryland 21014
R. Walter Ward	St. Mary's Church Road Bel Air, Maryland 21014

4. Each partner shall have an interest in the Limited Partnership as set forth in Schedule B attached hereto. Profits and losses of the Limited Partnership shall be

Mailed to United Lmt'd. Prtnrshp., P.O. Box 271, Bel Air, Md. 21014

allocated to the partners (both general and limited) in proportion to the percentage interests set forth in Schedule B.

5. A limited partner's right to substitute an assignee as a limited partner shall be subject to the following terms and conditions:

(a) The interest of a limited partner in the partnership shall not be assignable unless the limited partner shall first grant to partners who are members of the selling partner's family, then to the partnership, and finally to the general partners an option, in writing, to purchase said interest at the price and on the terms offered to such limited partner by the proposed assignee of such partnership interest. Within fifteen (15) days after the date of the foregoing offer, the members of the selling limited partner's family may, at their option, elect to purchase not less than all of the selling limited partner's interest. If more than one of the members of the selling limited partner's family elect to exercise their option, they shall purchase the selling limited partner's interest in proportion to their respective partnership interests. If the members of the selling limited partner's family do not elect to exercise their option, within thirty (30) days after the date of the foregoing offer, the partnership may, at its option, elect to purchase not less than all of the selling limited partner's interest. If the partnership does not elect to exercise its option, within forty-five (45) days after the date of the foregoing offer, the general partners may, at their option, elect to purchase not less than all of the selling limited partner's interest, and if more than one general partner elects his option, then such interest shall be divided ratably between both general partners. The members of the selling limited partner's family, the partnership, or the general partners, as the case may be, shall exercise the option to purchase the selling limited partner's partnership interest by giving written notice to the selling limited partner, the partnership and all other partners. If neither the members of the selling limited partner's family, nor the partnership, nor any of the general partners elect to purchase the selling limited partner's interest, then the selling limited partner may sell his interest to the proposed assignee on terms not more favorable than those offered to the partners who are members of the selling limited partner's family, the partnership, and the general partners.

(b) The purchase price of the interest of a limited partner purchased pursuant to paragraph (a) shall be payable by the purchaser according to the same terms as offered to the limited partner by the proposed assignee. The closing for such purchase shall be within ninety (90) days after the date of the limited partner's offer to the members of his family, the partnership, and the general partners.

(c) The provisions of paragraph (a) shall not apply to a transfer by a limited partner of his interest in the partnership to his spouse, child, grandchild, or more remote

lineal descendant or to a trust for such person's or persons' benefit.

(d) Upon payment by the assignee of a limited partnership interest of a fee of Two Hundred Dollars (\$200) to the partnership for the costs and expenses of amending the partnership agreement and certificate of limited partnership, the assignee shall become a substituted limited partner.

(e) In the event of the death, bankruptcy, or incompetency of a limited partner, the limited partnership shall not be dissolved, and the lawful successor in interest of the deceased, bankrupt, or incompetent limited partner shall have all the rights and duties of a limited partner.

6. The general partners of the Limited Partnership (on behalf of themselves, and in accordance with the power of attorney contained in the aforesaid Limited Partnership Agreement, on behalf of all limited partners) have duly executed this amendment to the Certificate of Limited Partnership of United Limited Partnership.

GENERAL PARTNERS

Melvin G. Bosely

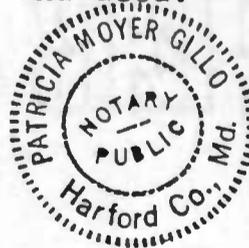
Melvin G. Bosely

R. Walter Ward

R. Walter Ward

Harford County
State of Maryland ss

I, *Patricia Moyer Gillo* a notary public in and for the aforesaid jurisdiction, do hereby certify that the aforesaid Melvin G. Bosely, being to me well known, did personally appear before me and did acknowledge to me that he executed the aforesaid Amendment as his free act and deed.



Subscribed and sworn to before me this 30th day of November, 1982.

Patricia Moyer Gillo
Notary Public

My Commission Expires: 7-1-86



Harford County,
State of Maryland ss

I, Patricia Moyer Gillo, a notary public in and for the aforesaid jurisdiction, do hereby certify that the aforesaid R. Walter Ward, being to me well known, did personally appear before me and did acknowledge to me that he executed the aforesaid Amendment as his free act and deed.

Subscribed and sworn to before me this 30th day of November, 1982.

Patricia Moyer Gillo
Notary Public

My Commission Expires: 7-1-86



0437R/16R

UNITED LIMITED PARTNERSHIP
CERTIFICATE OF LIMITED PARTNERSHIP

Schedule A

Property Contributed to Limited Partnership

DESCRIPTION OF PROPERTY	TAX BASIS	APPRAISAL VALUE	EXCESS OF APPRAISAL VALUE OVER TAX BASIS	MORTGAGE BALANCE	EXCESS OF APPRAISAL OVER MORTGAGE BALANCE
American Oil	\$ 745.91	\$ 50,000.00	\$ 49,254.09	\$	\$ 50,000.00
Andrews	6,485.87	40,000.00	33,514.13		40,000.00
ARCO	2,753.23	70,000.00	67,246.77		70,000.00
Bright Oaks Commercial (2.25 ac.)	1,168.21	45,000.00	43,831.79		45,000.00
Equitable Trust	50,957.57	150,000.00	99,042.43	103,806.86	46,193.14
Kunkel	34,368.63	160,000.00	125,631.37		160,000.00
Tennis Club	737.21	40,000.00	39,262.79		40,000.00
Wendy's	16,594.49	100,000.00	83,405.51		100,000.00
TOTAL	\$113,811.12	\$655,000.00	\$541,188.88	\$103,806.86	\$551,193.14

Schedule B

Partnership Interests in United Limited Partnership

General Partners

<u>Name</u>	<u>Percentage Interest</u>
Melvin G. Bosely	5%
R. Walter Ward	5%

Limited Partners

<u>Name</u>	<u>Percentage Interest</u>
Melvin G. Bosely	43.337%
R. Walter Ward	43.337%
A. Grant Bosely	.416%
Carolyn F. Bosely	.416%
Helen L. Bosely	.416%
Roy A. Bosely, as custodian for / Lorraine K. Bosely under the Maryland Uniform Gifts to Minors Act	.416%
Robert C. Ward	.831%
Jennifer Gilbert	.831%

0445R/16R

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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

BOOK 3 PAGE 583

CERTIFICATE OF LIMITED PARTNERSHIPWINTERS RUN LIMITED PARTNERSHIP

THIS AGREEMENT made this first day of July, 1982 among Winters Run Golf Club, Inc., a Maryland Corporation, whose address is 1000 N. Tollgate Road, Bel Air, Maryland 21014, hereinafter called the "General Partner", and

Robert E. Stewart
908 Dunellen Drive
Towson, MD 21204

William E. Glenn, Jr.
1521 Ryan Road
Fallston, MD 21047

Donald J. Sulewski
728 Towne Center Drive
Joppa, MD 21085

Ralph J. Ingerson
620 Foxcraft Drive
Bel Air, MD 21014

Milton Sorrell, Jr.
704 W. MacPhail Road
Bel Air, MD 21014

Samuel M. Spicer
2202 Conowingo Road
Bel Air, MD 21014

hereinafter collectively called "Limited Partners",

The resident agent, acting on behalf of and for Winters Run Limited Partnership shall be John S. Landbeck, Jr., Esquire, whose post office address is 34 W. Bel Air Avenue, Aberdeen, MD 21001, who is a resident of the State of Maryland.

BOOK 3 PAGE 584

WITNESSETH:

1. The parties hereby form a Limited Partnership pursuant to the provisions of the Corporation and Association, Volume Title 10, Limited Partnership Act of the Annotated Code of Maryland, to carry on the business of acquisition and sale of real estate located in the State of Maryland and to borrow and expend such sums necessary to accomplish this business. The principal office of the business shall be 1000 N. Tollgate Rd., Bel Air, Maryland 21014.

2. TERM. Shall begin upon acceptance by the State of Maryland shall continue until June 30, 1987, and thereafter from year to year until terminated as provided herein.

3. CAPITAL CONTRIBUTIONS. Winters Run Golf Club, Inc. shall be the General Partner with the following capital contribution and percentage of ownership interest:

<u>NAME/ADDRESS</u>	<u>CAPITAL CONTRIBUTION</u>	<u>PERCENTAGE</u>
Winters Run Golf Club, Inc. 1000 N. Tollgate Road Bel Air, MD 21014	\$ 5,000.00	5%

The following individuals shall be Limited Partners with the following capital contribution and percentage of ownership interest:

<u>NAME/ADDRESS</u>	<u>CAPITAL CONTRIBUTION</u>	<u>PERCENTAGE</u>
Robert E. Stewart 908 Dunellen Drive Towson, MD 21204	\$20,000.00	20%
William E. Glenn, Jr. 1521 Ryan Road Fallston, MD 21047	\$25,000.00	25%
Donald J. Sulewski 728 Towne Center Drive Joppa, MD 21085	\$20,000.00	20%
Ralph J. Ingerson 620 Foxcraft Drive Bel Air, MD 21014	\$10,000.00	10%
Milton Sorrell, Jr. 704 W. MacPhail Road Bel Air, MD 21014	\$10,000.00	10%
Samuel M. Spicer 2202 Conowingo Rd. Bel Air, MD 21014	\$10,000.00	10%

(a). Each of the Partners shall contribute to the capital of the Partnership in cash the amount set-out with his/her name.

(b). An individual capital account shall be maintained for each Partner. Each such capital account shall consist of his initial capital contribution, as set forth in Paragraph 3 (a) above, increased by any additional capital contribution made by such Partner and his share of Partnership profits allocated to such Partner pursuant to this Agreement, and decreased by all distributions to such Partner and his share of Partnership loss allocated to such Partner pursuant to this Agreement.

(c). No Limited Partner shall be required or obligated by the Partnership or any Partner to make further capital contributions of any kind whatsoever to the Partnership beyond the initial capital contribution he shall have made as set forth in Section 3 (a). No Limited Partner shall be required to lend any funds to the Partnership, nor shall any Limited Partner be liable for any debts, liabilities, contracts or obligations of the Partnership.

4. PROFIT AND LOSS.

(a). Any cash distribution to Partners shall be made in direct proportion to their respective percentage of ownership interest as set forth in Paragraph 3.

(b). The net profit and losses of the Partnership shall be divided and borne by the Partners in proportion to their respective percentage of ownership interest as set forth in Paragraph 3.

(c). The fiscal year of the Partnership shall be January 1st through December 31st of each calendar year.

5. MORTGAGE REFINANCING. If net proceeds of a refinancing of any mortgage constituting a lien against real property held by the Partnership exceeds the principal balance of the mortgage immediately prior to such refinancing, and such proceeds of refinancing are received by the Partnership, then such net proceeds shall be distributed among the Partners in the same ratio as set forth in Paragraph 4 (b) hereof.

6. SALE OF ASSETS. If any portion of the real property is sold, the net proceeds shall be distributed as follows:

(a). After satisfaction of outstanding mortgage or indebtedness against the Partnership applicable to that property, each Partner shall receive an amount equal to his respective percentage of ownership interest as set forth in Paragraph 3 with the balance to be distributed to the Partners in the same ratio as set forth in Paragraph 4 (b).

(b). No lots purchased by the Partnership shall be sold within one (1) year of the purchase or such period as needed to qualify said lots for a long term capital gains treatment.

7. SALARIES, DRAWINGS & INTEREST ON CAPITAL CONTRIBUTIONS.

None of the Partners (General or Limited) shall receive any salary or drawing for services rendered on behalf of the Partnership in their capacity as Partners, nor shall any Partner receive any interest on his/her contribution to the capital of the Partnership.

8. MANAGEMENT, DUTIES & RESTRICTIONS.

(a). General Partner. The General Partner shall have the right and duty to management of the Partnership business and shall devote such time to the Partnership as shall be reasonably required for its welfare and success. The General Partner shall have the right on behalf of the Partnership to borrow or lend money; make, deliver or accept any commercial paper; or execute any mortgage, bond or lease, or other document necessary to purchase or sell any property for or of the Partnership. The General Partner shall not assign, mortgage, pledge or otherwise divest himself of his interest in the Partnership of his capital assets or profits, or enter into any Agreement, the result of which would allow another party to become a General Partner in the Partnership. The General Partner shall not do anything detrimental to the best interest of the Partnership.

(b). Limited Partners. No Limited Partner shall participate in the management of the Partnership business. Limited Partners shall, however, have all rights as far as set forth in the Maryland Uniform Limited Partnership Act (Corporation and Associations Volume, Annotated Code of Maryland), specifically Section 10-303, as effective July 1, 1982. The Limited Partners may vote on the matter set forth in Section 10-303 (b) (v), and all such votes shall require the approval of the majority of the percentage interest of the Limited Partners, unless otherwise specifically provided herein. A Limited Partner shall have the right to withdraw his/her capital contribution upon the termination of the Partnership as provided herein, provided, however, that no part of the capital contribution of any Limited Partner shall be withdrawn unless all liabilities of the Partnership, except liabilities to Partners on account of their contributions, have been paid or unless the Partnership has assets sufficient to pay them. No Limited Partner shall have priority over any other Limited Partner either as to contributions to capital or as to compensation by way of income. No additional Limited Partners may be admitted to the Partnership except with the approval and consent of a majority of the percentage interest of the Limited Partners.

9. LOSSES. The liability of any of the Limited Partners for Partnership losses shall in no event exceed the aggregate amount of his/her contribution to the capital of the Partnership. Any losses in excess of such amount shall be borne solely by the General Partner.

10. BANKING. All funds of the Partnership shall be deposited in its name in such checking account or accounts as shall be designated by the General Partner. All withdrawals therefrom are to be made upon checks signed by the General Partner. No Partner (General or Limited) may use Partnership accounts for their own personal use.

11. CONVEYANCE. Any deed, bill of sale, mortgage, security agreement, lease, contract of sale, or other commitment purporting to convey or encumber the interest of the Partnership in all or any portion of any real or personal property, shall be signed by the General Partner.

12. BOOKS. The Partnership shall maintain full and accurate books in its principal office, or such office as shall be designated for such purpose by the General Partner, and all Partners shall have the right to inspect and examine such books at reasonable times. The books shall be closed and balanced at the end of each fiscal year.

13. ASSIGNABILITY. Any Limited Partner shall have the right to sell or assign his/her interest after first offering same to the other Limited Partners. If no other Limited Partner acquires said interest within sixty (60) days of being offered, the Limited Partner desiring to divest himself of his interest in the Partnership shall have the right to do so upon receipt of the consent of the General Partner, anything in Paragraph 8 (b) to the contrary notwithstanding.

14. DISSOLUTION OF THE PARTNERSHIP.

(a). The death, incompetency, dissolution, bankruptcy or withdrawal of any Limited Partner shall not dissolve the Partnership. The Partnership shall be dissolved upon expiration of the term of the Partnership as provided in Paragraph 2 or upon the happening of any of the following:

(I). the sale or disposition of all or substantially all of the Partnership assets and the distribution to the Partners of the proceeds thereof;

(II). the affirmative vote of the General Partner and all of the Limited Partners;

(III). the death, resignation, withdrawal, liquidation, dissolution, adjudication of bankruptcy or legal incompetency of the General Partner, unless the Partnership is continued in accordance with Paragraph 14 (b); or

(IV). upon an event which makes it unlawful for the Partnership's business to be continued.

(b). Upon the occurrence of any event provided in Paragraph 14 (a) (III) of this Agreement with respect to the General Partner, all the Limited Partners may elect to continue the business of the Partnership in accordance with the terms of this Agreement upon

the selection by all the Limited Partners of a New General Partner within ninety (90) days of the governing occurrence.

(c). Upon dissolution under Paragraph 14 (a), no further business shall be conducted by the Partnership except for the taking of such action as shall be necessary for the winding up of the affairs of the Partnership and the distribution of its assets to the Partners pursuant to the provisions hereof, and thereupon the General Partner or in the event the dissolution is caused by the death, resignation, withdrawal, liquidation, dissolution, adjudication of bankruptcy or legal incompetency of the General Partner, such person or persons as the Limited Partners holding at least two-thirds (2/3) of the outstanding Limited Partners' percentage interests shall designate (hereinafter, in either event, referred to as the "Liquidator") shall act as liquidating Trustee and immediately proceed to wind up and terminate the business and affairs of the Partnership.

(d). Upon dissolution the Liquidator shall sell such of the Partnership assets as it deems necessary or appropriate. In lieu of the sale of any or all of the Partnership properties, the Liquidator may convey and assign all or any part of the Partnership properties to the Partners in undivided interests as tenants in common or such other form of similar ownership as shall be applicable to the jurisdiction where the property is located. A full accounting shall be made of the accounts of the Partnership and each Partner thereof and of the Partnership's assets, liabilities and income, from the date of the last accounting to the date of such dissolution. The profits and losses of the Partnership shall be determined to the date of dissolution and transferred, as provided in Paragraph 3 (b), to the respective capital accounts of the Partners. In accounting for the distributions of Partnership property, such property shall be valued at the fair market value at the date of dissolution as determined by a qualified appraiser, except that no value shall be placed upon the firm name or good will of the Partnership. Any difference between the valuation of the Partnership property and its book value shall be considered as though it represented profit or loss, and shall be allocated to the capital accounts of the Partners as provided in Paragraph 3 (b). Any gain or loss on disposition of Partnership property shall be credited or charged to the capital accounts of the Partners in the same manner as the difference between the valuation of the Partnership property and its book value.

(e). The Liquidator shall apply the remaining Partnership assets, along with any proceeds from the sale of Partnership assets, in the following order of priority:

(I). First, to the payment and discharge of all of the Partnership's debts and liabilities to persons other than the

Partners and the expenses of dissolution and winding up, in the order or priority as provided by Law;

(II). Second, to the payment and discharge of any loans made by the Partners to the Partnership including all interest thereon; and

(III). the remaining assets, if any, shall be distributed to the Partners in proportion to their then respective capital accounts.

15. DISTRIBUTION OF PROCEEDS ON LIQUIDATION. The proceeds of liquidation shall be distributed, as realized, in payment of the liabilities of the Partnership in the following order of priority:

- (a). to creditors of the Partnership;
- (b). loans of any Partner to the Partnership; and
- (c). to all of the Partners in respect of their capital accounts as determined pursuant to the provisions of this Agreement.

The General Partner shall not be personally liable to the Limited Partners for any deficit in the Limited Partners' capital accounts or for the return of their contributions.

16. LIABILITY OF GENERAL PARTNER. The General Partner shall be liable for errors in its management of the Partnership only if they are the result of willful misconduct or gross negligence on the part of said General Partner.

17. NOTICES. All notices provided for in this Agreement shall be directed to the Partners at the addresses herein set forth and to the Partnership at its principal office by registered or certified mail.

18. BINDING. This Agreement shall be binding upon all of the Partners (General or Limited) and their estates, heirs or legatees.

19. APPLICABLE LAW. This Agreement and the rights of the Partners (General and Limited) thereunder shall be interpreted in accordance with the laws of the State of Maryland.

20. AGREEMENTS IN COUNTERPARTS. This Agreement may be executed in several counterparts, all of which shall constitute one (1) Agreement, binding on all the Partners (General and Limited) hereto, notwithstanding that all the Partners are not signatory to the original Agreement or any of the other counterparts.

IN WITNESS WHEREOF, the undersigned have set their hands and seals this 1st day of July, 1982.

WITNESS:



GENERAL PARTNER

Winter Run Golf Club Inc.



BY: William E. Glenn, Jr.,
President

BOOK

3 PAGE 590

WITNESS:

LIMITED PARTNERS

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BOOK 3 PAGE 591

STATE OF MARYLAND, COUNTY OF HARFORD, TO WIT:

I HEREBY CERTIFY that on this 12th day of July 1982, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared WILLIAM E. GLENN, JR., President of Winters Run Golf Club, Inc., ROBERT E. STEWART, DONALD J. SULEWSKI, RALPH J. INGERSON, MILTON SORRELL, JR. AND SAMUEL M. SPICER, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained and in my presence signed and sealed the same.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

John S. Landeck

NOTARY PUBLIC

Commission expires: July 1, 1986



CERTIFICATE OF LIMITED PARTNERSHIP

OF

WINTERS RUN LIMITED PARTNERSHIP

received for record November 5, 1982

, at 9:41 A.M.

and recorded on Film No. 2561

10

Frame No 01689 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA No 0329

8304271

SEP 10-83 B 29498 *****12.5

Fee Paid \$50.00

bt

RECD & RECORDED *HW*

NO 3 FOLIO 583

FEB 10 2 09 PM '83

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

3034 3 PAGE 593

The interests represented by this Agreement have not been registered or qualified under the Securities Act of 1933, as amended, or under applicable state securities laws and may not be assigned, hypothecated, pledged, transferred or sold without an effective registration or qualification under said Act, or delivery to the General Partner of an opinion of counsel to the Partnership that an exemption from registration or qualification under said Act is available.

CERTIFICATE OF LIMITED PARTNERSHIP
AND
LIMITED PARTNERSHIP AGREEMENT

THIS LIMITED PARTNERSHIP AGREEMENT made this 15 day of ~~November~~ 1982, by and between MEDSTAT, P.A. (herein called the "General Partner"), and each of the individuals or entities (herein together called the "Limited Partners") whose names and residence addresses are set forth under Section 2.01. Hereinafter, the Limited Partners, together with any persons hereafter becoming limited partners hereof and excluding any persons hereafter withdrawing from the limited partnership as limited partners, from and after the time of such withdrawal, shall be referred to collectively as the "Limited Partners", and together with the General Partners, shall be referred to collectively as the "Partners".

WITNESSETH:

WHEREAS, the parties hereto desire to form a limited partnership (hereinafter called the "Partnership") pursuant to the Annotated Code of Maryland, to acquire a certain parcel of land in Baltimore County, Maryland (hereinafter called the "Property"), to construct or to arrange for the construction of a building and other facilities (hereinafter called the "Improvement"), and to purchase and lease equipment (the Property, Improvement and equipment being hereinafter called the "Project"); and

WHEREAS, the parties hereto desire to set forth in writing their respective rights and obligations as General Partner and Limited Partners.

NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

ARTICLE I

FORMATION, NAME, PURPOSES, TERM AND PARTNERS

Section 1.01 Formation. The Partners constitute a limited partnership formed pursuant to the Uniform Limited Partnership Act of the State of Maryland, as amended to date. (hereinafter called the "Partnership Act").

Section 1.02 Name. The Partnership is and shall be conducted under the name of PADONIA MEDICAL ARTS GROUP, LIMITED PARTNERSHIP.

Section 1.03 Offices. The principal office and place of business of the Partnership shall be located at 200 Milton Avenue, Fallston, Maryland 21047, or such other place as the General Partner may from time to time determine. The Partnership shall have such other and additional offices as the General Partner shall deem advisable. The name and post office of the Resident Agent of the Partnership in this State is THEODORE E. HARRISON, 200 Milton Avenue, Fallston, Maryland 21047. Said Resident Agent is a citizen of the State of Maryland and actually resides therein.

Section 1.04 Purposes. The purposes of the Partnership and the business to be carried on and the objectives to be effected by it are: (a) to acquire, own, develop, improve, manage, operate and maintain for investment the Project; (b) to lease, sell, exchange or otherwise dispose of the Project or any of the rights and interests of

the Partnership to and in the Project or any part thereof; (c) to finance and refinance the acquisition, ownership, development, improvement, management, operation and maintenance of the Project; (d) to borrow money and to evidence the same by promissory notes or other evidences of indebtedness and to secure the same by mortgage, deed of trust, pledge or other lien or security interest or device in furtherance of the purposes of the Project; (e) to enter into and perform contracts and to execute and deliver other documents; (f) to acquire any other property, real or personal, in fee or under lease, or any rights therein or appurtenant thereto, necessary or appropriate for the construction and operation of the Project; and (g) in general, to do any and all other acts and things, necessary, appropriate or incidental to the carrying out of the foregoing purposes of the Partnership.

The Partnership shall have the power to do any and all acts and things which may be necessary, appropriate or incidental to the carrying out of the purposes of the Partnership.

Section 1.05 Limitation of Business. The Partnership shall not engage in any business other than that described in Section 1.04 aforesaid without the prior consent of all the Partners.

Section 1.06 Term. The Partnership shall continue in full effect for a term of twenty (20) years from the date of this Agreement, subject to prior termination and dissolution as herein provided.

Section 1.07 Certificate of Limited Partnership. At the time of execution of this Agreement, the Partners will execute a Certificate of Limited Partnership in accord-

ance with the Limited Partnership Act of the State of Maryland; and the General Partner will cause the Limited Partnership Certificate to be duly recorded within the Limited Partnership records of The State Department of Assessments and Taxation.

ARTICLE II

GENERAL AND LIMITED PARTNERS,

CAPITAL AND PARTNERS' INTERESTS IN PARTNERSHIP

Section 2.01 Partners, Initial Capital and Percentage Interests. The names and addresses of the General and initial Limited Partner, the initial capital to be contributed by them to the Partnership and the Percentage Interests, as defined in Exhibit A, of the partners in the Partnership shall be as follows:

<u>General Partner Name & Address</u>	<u>General Partner Initial Capital Contribution</u>	<u>Percentage Interest in Partnership</u>
MEDSTAT, P.A. 200 Milton Avenue Fallston, Maryland 21047	\$1,000.00	50%

<u>Limited Partners Names & Addresses</u>	<u>Limited Partners Initial Capital Contribution</u>	<u>Percentage Interest in Partnership</u>
Theadore E. Harrison P.O. Box 268 Fallston, Maryland 21047	\$1,000.00	50%

_____	\$ _____	____%
_____	\$ _____	____%
_____	\$ _____	____%
_____	\$ _____	____%

_____	\$ _____	____%

_____	\$ _____	____%

_____	\$ _____	____%

_____	\$ _____	____%

_____	\$ _____	____%

_____	\$ _____	____%

Additional Limited Partners maybe admitted to the Partnership as provided in Section 6.04.

Section 2.02 Capital Account. A capital account shall be established for each Partner and shall be maintained in such a manner as to correspond with the capital of the Partners as reported on the federal income tax returns of the Partnership. A Partner's capital account shall be credited with the amounts of such Partner's Capital Contribution (together with any permitted contributions of cash or property subsequently made by such Partner) and shall be credited or charged quarterly, as the case may be, with such Partner's distributive share of Partnership profit or loss for federal income tax purposes for each year determined pursuant to Article IV below. Distributions to Partners shall be charged against their respective capital accounts. The respective capital accounts of the Partners shall not bear interest. The capital of the Partnership shall not be withdrawn except as provided herein.

Section 2.03 Special Allocations Among Partners. Liability for initial and additional overruns, liability

with respect to the construction loan and cash flow, residual benefits, gains, losses, depreciation, interest and other deductible expenses shall be allocated among the Partners in accordance with Exhibit A, attached hereto. As indicated in Exhibit A, the General Partner has exclusive liability with respect to payment of overruns and in the event of the admission of additional Limited Partners as provided in Section 6.04, the Partners will have varying interests in cash flow and proceeds of any sale of all or substantially all of the Project, any proceeds received from condemnation of the Project, any insurance proceeds received with respect to the Project, any proceeds received with respect to refinancing the Project and any proceeds received upon dissolution or termination of the Partnership. In consideration of such varying liabilities and interests which will have a substantial economic effect upon the financial interests of the Partners, the Partnership Agreement contains the allocation of income, gains, losses and deductions among the Partners as set forth in Exhibit A.

Section 2.03 Additional Advances of Funds. All advances heretofore made by the General Partner and any additional funds which the General Partner, in its discretion, agrees shall be advanced to the Partnership on behalf of the Project shall be considered interest-free loans to the Partnership and shall not increase the General Partner's percentage interest in the Partnership, and shall be reimbursed out of mortgage proceeds. In the event the General Partner is unable to advance additional funds to the Partnership, the General Partner may propose that the Limited Partners make additional Capital Contributions in the following manner. Any proposal for one or more additional Capital

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Contributions shall be offered to all Partners pro rata to their Partnership Interests. In the event some, but not all, of the Partners elect to make such additional Capital Contributions then the Partnership Interest of each Partner making additional Capital Contributions shall be increased and the Partnership Interest of each Partner not making additional Capital Contributions shall be decreased to equal the ratios between the respective capital account balances of all Partners as they exist immediately following the crediting thereto of such additional Capital Contributions. Partners making additional Capital Contributions shall have the right (but not the obligation), in proportion to their Partnership Interest or in such other proportion as they may unanimously agree, to make the additional Capital contributions which other Partners fail to make.

Section 2.04 Return of Capital. Except as otherwise expressly provided in this Agreement and Exhibit A thereto, no Partner shall have the right to demand the return of all or any part of his contribution to the capital of the Partnership, or receive any interest with respect to his contribution to capital.

Section 2.05 Withdrawal of Partner. Except as hereinafter provided for in Article IV and VI, no Partner shall have the right to withdraw from the Partnership.

ARTICLE III

CONDUCT AND MANAGEMENT OF BUSINESS

Section 3.01 General Management. The General Partner shall have the sole right to manage the business of the Partnership. The General Partner shall use its best efforts to carry out the purposes, business and objectives

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of the Partnership referred to in Section 1.04 and shall devote to the Partnership business such time as shall be reasonably required for its welfare and success, but nothing in this Agreement shall preclude the employment of any other Partner, agent, third party or Affiliate to manage or provide other services in respect of the Partnership's properties or business provided that the General Partner in all instances retains general control over the operations of the Partnership's properties and business. The General Partner shall receive no compensation for its services as General Partner, but shall be entitled to reimbursement for expenses incurred on behalf of the Partnership.

a. To carry out its responsibilities and duties, the General Partner shall have all the rights and powers necessary to carry out the purposes enumerated in Section 1.04. In addition, the General Partner may admit limited partners to the Partnership pursuant to Sections 6.04 and 6.05 below, and, upon obtaining the written consent or affirmative vote of Seventy-Five percent (75%) of the Partners, may lease, sell, exchange, or otherwise transfer all or substantially all of the Property and other assets of the Partnership. Furthermore, without the written consent or affirmative vote by the Partners holding at least Seventy-Five percent (75%) of the total Partnership Interests, the General Partner shall have no authority to incur, renew or refinance a debt by the Partnership or mortgage or pledge any Partnership property, unless incurred, renewed, refinanced, mortgaged or pledged in the ordinary course of business.

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b. Anything in this Agreement to the contrary notwithstanding, the General Partner shall not cause or permit the Partnership to:

(i) acquire any properties in exchange for interests in the Partnership, other than as provided in Section 2.01 above;

(ii) employ the Partnership's funds or assets in any manner except for the exclusive benefit of the Partnership or commingle the Partnership's funds or assets with those of any other person or employee;

(iii) grant to or allow any person who makes a non-recourse loan to the Partnership to acquire, at any time as a result of making the loan, any direct or indirect interest in the profits, capital or property of the Partnership, other than as a secured creditor; or

(iv) do business in any jurisdiction or political subdivision in which the General Partner and the Partnership have not previously taken such steps as may be necessary to assure for the Limited Partners substantially the same limited liability as is provided for limited partners in limited partnerships formed under the Partnership Act.

c. The General Partner shall have no authority to act except as provided in this Agreement and in the Partnership Act.

Section 3.02 Liability on Loans. No Partner, including the General Partner, shall have any liability with respect to any mortgage loan made to the Partnership, except as hereinafter provided, and the lenders shall look for security solely to the assets of the Partnership. In

order to accomplish the purposes of this Section, each written instrument creating an obligation of the Partnership in excess of Five Thousand Dollars (\$5,000.00) shall (unless the General Partner otherwise consents) contain a provision to the effect that the obligations of the Partnership thereunder are not personally binding upon, and that resort shall not be had to the private property of, any Partners or any agent of the Partnership, but that only the assets of the Partnership or a specified portion thereof shall be bound. Notwithstanding the foregoing provisions, the Partnership and the General Partner may incur such liability with respect to any mortgage loan, standby loan commitment or other financing pertaining to the aforesaid Project, provided that the General Partner agrees, in writing, to do so or join in the execution of any documents required for such purpose.

Section 3.03 No Participation by 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. No Limited Partner, in his capacity as Limited 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.

Section 3.04 Liability of Limited Partners. Except as provided in the Partnership Act, no Limited Partner shall have any personal liability whatever, whether to the Partnership, to any of the Partners or to the creditors of the Partnership, for the debts of the Partnership or any of its losses beyond the amount contributed by him to the capital

of the Partnership as set forth in Section 2.01 above and his liability under a guaranty executed by him as set forth in Exhibit A. The preceding sentence shall not, however, be construed to limit or prohibit, in any respect, the use by the General Partner of any undistributed funds of the Partnership (regardless of whether previously allocated to the account of any Partner) for the payment of Partnership debts. Upon payment of his Capital Contribution set forth in Section 2.01 above, each Limited Partner's interest in the Partnership shall be fully paid and nonassessable. In no event will any Limited Partner (or the successors in interest of a Limited Partner, as such) be required to make any capital or other contribution to the Partnership upon or following dissolution thereof by reason of the status of the capital account of such Limited Partner (or his successors in interest).

ARTICLE IV

DISTRIBUTIONS AND ALLOCATIONS OF PROFIT AND LOSS

Section 4.01 Distributions. Any Partnership cash or other assets which the General Partner may from time to time determine are not reasonably needed to carry on the business of the Partnership (including cash available from: a) operations, b) refinancing of the Project, c) insurance proceeds, d) sale, exchange, condemnation, or other disposition of any or all of the property or assets of the Partnership or e) liquidation and dissolution of the Partnership) shall be distributed to the Partners in accordance with their respective interests in cash distributions and residual benefits, as the case may be, as set forth in Exhibit A. The Partners recognize that such distributions may result in

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one or more Partners having negative capital accounts. Therefore, the Partners agree that a negative balance in any Partner's capital account which is the result of such a distribution shall not create a liability on the part of any such Partner to the Partnership for such negative balance, or affect the right or obligation of any Partner to share in Partnership profits or losses, or affect any Partner's partnership interest in any manner.

Section 4.02 Failure to withdraw Distribution. If any Partner does not withdraw the whole or any part of his share of any distribution, such Partner shall not be entitled to receive any interest thereon nor shall any such cash or asset not withdrawn be deemed an increase in such Partner's share of the capital or equity of the Partnership without the express written consent of all other Partners.

Section 4.03 Allocation of Tax Profits and Losses. The net operating profits, net operating losses, gains or losses realized on the sale of the Project or any part thereof, deductible expenses of the Partnership and tax credits of the Partnership, for federal and state income tax purposes, for each taxable year of the Partnership shall be allocated among the Partners in accordance with their respective interests in such items as set forth in Exhibit A.

ARTICLE V

ACCOUNTING

Section 5.01 Books and Records. The General Partner 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

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for recording the Partnership's business and affairs. Each Partner and his duly authorized representatives shall, at all times during regular business hours, have access to and may inspect and copy any of such books and records.

Section 5.02 Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

Section 5.03 Annual Reports. Annual statements showing the income and expenses of the Partnership for the fiscal year and the balance sheets thereof as at the end of such year shall be prepared by a Certified Public Accountant. Each Partner shall be furnished copies of such statements of income and expenses and of such balance sheets, together with a certificate of the Certified Public Accountant covering the results of audit, within Ninety (90) days after the end of each 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 5.04 Accounting Principles. All decisions as to accounting matters and tax elections, except as specifically provided to the contrary herein, shall be made by the General Partner in accordance with generally accepted accounting principles consistently applied. Such decisions shall be acceptable to the Certified Public Accountant, and the General Partner may rely upon the advice of the Certified Public Accountant as to whether such decisions are consistent with generally accepted accounting principles.

Section 5.05 Bank Accounts. Funds of the Partnership shall be deposited in an account or accounts in a bank

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or banks approved by the General Partner. Withdrawals from such accounts may be made and Partnership checks may be signed by the General Partner or the duly authorized officer, officers or employee of the General Partner.

ARTICLE VI

ADMISSION OF ADDITIONAL LIMITED PARTNERSASSIGNMENTS AND TRANSFERSSection 6.01 Restrictions on Admissions and Transfers.

No additional Limited Partners shall be admitted and no Partner shall have the right to sell or transfer his partnership interest or any part thereof except as provided in this Article VI. A pledge, hypothecation or other encumbrance of a Partnership interest shall be considered a transfer of a Partnership interest for purposes of this Article.

Section 6.02. Preserving Partnership Status.

Anything contained herein to the contrary notwithstanding, no additional Limited Partner may be admitted, no Partner may assign the whole or any part of his interest in the Partnership, and no attempted or purported transfer or assignment of a Partnership interest (whether or not such assignee or transferee becomes a substituted Partner) shall be effective if it would prejudice or affect the continuity of the Partnership for the purposes of Section 708 of the Internal Revenue Code. Prior to any such admission of an additional Limited Partner, transfer or assignment becoming effective, the General Partner may require an opinion of counsel to the effect that, except as may result from any basis adjustment made pursuant to Section 6.08 below, the transfer or assignment will not cause adverse tax

consequences to the Partnership or any of the nontransferring Partners, and, in the event of a transfer or assignment, such transferor or assignor shall be responsible for paying said counsel's fee for the opinion.

Section 6.03 Compliance with Securities Laws. All Partners acknowledge that the Partnership interests have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), in reliance on the exemptions afforded by Section 4(2) of the 1933 Act. Therefore, to preserve said exemptions and notwithstanding anything contained herein to the contrary, the Partners hereby agree that no additional Limited Partner shall be admitted and the interests of the Partners shall be nontransferable and nonassignable, except in compliance with the registration provisions of the 1933 Act, (or exemption therefrom) the applicable state securities laws (or exemption therefrom) and the rules and regulations promulgated thereunder, and any attempted or purported admission of additional Limited Partners, transfer or assignment in violation of the foregoing shall be void and of no effect. Accordingly, as an additional condition precedent to any assignment or other transfer of any interest in the Partnership, the General Partner may require an opinion of counsel satisfactory to the General Partner that such assignment or transfer will be made in compliance with the registration provisions of the 1933 Act (or exemption therefrom) the applicable state securities laws (or exemption therefrom) and the rules and regulations promulgated thereunder, and such transferor or assignor shall be responsible for paying said counsel's fee for the opinion. The foregoing shall not limit the restrictive legend set forth at the beginning of this Agreement.

Section 6.04 Admission of Additional Limited Partners. Upon approval by the Limited Partners holding at least Seventy-Five Percent (75%) of the total Limited Partnership interests, the General Partner shall admit one or more additional Limited Partners to the Partnership, if such prospective additional Limited Partner or Limited Partners, as the case may be, executes such Agreements as the General Partner may reasonably require acknowledging his obligations hereunder and agreeing to be bound by the terms of this Agreement, if duplicate executed copies of this Limited Partnership Agreement are delivered to all the Partners and if all amended certificates and other instruments required by law are executed and recorded.

Section 6.05 Sale or Transfer by Limited Partner. Any Limited Partner may sell or transfer his Limited Partnership interest or a part thereof upon complying with the following provisions:

(a) A Limited Partner may, by testamentary disposition or otherwise, transfer his interest to any person related by blood or marriage or to any trust, primarily for the benefit of the Limited Partner or any person related to him by blood or marriage.

(b) Except as provided in paragraph (a) Section 6.05, before any Limited Partner's interest is assigned, sold or transferred to any person, the Limited Partner selling or transferring his Limited Partnership interest (sometimes hereinafter called "Assignor Limited Partner") shall first offer the other Partners opportunity to acquire (pro rata according to their respective Partnership interests as provided in Section 2.01) such interest on the same terms that the assigning party offers or proposes

to offer such interest to any such other person. If any Partner decides not to acquire in whole or in part the amount he is entitled to acquire, the part that he does not acquire shall be offered to the other Partners (pro rata according to their respective Partnership Interests as provided in Section 2.01, excluding any Partnership Interests attributable to the interest theretofore offered by the Assignor Limited Partner, or as otherwise agreed by the Partners electing to purchase) until the other Partners shall acquire it or indicate that they do not wish to do so. A Partner shall be deemed to have decided not to acquire the amount to which he is entitled under any offer or unless he sends notice to the Assignor Limited Partner of the amount that he desires to acquire within fifteen (15) days from the receipt of such offer or re-offer. If the entire interest of the Assignor Limited Partner is so acquired, he shall assign to the acquiring Partners, and they shall acquire, said entire interest in accordance with the foregoing and the terms of the original offer, and they shall thereupon be substituted Limited Partners to the extent of their respective portions of the acquired interest and an appropriate amendment of the Certificate of Limited Partnership shall be filed in accordance with the provisions of the Partnership Act. If, however, the entire interest is not so taken up, the Assignor Limited Partner may elect either:

(1) To assign the entire interest to any person in accordance with the terms of the original offer made to the other Partners, within six (6) months after determination that such entire interest will not be taken up by one or more of the Partners, provided that such assignment

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must be in compliance with the foregoing Sections of this Article VI and such assignee shall not become a substituted Limited Partner without the consent of the General Partner; or

(2) To assign to the acquiring Partners the amount of the interest which they have thus elected to acquire, and they shall be required to acquire the same in accordance with the foregoing and the terms of said original offer insofar as such terms relate (or may be fairly apportioned) to the amount of the interest so taken, retaining himself the amount of the interest not so taken, whereupon the acquiring Partners shall be substituted Limited Partners to the extent of their respective portions of the assigned interest in the same manner and with the same consequences as are specified above in the case of acquisition of the entirety of the interest offered to acquiring Partners.

(c) Any assignee or transferee of the Assignor Limited Partner may become a substituted Limited Partner in the place of the Assignor Limited Partner if he executes such agreements as the General Partner may reasonably require acknowledging his obligations hereunder and agreeing to be bound by the terms of this Agreement, if he shall pay all Partnership expenses in connection with such substitution, if a duplicate executed copy of the instrument of assignment of transfer is delivered to the General Partner, and if all amended certificates and other instruments required by law are executed and recorded.

Section 6.06 Sale or Transfer by General Partners.

The General Partner shall have no right to sell or transfer all or any part of its General Partnership interest unless

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it resigns as General Partner and Eighty percent (80%) of the Limited Partners approve, by written consent, the appointment of the Successor General Partner. Upon obtaining such approval, the General Partner may sell or transfer its General Partnership interest upon complying with the following provisions:

(a) The General Partner selling or transferring its General Partnership interest (sometimes hereinafter called the "Assignor General Partner") shall give written notice of such sale or transfer to the Limited Partners within thirty (30) days after the date of such sale or transfer.

(b) If the sale or transfer is of all of the Assignor General Partner's General Partnership interest, then any assignee or transferee of the Assignor General Partner may become a substituted General Partner in place of the Assignor General Partner if it executes such agreements as the Limited Partners may reasonably require acknowledging its obligations hereunder and agreeing to be bound by the terms of this Agreement, if it shall pay all partnership expenses in connection with such substitution, if a duplicate executed copy of the instrument of assignment or transfer is delivered to the Limited Partners and if all amended certificates and other instruments required by law are executed and recorded.

(c) If the sale or transfer is less than all of the Assignor General Partner's General Partnership Interest, then the assignee or transferee of the Assignor General Partner shall become a Limited Partner and may be admitted as a Limited Partner of the Partnership if it executes such agreements as the General Partner and Limited

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Partners may reasonably require acknowledging his obligations hereunder and agreeing to be bound by the terms of this Agreement, if it shall pay all Partnership expenses in connection with such admission, if a duplicate executed copy of the instrument of assignment or transfer is delivered to the Limited Partners, and if all amended certificates and other instruments required by law are executed and recorded.

Section 6.07 Allocation of Income and Loss Upon Sale or Transfer. In the case of an admission of any additional Limited Partner and/or a transfer of a Partner's interest at any time other than the end of the Partnership's fiscal year, the distributive shares of the various items of Partnership income, gain, deductions, losses and credits as computed for income tax purposes shall be allocated between any additional Limited Partners and the existing Partners, or the transferor and the transferee, as the case may be, in the ratio of the number of days in such year before and after such transfer unless the Partners exercise available elections, if any, to do otherwise under the income tax laws.

Section 6.08 Adjustment of Basis. In the event of a transfer of all or part of the interest of a Partner in the Partnership by sale or exchange or on the death or dissolution of a Partner, the General Partner, at the request of any Partner, shall cause the Partnership to elect to adjust the basis of the Partnership property as provided by Section 743 of the Internal Revenue Code or corresponding provision of subsequent law. All other elections required or permitted to be made by the Partnership under the Internal Revenue Code shall be made by the General Partner in such manner as in the General Partner's reasonable judgment will

be most advantageous to the Partners. Each of the Partners will upon request supply the information necessary to properly give effect to any such election.

Section 6.09 Joinder by Additional Limited Partner and Transferee. in the event of an admission of any additional Limited Partner or transfer pursuant to the provisions of this Article VI, any additional Limited Partner or transferee shall execute an addendum to this Partnership Agreement, agreeing to be bound by all the terms and conditions hereof, and, in the case of a transfer of a General Partnership interest, to assume all the obligations of the transferor Partner. The Partnership shall, if requested by such transferee, file the election contemplated by Section 754 of the Internal Revenue Code and the regulations promulgated thereunder.

ARTICLE VII

DISSOLUTION AND LIQUIDATION

Section 7.01 Dissolution. The Partnership shall be dissolved upon the occurrence of any of the following:

(a) The expiration of the term hereof; or
(b) The consent of the Partners holding at least seventy-five percent (75%) of the total Partnership Interests; or

(c) The sale, abandonment, or disposal by the Partnership of all or substantially all of its assets;
or

(d) The entry of a final judgment, order or decree of a court of competent jurisdiction adjudicating the Partnership to be a bankrupt, and the expiration of the

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period, if any, allowed by applicable law in which to appeal therefrom; or

(e) The bankruptcy or dissolution of the General Partner.

Section 7.02 Liquidation. Upon the dissolution of the Partnership, the General Partner shall proceed to liquidate the Partnership assets, wind up the Partnership affairs, and apply and distribute the proceeds, after debts and expenses and subject to reasonable reserves, to the Partners in cash and/or in kind according to their respective percentage interests in the Partnership. A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of its liabilities so as to minimize the normal losses attendant upon such a liquidation.

Section 7.03 Continuation of Partnership. The Partnership shall not terminate and dissolve upon the death, legal incapacity or bankruptcy of any Limited Partner, but the estate, heir or legatee of such Limited Partner, as the case may be, shall become a successor Limited Partner and shall execute an addendum to this Partnership Agreement, agreeing to be bound by all the terms and conditions hereof and to assume all the obligations of the deceased, incompetent or bankrupt Limited Partner. The Partnership shall not terminate and dissolve upon the withdrawal of the General Partner except as provided in Section 7.01(e).

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Power of Attorney. Each Limited Partner makes, constitutes and appoints the General Partner,

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with full power of substitution, his true and lawful attorney for him and in his name, place and stead and for his use and benefit, to sign, file and record the Certificate of Limited Partnership or any amendment thereof required under this Agreement or the Partnership Act and to sign, execute and certify, acknowledge, file and record any other instruments required of the Partnership or Partners by law in Maryland or any other jurisdiction. The foregoing grant of authority shall be irrevocable and shall constitute a power coupled with an interest.

Section 8.02 Partner's Relationship to One Another.

Nothing herein contained shall be construed to constitute any Partner the agent of any other Partner, except as expressly provided herein, or to limit in any manner the Partners in carrying on their own respective businesses or activities.

Section 8.03 Notices. All notices, statements, or other documents which are required or contemplated by this Agreement shall be in writing and shall either be personally delivered to the person entitled thereto or mailed, postage prepaid, to such person at his last known mailing address.

Section 8.04 Entire Agreement. This Agreement represents the entire understanding of the parties with respect to the subject matter thereof. No termination, revocation, waiver, modification or amendment of this Agreement shall be binding upon the parties unless in writing and signed by all of the Partners.

Section 8.05 Interpretation. This Agreement shall be interpreted and construed in accordance with the laws of the State of Maryland. The titles of the articles and

Sections herein have been inserted as a matter of convenience and shall not control or affect the meaning or construction of any of the terms or provisions hereof. As used in this Agreement, any gender shall include any other gender and the plural shall include the singular and the singular shall include the plural wherever appropriate.

Section 8.06 Arbitration. Any controversy or claim arising out of or relating to this Agreement, or a portion thereof, shall be settled by arbitration under the rules of the American Arbitration Association; and judgment upon the award rendered may be entered in the highest court having jurisdiction thereof.

Section 8.07 Legal Effect. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon, and inure to the benefit of, the Partners and their respective heirs, executors, administrators, successors and permitted assigns.

WITNESS the due execution hereof this 15 day of November, 1982.

ATTEST:

GENERAL PARTNER

MEDSTAT, P.A.

Agnes Johnson

By: Thomas E. Burns (SEAL)
President

WITNESS:

LIMITED PARTNERS

Agnes Johnson

Thomas E. Burns (SEAL)

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STATE OF MARYLAND:
OF BALTIMORE: to wit:

I HEREBY CERTIFY that on this 15 day of November 1982, before me, the subscriber, a Notary Public of the State and Balto. Co. aforesaid, personally appeared Theodore E. Harrison, and _____, and they made oath in due form of law that the facts and matters set forth in the foregoing Agreement are true to the best of their knowledge, information and belief and that the foregoing Agreement represents their act and deed.

AS WITNESS my hand and Notarial Seal.



Jerome Steinberg
Notary Public

My Commission Expires:
July 1, 1986

EXHIBIT A

PADONIA MEDICAL ARTS GROUP, LIMITED PARTNERSHIP

<u>INITIAL PARTNER</u>	<u>CONTRIB</u>	<u>%</u>
Harrison	1,000	50%
Medstat, P.A.	1,000	50%

1. Initial Contribution: Initial Cash payment to the Partnership to purchase Partnership Interest.
2. Percentage Interest in the Partnership: The percentage of Cash Flow, Tax Attribution and Residual Benefits allocated to the Partner.

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CERTIFICATE OF LIMITED PARTNERSHIP

OF

PADONIA MEDICAL ARTS GROUP, LIMITED PARTNERSHIP

received for record November 15, 1982, at 4:06 P M.

and recorded on Film No. 2564 27 Frame No. 02288 one of
the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA N^o 0355

FEB 10-83 B #29497 *****

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Fee Paid \$50.00

bt

RECD & RECORDED He

NO 3 FOLIO 593

FEB 10 2 00 PM '83

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

HIGHVIEW LIMITED PARTNERSHIP
Certificate of Amendment

THIS CERTIFICATE OF AMENDMENT is made this 2 day of March, 1983, by and between the undersigned parties.

Mar-3-83 Arf 21200 *****15.00

WITNESSETH:

WE, the undersigned parties, constituting one of the general partners, and each partner designated in this Certificate of Amendment as a new partner of Highview Limited Partnership, hereby certify that:

Throughout this Certificate, any word or words that are defined in the Maryland Uniform Limited Partnership Act, as amended from time to time, ("MULPA") shall have the same meaning as provided in the MULPA, and the word or words below within quotation marks shall be deemed to include the word or words which follow them:

A. "Certificate" This Certificate of Amendment.

B. "Partnership" This Limited Partnership.

1. Partnership Name. The name of the Partnership is "Highview Limited Partnership."

2. Amendment to Certificate. The Certificate of Limited Partnership of the Partnership dated , 1979, between W. Dale Hess and Edwin E. Hess, as general partners, and W. Dale Hess, Jr., Martha Lynn Hess, Patrick Lee Hess, Phillip Maxwell Hess, Edwin E. Hess, Jr., James Thomas Hess and Sally Lon Webster, as limited partners, is amended as follows:

2.1 The limited partnership interest of Sally Lon Webster is transferred to Sally Lon Webster and C. Dennis Webster. The home or business address, and percentage of partnership interest of Sally Lon Webster and C. Dennis Webster to the partnership are as set forth in the original Certificate of Limited Partnership and as set forth on the signature page of this Certificate of Amendment.

IN WITNESS WHEREOF, this Certificate of Amendment has been signed this 2 day of March 1983.

GENERAL PARTNERS:

W Dale Hess
W. DALE HESS

Edwin E. Hess
EDWIN E. HESS

I hereby certify that on the 3rd day of March 1983, before me, the subscriber, a notary of the State of Maryland, in and for Harford County personally appeared W. Dale Hess and Edwin E. Hess for the signatures above.

Mailed to Shilling & Bloch, P.A., 2012 Charles Center South, 36 S. Charles St., Balto., Md. 21201



Catherine R. Miller My commission expires July 1, 1986

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LIMITED PARTNER:

Sally Lon Webster
SALLY LON WEBSTER

C. Dennis Webster

C. DENNIS WEBSTER
608 Bosley Avenue
Towson, MD 21204

Initial Contribution
\$1,333.33

Percentage of Partnership
Interest
13.3%

RECD & RECORDED *Use*

NO 3 FOLIO 630

MAR 3 10 00 AM '83

HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

22-13/B1
120282
JAM:pnj

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THIS CERTIFICATE OF LIMITED PARTNERSHIP, made this 22nd day of December, 1982, by and between the undersigned parties.

WITNESSETH:

We, the undersigned parties, constituting all of the General Partners and Limited Partners of Aberdeen Associates Limited Partnership, hereby certify that:

Throughout this Certificate, the word or words listed below within quotation marks shall be deemed to include the words which follow them:

- A. "Certificate" - This Certificate of Limited Partnership.
- B. "General Partners" - The General Partners originally named in this Certificate and any other person or persons who may subsequently be designated as a General Partner.
- C. "Limited Partners" - The persons who have executed the signature pages of this Certificate as Limited Partners and those persons who may become substituted Limited Partners or additional Limited Partners.
- D. "Partners" - All General Partners and Limited Partners where no distinction is required by the context in which the term is used herein.
- E. "Partnership" - This Limited Partnership.
 - 1. Partnership Name. The name of the Partnership shall be "ABERDEEN ASSOCIATES LIMITED PARTNERSHIP".
 - 2. Business and Purpose. The purposes of the Partnership are as follows:
 - A. The Partnership shall acquire the property described on Exhibit "A" attached hereto and made a part hereof, and complete the improvements thereon, own and operate the same

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for hotel, restaurant and similar uses (hereinafter sometimes referred to as "Hotel"); and carry on all activities related thereto. Said tract of real property together with improvements thereon shall be hereinafter referred to as the "Property".

B. The Partnership may sell all or any part of the Property.

C. The Partnership may also do and engage in any and all other things and activities incident to the acquisition, holding, management, operation, leasing, development and/or sale of the Property, including, by way of illustration and not by way of limitation, arranging and consummating financing; executing deeds, leases, ground leases, mortgages or deeds of trust; creating agreements for the construction, design, operation and management of the improvements; and doing all things reasonably incident to the development, operation, management and leasing of all or any part of the Property.

D. The Partnership may engage in any other business or make any other transaction which the General Partner, in his sole discretion, shall deem to be reasonably related to the furtherance of the foregoing business and purposes of the Partnership as a whole.

3. Principal Office of Partnership. The principal office and place of business of the Partnership shall be located at the intersection of I-95 and Route 22, Aberdeen, Maryland. The Partnership may have such other or additional offices as the General Partner, in his sole discretion, shall deem necessary or advisable.

4. Name and Address of Resident Agent. The name and address of the Resident Agent is as follows: William L. Siskind, Two East Fayette Street, Baltimore, Maryland 21202.

5. Name and Address of General Partner. The name and address of the General Partner are as follows: William L. Siskind, Two East Fayette Street, Baltimore, Maryland 21202.

6. Names and Addresses of Limited Partners. The names and addresses of the Limited Partners are as follows: William L. Siskind, Two East Fayette Street, Baltimore, Maryland 21202, and Arvin E. Rosen, Two East Fayette Street, Baltimore, Maryland 21202.

7. Cash Contributions. The amount of cash contributed by each Partner is as follows:

William L. Siskind, General Partner	-	\$100.00
William L. Siskind, Limited Partner	-	\$100.00
Arvin E. Rosen, Limited Partner	-	\$100.00

All sums needed by the Partnership to complete construction of the property, including but not limited to providing furnishings, fixtures and equipment, and all sums needed for start-up capital as determined by the General Partner shall be financed and such financing shall be arranged by the General Partner.

8. Loans by Partners. After opening of the Hotel to the public, all Partners agree to fund any cash needs of the Partnership on a pro rata basis.

9. Transfer or Encumbrance of Partnership Interest - Limited Partners. No Limited Partner shall transfer or encumber all or any part of his interest as a Limited Partner otherwise than in accordance with the provisions of this Article 10, nor shall any such purported transfer or encumbrance be effective for any purpose.

(a) A Limited Partner may transfer or encumber all or any part of his Partnership interest to the General Partner and the transferee shall be a Limited Partner to the extent of the Partnership interest transferred or encumbered.

BOOK 3 PAGE 625

(b) A Limited Partner may transfer or encumber all or any part of his Partnership interest by will, intestacy, gift, or inter vivos trust or sale to or in trust for the benefit of one or more of his spouse or lineal descendants or a partnership or corporation owned 80% or more by himself and/or his spouse or lineal descendants, and the transferee shall be a Limited Partner to the extent of the Partnership interest transferred or encumbered.

For any transfer or encumbrance of a Partnership interest made by a Limited Partner hereunder to a partnership or corporation owned 80% or more by the Limited Partner, or if such Limited Partner should thereafter own less than 80% of the partnership or corporation, then, at such time, the partnership or corporation must offer to sell its Partnership interest to the remaining Partners (General and Limited), on a pro rata basis in accordance with their respective Partnership interests, subject to the following:

(i) For a period of 45 days from receipt of such offer, each Partner shall have the option to make the purchase. A Partner shall exercise said option by giving written notice to the offering Limited Partner within such 45 day period. For any Partner not desiring to exercise his option, the other remaining Partners may exercise his share, on a pro rata basis, in accordance with their respective Partnership interests.

(ii) The value of the Partnership interest to be sold shall be determined by either of the following two methods:

A. Mutual consent of all Partners, including the selling Partner; or

B. An appraisal of two independent appraisers, one selected by and on behalf of the selling Limited

Partner and the other selected by and on behalf of the remaining Partner. In the event that these two appraisers are unable to agree on the value of the Partnership interest to be sold, they shall jointly appoint a third independent appraiser whose determination (which shall be no higher or lower than the high and low values determined by the first two appraisers) shall be final and binding.

(c) In addition to the dispositions provided for in paragraphs (a) and (b) above, a Limited Partner may transfer all or any part of his Partnership interest to someone other than the transferees permitted under paragraphs (a) and (b) above, provided he first grants the General Partner the right to purchase said Limited Partner's interest at the same price and upon the same terms and conditions as are set forth in a bona fide written offer for the purchase of said Limited Partner's interest, notice in writing of which (together with an actual copy of said offer) shall be given to the General Partner at least 30 days in advance of such disposition. For a period of 30 days from the receipt of such notice, the General Partner shall have the option to make the purchase from the offering Limited Partner under the same terms and conditions as are set forth in such written offer. The General Partner shall exercise said option by giving written notice to the offering Limited Partner within such 30 day period. If the General Partner does not elect to exercise said option, the offering Limited Partner shall be free to make the disposition, provided the same shall be consummated within 90 days after notice of such bona fide offer was given to the General Partner and provided the same is consummated in strict accordance with the terms and conditions of such offer. For purposes of this paragraph, a "bona fide offer" shall mean a written offer to purchase from a financially responsible person identified by name and address

reasonably appearing able to comply with the terms of said offer. If the interest of a Limited Partner is assigned in accordance with the provisions of this paragraph, the assignee shall be a substituted Limited Partner with the same rights and obligations of the assignor.

(d) In addition to the dispositions permitted under paragraphs (a), (b) and (c) hereof, a Limited Partner may transfer or encumber all or any part of his then existing interest as a Limited Partner to a person other than the transferees permitted under paragraphs (a), (b) and (c) hereof with the prior written consent of General Partner.

(e) Any successor Limited Partner as a condition to his admission as a Limited Partner shall execute and acknowledge such instruments, in form and substance reasonably satisfactory to the General Partner, as the General Partner shall reasonably deem necessary or desirable to effectuate such admission and to confirm the agreement of the successor's being admitted as a Limited Partner and to be bound by all of the terms and conditions of this Agreement. Such successor shall also pay all reasonable expenses in connection with such admission as a Limited Partner, including without limitation, the cost of preparing and filing an amendment to the Partnership's certificate of Limited Partnership.

10. Withdrawal of Partner from Partnership. There is no agreement at this time concerning the withdrawal of a Partner from the Partnership.

11. Profit and Loss Ratios. The percentage shown after the name of each Partner shall represent the proportionate interest of such Partner in the Partnership, its assets and its profits and losses:

William L. Siskind, as General Partner	-	1%
William L. Siskind, as Limited Partner	-	94%
Arvin E. Rosen, as Limited Partner	-	5%

12. Distribution of Cash Flow.

(a) As used in this Certificate, the term "net cash flow" shall mean the net taxable income of the Partnership for Federal income tax purposes as shown on the books of the Partnership (prepared on the accrual basis), increased by the amount of depreciation and any other similar deductions taken in computing such net taxable income and reduced by (i) payment upon the principal of any mortgages or deeds of trust upon Partnership property, (ii) the amortization of the principal of any loans for capital improvements and purchases to the extent that the same are not allowable by the Internal Revenue Service as a current deduction from income, and (iii) such reserves for repairs and anticipated operating expenses as the General Partner shall deem to be reasonably necessary.

(b) As used in this Certificate, the term "fiscal year" shall mean a period of twelve months except that the "first fiscal year" shall mean the period commencing with the date of the Agreement and ending on the expiration of December 31, 1983 thereafter and the last fiscal year of the Partnership shall mean the period of time from the end of the next to last fiscal year to the date upon which the Partnership terminates.

(c) Any net cash flow for each fiscal year of the Partnership shall be distributed to the Partners pro rata in accordance with their respective Partnership interests as set forth in Article 9 hereof.

(d) Any mortgage proceeds received by the Partnership in excess of construction costs as well as any funds received by the Partnership from additional financing in excess of construction costs, shall be distributed to all of the Partners (General and Limited) in accordance with their respective Partnership interests; provided, however, that nothing herein contained

shall be deemed to prevent the General Partner, in his discretion, from retaining a portion or all of such excess mortgage funds as a reserve fund to meet operating expenses of the Partnership.

(e) The amount of net cash flow shall be determined by the Certified Public Accountant employed by the General Partner to audit the books of the Partnership. Except as otherwise herein provided, all payments of net cash flow to the Partners with respect to any fiscal year shall be made within 120 days following the close of such fiscal year.

13. Return of Partner's Contribution. The General Partner may make distributions in his sole and absolute discretion to all partners of all or any part of each Partner's contribution.

14. Term. This Limited Partnership shall terminate on November 1, 2032 unless sooner terminated by agreement of all Partners.

15. Termination. The Partnership shall be dissolved upon the happening of any of the following events:

(a) The unanimous consent or agreement of all Partners.

(b) The sale or other disposition of all or substantially all of the Partnership assets and the distribution to the Partners of the proceeds thereof.

(c) The expiration of the term of the Partnership.

(d) The death, bankruptcy or incompetency of the General Partner.

IN WITNESS WHEREOF, the parties hereto have duly executed this Certificate the day and and year first above written.

WITNESS:

Catrina H. Judy

Catrina H. Judy

Catrina H. Judy

William L. Siskind
William L. Siskind, as General Partner

William L. Siskind
William L. Siskind, as Limited Partner

Arvin E. Rosen
Arvin E. Rosen, as Limited Partner

STATE OF MARYLAND, CITY OF BALTIMORE, to wit:

I HEREBY CERTIFY that before me, the subscriber, a Notary Public of the State and City/County aforesaid, personally appeared William L. Siskind and Arvin E. Rosen, being by me first duly sworn, did depose and say that they are a party to the foregoing Certificate of Limited Partnership of Aberdeen Associates Limited Partnership, and that the facts set forth in said Certificate are true and correct.

AS WITNESS my hand and Notarial Seal this 22nd day of December, 1982.

My Commission Expires:
7-1-86

Patricia L. Jones
Notary Public

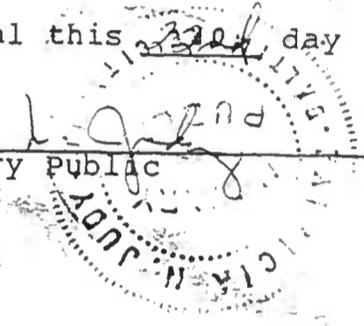


EXHIBIT A

All that certain lot, piece or parcel of land, situate in the Second Election District of Harford County, State of Maryland, containing by admeasurement 5.00254 Acres, more or less, shown on a Plan of Survey prepared on July 16, 1973, by McBride & Ziegler, Inc., Registered Land Surveyors, and more particularly described as follows:

PREMISING that all bearings herein are referred to the various courses of the northeasterly Right-of-Way limit of Maryland State Route #22, also known as the Northern Throughway-Aberdeen, as shown on S.R.C. Plats 33561, 31434 and 26937.

BEGINNING at a point, previously described as a stone in Liber No. 535, Page 303, in the northeasterly Right-of-Way limit of Maryland State Route #22, also known as the Northern Throughway-Aberdeen, and which said point of Beginning is distant 106.72 feet measured North $35^{\circ} 13' 09''$ East (Radially) from Base Line Station 86 + 52.39 of Maryland State Route #22 (Maryland Highway Contract H-268-1-441);

Thence along the Right-of-Way limit of Maryland State Route #22, in accordance with S.R.C. Plats 33561, 31434 and 26937, the five (5) following described courses and distances:

(1) North $65^{\circ} 12' 15''$ West, 37.12 feet to a point; (2) North $54^{\circ} 46' 13''$ West 162.85 feet to a point; (3) North $35^{\circ} 13' 47''$ East 50.0 feet to a point; (4) North $52^{\circ} 51' 11''$ West 148.34 feet to a point; and (5) North $19^{\circ} 47' 33''$ West, 31.60 feet to a point in the boundary of lands now or formerly of Arnold Gilmer;

Thence North $17^{\circ} 16' 45''$ East by lands now or formerly of Arnold Gilmer, 284.33 feet to a point in the centerline of Old Beards Hill Road;

Thence South $89^{\circ} 37' 15''$ East along the centerline of Old Beards Hill Road, 350.0 feet to a point;

Thence South $87^{\circ} 45' 45''$ East, continuing along the centerline of Old Beards Hill Road, 90.97 feet to the westerly boundary of lands now or formerly of Esther Edwards;

Thence South $2^{\circ} 19' 07''$ West, along the westerly boundary of lands now or formerly of Esther Edwards, 209.91 feet to a point in the division line between the herein described parcel and other lands now or formerly of Stancill's Inc.;

Thence South $25^{\circ} 46' 59''$ West along the said division line, 457.85 feet to the northeasterly Right-of-Way limit of said Maryland State Route #22;

Thence along the northeasterly Right-of-Way limit of said Maryland State Route #22, in accordance with S.R.C. Plat 33561 the two (2) following described courses and distances: (1) northerly on a curve to the right, having a radius of 3373.75 feet, an arc distance of 80.0 feet, the chord equivalent being 80.0 feet measured North $55^{\circ} 39' 22''$ West to a point; and (2) North $20^{\circ} 02' 45''$ East 44.24 feet to the point of BEGINNING.

CERTIFICATE OF LIMITED PARTNERSHIP

OF

ABERDEEN ASSOCIATES LIMITED PARTNERSHIP

received for record December 23, 1982, at 11:29 A.M.

and recorded on Film No. 2568 // Frame No. 1808 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA No 0456

MAR 30-83 B 23979 *****12.50

8306753
Fee Paid \$50.00

bt

REC'D & RECORDED *APC*
NO. 3 FOLIO 622
MAR 30 2 28 PM '83
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

BOOK 3 PAGE 633

CERTIFICATE OF LIMITED PARTNERSHIP OF
PERRYWOOD 83 LIMITED PARTNERSHIP

The undersigned, desiring to form a limited partnership pursuant to the Maryland Revised Uniform Limited Partnership Act, do hereby certify as follows:

1. The name of the limited partnership is PERRYWOOD 83 LIMITED PARTNERSHIP.

2. The purposes for which the limited partnership is formed are:

(a) To acquire a fee interest in certain real property located in Aberdeen, Maryland;

(b) To complete the rehabilitation of the property;

(c) To operate, manage, lease, mortgage, sell or otherwise deal with such property; and

(d) To engage in and perform all acts and activities necessary, appropriate, or incidental to the foregoing, as determined by the General Partners.

3. The address of the principal office is: 210 Mayberry Court, Aberdeen, Maryland.

The name and address of the resident agent are: The Corporation Trust Incorporated, 32 South Street, Baltimore, Maryland 21202.

4. The name and business address of each partner is as follows:

(a) General Partners:

Berel Altman 115 New Street Glenside, PA 19038	David Altman 115 New Street Glenside, PA 19038
Irving Altman 115 New Street Glenside, PA 19038	

(b) Limited Partner:

Steven Altman
115 New Street
Glenside, PA 19038

5. The partners have contributed the following amounts to the limited partnership in cash:

(a) General Partners:

Berel Altman	\$100.00
David Altman	\$100.00
Irving Altman	\$100.00

(b) Limited Partner:

Steven Altman	\$100.00
---------------	----------

6. No additional contributions have been agreed to be made by the partners to the limited partnership.

7. Each Limited Partner has the power to grant the right to become a Limited Partner to an assignee of any

BOOK 3 PAGE 635

part of his partnership interest with the consent of the General Partners, which the General Partners may grant or refuse in their sole discretion and subject to certain restrictions on transfer contained in the partnership agreement.

8. Until the dissolution and liquidation of the partnership, no General Partner shall voluntarily withdraw, retire or resign from the partnership without the consent of the Limited Partners holding $66\frac{2}{3}\%$ of the limited partnership interests, unless there is a General Partner or General Partners then remaining. Upon the retirement, removal, death, insanity, withdrawal, or bankruptcy of a General Partner and the continuation of the business of the partnership by the remaining General Partners, the partnership interest of such General Partner shall be converted to a limited partnership interest; provided, however, that the distributions, profits, losses, and income tax credits to which such General Partner shall be entitled shall not be changed from that to which such General Partner was entitled while a General Partner.

9. The partners are entitled to distributions of cash from the limited partnership as set forth in Exhibit "A" attached hereto.

10. Except as set forth in the partnership agreement, no partner shall be entitled to receive distributions

which include a return of all or any part of such partner's contribution.

11. The partnership shall dissolve upon the first to occur of the following:

(a) The sale or other distribution of all or substantially all of the partnership's assets.

(b) The retirement, death, insanity, withdrawal, removal, dissolution, or bankruptcy of a General Partner, unless the remaining General Partners, if any, agree within 30 days after such event to continue the partnership and its business.

(c) The retirement, death, insanity, withdrawal, removal, dissolution, or bankruptcy of the last remaining General Partner, unless the Limited Partners holding 100% of the limited partnership interests elect a new General Partner within 90 days after such event.

(d) December 31, 2032.

(e) The occurrence of any other event which, under the provisions of the Maryland Revised Uniform Limited Partnership Act, would cause a dissolution of the Partnership.

12. Upon the retirement, death, insanity, withdrawal, removal, dissolution, or bankruptcy of the General Partner, the remaining General Partners, if any, may agree

within 30 days after such event to continue the partnership and its business.

IN WITNESS WHEREOF, the parties have executed this Certificate of Limited Partnership the _____ day of December, 1982.

LIMITED PARTNER:



Steven Altman

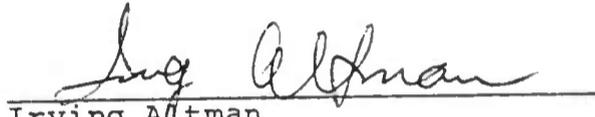
GENERAL PARTNERS:



Berel Altman



David Altman



Irving Altman

Exhibit 'A'

V. ALLOCATION OF PROFITS AND LOSSES

5.01 Profits and Losses. Profits and losses means, at all time during the existence of the Partnership, the income or loss of the Partnership as calculated in accordance with the methods for Federal income tax purposes determined by the Partnership's certified public accountants as of the close of the Partnership's Fiscal Year, including, without limitation, each item of Partnership income, gain, loss or deduction.

5.02 Allocation of Profits, Losses and Credits.

(a) Except as provided in Paragraph 5.03, all profits, losses, and income tax credits shall be allocated among the Partners as follows:

- General Partners (as a class) - 1%
- Limited Partners (as a class) - 99%

5.03 Allocation of Profits on Sale. All profits arising from the sale, exchange or other disposition of any assets of the Partnership shall be allocated among the Partners in the following order of priority and subject to the following rules:

(a) To each Partner whose Capital Account is less than his Cash Capital Contribution, until his Capital Account is equal to his Cash Capital Contribution. If such profits are less than the difference between the aggregate Cash Capital Contributions and the aggregate Capital Accounts of those Partners whose Cash Capital Contributions exceed their Capital Accounts, then such profits shall be allocated to such Partners in proportion to the amount that would have been allocated to each such Partner if such profits were sufficient to make the allocation set forth in the preceding sentence in full.

(b) The remainder of such profits, if any, shall be allocated 50% to the General Partners (as a class) and 50% to the Limited Partners (as a class).

(c) If, after the allocation of profits to the Partners on the sale, exchange or other disposition of any assets of the Partnership pursuant to the provisions of subparagraphs 5.03(a) and 5.03(b), the General Partners have negative Capital Accounts and the Limited Partners have positive Capital Accounts,

there shall be allocated to the General Partners (as a class) that additional amount of such profits which will result in each of the General Partners having a Capital Account equal to zero, and said additional amount of such profits shall be subtracted from the allocation of such profits that otherwise would have been made to the Limited Partners (as a class).

(d) The parties hereto recognize that part of the gain recognized by the Partnership on the sale, exchange or other disposition of an asset of the Partnership may be treated for Federal income tax purposes (as a result of the application of Section 1245 or 1250 of the Internal Revenue Code) as a gain from the sale, exchange, or other disposition of an asset which is neither a capital asset nor property described in Section 1231 of the Internal Revenue Code ("Cost Recovery Recapture"). It is the parties' understanding and agreement that, to the extent possible without increasing the total gain on such sales, exchanges or other dispositions allocated to a Partner in a particular Fiscal Year pursuant to this paragraph 5.03, the Cost Recovery Recapture will be considered to be allocated among the Partners in proportion to the depreciation and cost recovery deductions with respect to Section 1245 property and Section 1245 recovery property and the "additional depreciation" (as defined in Section 1250(b)(1)) with respect to Section 1250 property previously allocated to the General Partners and the Limited Partners.

5.04 Allocation of Profits, Losses and Credits Among the General Partners. All profits, losses and income tax credits which are allocable to the General Partners as a class shall be allocated among the General Partners in equal shares.

5.05 Allocation of the Profits, Losses and Credits Among the Limited Partners. All profits, losses and income tax credits which are allocable to the Limited Partners as a class shall be allocated among the holders of Units in the ratio in which the number of Units held of record by each Limited Partner bears to the total number of Units held by all Limited Partners.

5.06 Allocation in the Event of Transfer. Upon the assignment or transfer of a Unit pursuant to Article IX hereof, there shall be allocated to each Partner who held the Unit during the Fiscal Year that portion of the Partnership profit, loss, or credit allocable to such Unit for such Fiscal Year which the number of days such Partner held the Unit during such Fiscal Year bears to the total number of days in such Fiscal Year. Such allocation shall be made without regard to the results of the Partnership operations during the period in which each Limited Partner owned such Unit and without regard to the date, amount, or recipient of

any cash distributions which may have been made with respect to such Unit.

VI. CASH DISTRIBUTIONS

6.01 Distributions of Cash from Operations. Cash from Operations shall be distributed in the following order of priority:

(a) First, to the General Partners in an amount which, when added to any prior distributions under this subparagraph 6.01(a) and under subparagraph 6.02(a), equals the amount of any Deficit Loans plus accrued interest thereon, if any, made by the General Partners pursuant to the General Partners' Agreement and the provisions of paragraph 4.05 of this Agreement.

(b) Second, the balance shall be distributed 1% to the General Partners (as a class) and 99% to the Limited Partners (as a class).

6.02 Distributions of Cash from Sales and Cash from Financings. Cash from Sales and Cash from Financings shall be distributed in the following order of priority:

(a) First, to the General Partners in an amount which, when added to any prior distributions under subparagraph 6.01(a) and under this subparagraph 6.02(a), equals the amount of any Deficit Loans plus accrued interest thereon, if any, made by the General Partners pursuant to the General Partners' Agreement and the provisions of paragraph 4.05 of this Agreement.

(b) Second, to each Partner with a positive Capital Account immediately prior to the distribution pursuant to this subparagraph 6.02(b), until the amount distributed is equal to such Partner's Capital Account. If the funds available for distribution are less than the aggregate amount of such Partners' Capital Accounts, then such funds shall be distributed to such Partners in proportion to their respective Capital Accounts. For purposes of this subparagraph 6.02(b), a Partner's Capital Account shall be determined after taking into consideration any profits and losses of the Partnership allocated to the Partner pursuant to paragraphs 5.02 and 5.03 as a result of the transaction which results in the receipt by the Partnership of Cash from Sales or Cash from Financings.

(c) Third, to each Partner, until the amount distributed is equal to the Partner's Cash Capital Contribution immediately prior to the distribution pursuant to this subparagraph

6.02(c). If the funds available for distribution are less than the aggregate amount of the Partners' Cash Capital Contributions, then such funds shall be distributed to the Partners in proportion to their respective Cash Capital Contributions.

(d) Fourth, the balance, if any, shall be distributed 50% to the General Partners (as a class) and 50% to the Limited Partners (as a class).

6.03 Allocation of Distributions Among the General Partners. Distributions of Cash from Operations, Cash from Sales and Cash from Financings to the General Partners as a class shall be allocated among the General Partners in equal shares.

6.04 Allocation of Distributions Among the Limited Partners. Distributions of Cash from Operations, Cash from Sales and Cash from Financings to the Limited Partners as a class shall be allocated among the holders of Units in the ratio in which the number of Units held of record by each Limited Partner bears to the total number of Units held by all Limited Partners.

6.05 Determination of Time and Amount of Distributions. The time and amount of all distributions, if any, made pursuant to this Article VI shall be determined by the General Partners in their sole discretion, but shall be made at least annually; provided, however, that notwithstanding anything to the contrary set forth above, no distribution shall be made to any Partner other than in compliance with any then-applicable regulatory agreement entered into with HUD regarding the Property.

12-50

BOOK

3 PAGE 642

CERTIFICATE OF LIMITED PARTNERSHIP

OF

PERRYWOOD 83 LIMITED PARTNERSHIP

received for record December 15, 1982, at 11:49 A M.

and recorded on Film No. 2568 10 Frame No. 0387 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

8306149

AA No 0419

MAR 30-83 B #23978 *****12.50

Fee Paid \$50.00

bt

REC'D & RECORDED *JPC*
NO 3 FOLIO 633
MAR 30 2 28 PM '83
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

CERTIFICATE OF AMENDMENT TO
CERTIFICATE OF LIMITED PARTNERSHIP
SELF-SERVICE-STORAGE, CAMBRIDGE LIMITED PARTNERSHIP

WE, THE UNDERSIGNED, being all of the partners of Self-Service-Storage, Cambridge Limited Partnership, desiring to amend the Certificate of Limited Partnership by this writing certify as follows and amend the Certificate of Limited Partnership as follows:

ARTICLE III

The name and place of residence of each General and Limited Partner is as follows:

<u>Name</u>	<u>Residence or Principal Place of Business</u>	<u>Status</u>
Richard F. Beavers	728 Bel Air Road Bel Air, Maryland 21014	General Partner
Robert L. Peterman	1307 E. Northern Parkway Baltimore, Maryland 21239	General Partner
Horatio W. Turner III	P.O. Box 1094 Easton, Maryland 21601	General Partner

MAY 3 03 B #28779 *****47.00

<u>Name</u>	<u>Residence or Principal Place of Business</u>	<u>Status</u>
Charles G. Bates	2796 Timberline Court Oakton, Virginia 22124	Limited Partner
Mouta S. Dilaimy MD. PA. Employees Pension Plan	2300 Garrison Boulevard Baltimore, Maryland 21213	Limited Partner
W. Michael Gould, M.D. Employees Pension Plan	9101 Franklin Square Drive Suite 308 Baltimore, Maryland 21237	Limited Partner

Mailed to Richard F. Beavers, 728 Bel Air Rd., Bel Air, Md. 21014

<u>Name</u>	<u>Residence or Principal Place of Business</u>	<u>Status</u>
Muriel R. Russum	13 Belfast Road Timonium, Maryland 21093	Limited Partner
Dorothy A. Vailati & James R. Sparks	1308 Sherwood Avenue Baltimore, Maryland 21239	Limited Partner
Ronald J. Scornaracca D.N.D., P.A. Employees Pension Plan	2119 Freeland Road Freeland, Maryland 21053	Limited Partner
Aaron Schaeffer	10 Halcyon Court Baltimore, Maryland 21208	Limited Partner
Partnership/Partnership '82 Century National Bank	1875 Eye Street N.W. Washington, DC 20006	Limited Partner
First Trust Corporation TIEE For Nathaniel M. McKitterick	217 S. Pitt Street Alexandria, Virginia 22314	Limited Partner
Raj. Manickam	409 Tee Court Arnold, Maryland 21012	Limited Partner
SEBCO Federal Credit Union - Cost of Living Account	1215 York Road Lutherville, Maryland 21093	Limited Partner
Jones & Ladd, Inc. Employees Pension Plan	110 Severn Avenue Annapolis, Maryland 21403	Limited Partner
New Era Sales, Inc. John F. Ryder Profit Sharing Plan	678 Ritchie Highway Severna Park, Maryland 21146	Limited Partner

<u>Name</u>	<u>Residence or Principal Place of Business</u>	<u>Status</u>
New Era Sales, Inc. Philip Nicolosi Profit Sharing Plan	678 Ritchie Highway Severna, Maryland 21146	Limited Partner
Robert G. Williams, II	Rt. 4, Box 95B Wytheville, Maryland 24382	Limited Partner
Manufacturers Hanover Trust Co. TTEE FBO C. Arthur Eby, Jr.	21 W. Susquehanna Avenue Towson, Maryland 21204	Limited Partner
Colonial Title Company, Inc.	660 Kenilworth Drive Suite 105 Towson, Maryland 21204	Limited Partner
Manufacturers Hanover Trust Co. TTEE FBO Ernest Henry Hinrichs	7705 Bellona Avenue Ruxton, Maryland 21204	Limited Partner
MDI Securities Corporation John E. Mulloy	Empire Towers 7310 Ritchie Highway 21061	Limited Partner

The Limited Partners have contributed cash to the partnership as follows:

<u>Name</u>	<u>Amount Contributed</u>
Charles G. Bates	\$15,000.00
Mouta S. Dilaimy	15,000.00
W. Michael Gould, M.D.	45,000.00
Muriel R. Russum	15,000.00
Dorothy A. Vailati & James R. Sparks	15,000.00

<u>Name</u>	<u>Amount Contributed</u>
Ronald J. Scornaracca D.N.D., P.A.	\$15,000.00
Aaron Schaeffer	15,000.00
Partnership/Partnership '82 Century National Bank	30,000.00
First Trust Corporation TIEE For Nathaniel M. McKitterick	7,500.00
Raj. Manickam	7,500.00
SEBCO Federal Credit Union	15,000.00
Jones & Ladd, Inc.	15,000.00
New Era Sales, Inc. John F. Ryder	15,000.00
New Era Sales, Inc. Philip Nicolosi	15,000.00
Robert G. Williams, II	7,500.00
Manufacturers Hanover Trust Co. TTEE FBO C. Arthur Eby, Jr.	15,000.00
Colonial Title Company, Inc.	7,500.00
Manufacturers Hanover Trust Co. TTEE FBO Ernest Henry Hinrichs	15,000.00
MDI Securities Corporation John E. Mulloy	15,000.00

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Certificate of Limited Partnership this 3rd day of May, 1983.

GENERAL PARTNER:

Richard F. Beavers

By 
Richard F. Beavers, General Partner

LIMITED PARTNERS:

Charles G. Bates

Mouta S. Dilaimy

W. Michael Gould, M.D.

Muriel R. Russum

Dorothy A. Vailati & James R. Sparks

Ronald J. Scornaracca D.N.D., P.A.

Aaron Schaeffer

Partnership/Partnership '82 Century National Bank

First Trust Corporation TIEE For Nathaniel M. McKitterick

Raj. Manickam

SEBCO Federal Credit Union

Jones & Ladd, Inc.

New Era Sales, Inc. John F. Ryder

New Era Sales, Inc. Philip Nicolosi

Robert G. Williams, II

Manufacturers Hanover Trust Co. TTEE FBO C. Arthur Eby, Jr.

Colonial Title Company, Inc.

Manufacturers Hanover Trust Co. TTEE FBO Ernest Henry Hinrichs

MDI Securities Corporation John E. Mulloy

RICHARD F. BEAVERS

Attorney-in-Fact

By


Richard F. Beavers, General Partner

STATE OF MARYLAND

SS:

HARFORD COUNTY

THIS IS TO CERTIFY that on this third day of May, 1983, before me, the subscriber, a Notary Public of the State of Maryland, in and for Harford County, personally appeared Richard F. Beavers as General Partner of Self Service Storage Cambridge Limited Partnership and as attorney in fact for Charles G. Bates, Mouta S. Dilaimy, W. Michael Gould, M.D., Muriel R. Russum, Dorothy A. Vailati & James R. Sparks, Ronald J. Scornaracca, D.N.D., P.A., Aaron Schaeffer, Partnership/ Partnership '82 Century National Bank, First Trust Corporation TIEE For Nathaniel M. McKitterick, Raj. Manickam, SEBCO Federal Credit Union, Jones & Ladd, Inc., New Era Sales, Inc. John F. Ryder, New Era Sales, Inc. Philip Nicolosi, Robert G. Williams, II, Manufacturers Hanover Trust Co. TTEE FBO C. Arthur Eby, Jr., Colonial Title Company, Inc., Manufacturers Hanover Trust Co. TTEE FBO Ernest Henry Hinrichs, and MDI Securities Corporation John E. Mulloy acknowledged the foregoing Certificate of Amendment to the Certificate of Limited Partnership to be the corporate act of said general partner, and at the same time made oath in due form of law that the matters and facts set forth in said Certificate of Amendment to the Certificate of Limited Partnership are true and correct.

WITNESS my hand and notarial seal the day and year last above written.

REC'D & RECORDED 7400
NO 3 FOLIO 643
MAY 3 3 48 PM '83
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

Reborah J. Magness
Notary Public

My Commission expires:



EASTON PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS LAWFUL.

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Mailed to Richard Beavers, 728 Bel Air Rd., Belair, Md. 21014

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EASTON PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 10th day of January 1983, by and among Horatio W. Turner III, Robert L. Peterman and Richard F. Beavers, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership's as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to own and operate one public safe-deposit vault storage facilities located within Easton, Maryland; offering storagespace to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family or any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

- (a) that it is generally not paying its debts as such debts become due;
- (b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;
- (c) making a general assignment for the benefit of creditors;
- (d) consenting to the appointment of a receiver for all or a substantial part of its property;
- (e) being adjudicated a bankrupt;
- (f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or
- (g) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of its property.

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of the Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means one location within Easton, Maryland.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, an Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Public Security Vaults, Inc., ("PSVI"), a Maryland corporation, or its successor.

"General Partners" means Horatio W. Turner III, Robert L. Peterman and Richard F. Beavers, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

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"Project" means the land and the safe deposit vault building to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland.

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$10,000 or \$5,000 for a $\frac{1}{2}$ Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1 Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

EASTON PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. The resident agent of the Partnership is Richard F. Beavers.

Section 2.3 Purpose. The purpose of the Partnership is to lease or acquire, own and develop the Land and to construct thereon "Safe-deposit Vault" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

(ix) To engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development or construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in Section 4.7.C for its services in connection with the sale of Units.

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the Consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

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Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1. General Partners. The General Partners of the Partnership are Horatio W. Turner III, Robert L. Peterman and Richard F. Beavers. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general Partner without the prior consent of all remaining General Partners and the consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$350,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after December 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$10,000 for each unit, or \$5,000 for each $\frac{1}{2}$ unit, each additional Limited Partner being required to make an initial minimum purchase of at least $\frac{1}{2}$ unit. Under no conditions, however, shall there be more than 35 investors (plus an unlimited amount of accredited investors).

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$350,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$350,000 are not received on or before June 30, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than December 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

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or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lend any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) lease or acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1991, General Partners shall inquire in writing of all

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Limited Partners not later than April 30, 1991 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1991 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1991 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

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Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "safe-deposit vault" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "safe-deposit vault" buildings is not sufficient to enable the "safe-deposit vault" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$100,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "safe-deposit vault" buildings exceeds the price set forth in the construction contract for construction of the "safe-deposit vault" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.B.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Public Security Vaults Inc. ("PSVI"), or another firm designated by the General Partners, an annual Management Fee of 10% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to PSVI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$35,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$540,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. In the event that the Project is sold, a sales commission at customary market rates will be paid to the selling broker, which may be the General Partners.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

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omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding 66 2/3% of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 30% to the General Partners and 70% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 30% to the General Partners and 70% to the Limited Partners in the ratio stated in Section 5.1.A.

C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 30% to the General Partners and 70% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 70% to the Limited Partners and 30% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

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(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 10% to Robert L. Peterman and 15% to Richard F. Beavers, and 5% to Horatio W. Turner.

S Section 5.3. Distribution of Financing Proceeds and Cash Flow After a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 10% to Robert L. Peterman and 15% to Richard F. Beavers, and 5% to Horatio W. Turner.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. The event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

(i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;

(ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(iv) fourth, 50% to the General Partners, and 50% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 10% to Robert L. Peterman and 15% to Richard F. Beavers, and 5% to Horatio W. Turner.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records. The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions.

with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

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published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding $66 \frac{2}{3}\%$ of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

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D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

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Section 8.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 8.5. General Partners May Require Exculpation. Notwithstanding the fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 9.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his Interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 10th day of January 1983.

ATTEST:

GENERAL PARTNERS:

Janette L. Noble

Richard F. Beavers

ATTEST:

Janette L. Noble

Robert L. Peterman

ATTEST:

Janette L. Noble

Horatio W. Turner III

ATTEST:

ORIGINAL LIMITED PARTNER:

Janette L. Noble

Harold D. Beavers

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SCHEDULE A

TO

/ EASTON PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution (1)</u>
GENERAL PARTNERS:	
Richard F. Beavers 728 Bel Air Road Bel Air, Maryland 21014	\$333.34
Robert L. Peterman 1307 E. Northern Parkway Baltimore, Maryland 21239	333.33
Horatio W. Turner III P.O. Box 1094 Easton, Maryland 21601	333.33
INITIAL LIMITED PARTNER:	
Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	<u>500.00</u>
TOTAL	<u>\$1,500.00</u>

(1) Contributed in cash on January 10, 1982.

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CERTIFICATE OF LIMITED PARTNERSHIP

OF

EASTON PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

received for record January 10, 1982, at 2:24 P M.

and recorded on Film No. 2572 Frame No. 0806 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA N^o 0686

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Fee Paid \$50.00

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HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

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BELAIR PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS LAWFUL.

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Mailed to Richard Beavers, 728 Belair Rd., Bel Air, Md. 21014

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BEL-AIR PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 10th day of January 1983, by and among Robert L. Peterman and Richard F. Beavers, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership's as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to own and operate one public safe-deposit vault storage facilities located within Bel-Air, Maryland; offering storage space to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family or any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

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"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

- (a) that it is generally not paying its debts as such debts become due;
- (b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;
- (c) making a general assignment for the benefit of creditors;
- (d) consenting to the appointment of a receiver for all or a substantial part of its property;
- (e) being adjudicated a bankrupt;
- (f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or
- (g) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of its property.

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means one location within Bel Air, Maryland.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, and Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Public Security Vaults Inc., ("PSVI") a Maryland corporation, or its successor.

"General Partners" means Robert L. Peterman and Richard F. Beavers, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

"Project" means the land and the safe deposit vault building to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland:

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$10,000 or \$5,000 for a $\frac{1}{2}$ Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1 Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

BELAIR PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. The resident agent of the Partnership is Richard F. Beavers.

Section 2.3 Purpose. The purpose of the Partnership is to lease or acquire, own and develop the Land and to construct thereon "Safe-deposit Vault" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

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(ix) To engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development or construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in Section 4.7.C for its services in connection with the sale of Units.

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the Consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

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Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the Liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1 General Partners. The General Partners of the Partnership are Robert L. Peterman and Richard F. Beavers. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general partner without the prior consent of all remaining General Partners and the consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$350,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after December 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$10,000 for each unit, or \$5,000 for each $\frac{1}{2}$ unit, each additional Limited Partner being required to make an initial minimum purchase of at least $\frac{1}{2}$ unit. Under no conditions, however, shall there be more than 35 investors (plus an unlimited amount of accredited investors).

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

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Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$350,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$350,000 are not received on or before June 30, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than December 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lend any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) lease or acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1991, General Partners shall inquire in writing of all

Limited Partners not later than April 30, 1991 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1991 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1991 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "safe-deposit vault" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "safe-deposit vault" buildings is not sufficient to enable the "safe-deposit vault" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$100,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "safe-deposit vault" buildings exceeds the price set forth in the construction contract for construction of the "safe-deposit vault" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

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meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.B.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Public Security Vaults Inc. ("PSVI"), or another firm designated by the General Partners, an annual Management Fee of 10% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to PSVI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$35,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$540,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. In the event that the Project is sold, a sales commission at customary market rates will be paid to the selling broker, which may be the General Partners.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding 66 2/3% of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 30% to the General Partners and 70% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 30% to the General Partners and 70% to the Limited Partners in the ratio stated in Section 5.1.A.

C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 30% to the General Partners and 70% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 70% to the Limited Partners and 30% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

S Section 5.3. Distribution of Financing Proceeds and Cash Flow After a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

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Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. The event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

(i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;

(ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(iv) fourth, 50% to the General Partners, and 50% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records. The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions

with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding 66 2/3% of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

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D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

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E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

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Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

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Section 8.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 8.5. General Partners May Require Exculpation. Notwithstanding the fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 9.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

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BOOK 3 PAGE 708

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his Interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

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BOOK 3 PAGE 710

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 10th day of January 1983.

ATTEST:

GENERAL PARTNERS:

Jeannette L Unkle

Robert L. Peterman
Robert L. Peterman
General Partner

ATTEST:

Jeannette L Unkle

Richard F. Beavers
Richard F. Beavers
General Partner

ATTEST:

ORIGINAL LIMITED PARTNER:

Jeannette L Unkle

Harold D. Beavers
Harold D. Beavers

SCHEDULE A

TO

/BEL-AIR PUBLIC SECURITY VAULTS I, LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

Name and Address

Capital Contribution (1)

GENERAL PARTNERS:

Robert L. Peterman 1307 E. Northern Parkway Baltimore, Maryland 21239	300.00
---	--------

Richard F. Beavers 728 Bel Air Road Bel Air, Maryland 21014	700.00
---	--------

INITIAL LIMITED PARTNER:

Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	500.00
---	--------

TOTAL	\$ <u>1,500.00</u>
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(1) Contributed in cash on January 10, 1983

CERTIFICATE OF LIMITED PARTNERSHIP

OF

BELAIR PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

received for record January 10, 1982, at 2:25 P M
and recorded on Film No. ~~2580~~ 32 Frame No. ~~9979~~ one of 02448
the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA No 0688

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Fee Paid \$50.00

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HARFORD CO.
H. DOUGLAS WILCOAT
CLERK

PUBLIC SECURITY VAULTS I, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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Mailed to Richard Beavers, 728 Belair Rd., Bel Air, Md. 21014

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PUBLIC SECURITY VAULTS I, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 10th day of January 1983, by and among Robert L. Peterman and Richard F. Beavers, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to own and operate five public safe-deposit vault storage facilities located within the state of Maryland; offering storage space to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family or any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

(a) that it is generally not paying its debts as such debts become due;

(b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;

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

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

(e) being adjudicated a bankrupt;

(f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or

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

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

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"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means five locations within the state of Maryland.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, and Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Public Security Vaults Inc., ("PSVI") a Maryland corporation, or its successor.

"General Partners" means Robert L. Peterman and Richard F. Beavers, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

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"Project" means the land and the safe deposit vault buildings to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland.

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$50,000, or \$25,000 for a $\frac{1}{2}$ Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1. Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

PUBLIC SECURITY VAULTS I, LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. The resident agent of the Partnership is Richard F. Beavers.

Section 2.3 Purpose. The purpose of the Partnership is to lease or acquire, own and develop the Land and to construct thereon "Safe-deposit Vault" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

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(ix) To engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development or construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in Section 4.7.C for its services in connection with the sale of Units.

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the Consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

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Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the Liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1 General Partners. The General Partners of the Partnership are Robert L. Peterman and Richard F. Beavers. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general partner without the prior consent of all remaining General Partners and the consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$1,750,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after December 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$50,000 for each unit, or \$25,000 for each $\frac{1}{2}$ unit, each additional Limited Partner being required to make an initial minimum purchase of at least $\frac{1}{2}$ unit. Under no conditions, however, shall there be more than 35 investors (plus an unlimited amount of accredited investors).

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$1,750,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$1,750,000 are not received on or before June 30, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than December 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lend any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) lease or acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1991, General Partners shall inquire in writing of all

Limited Partners not later than April 30, 1991 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1991 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1991 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

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Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "safe-deposit vault" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "safe-deposit vault" buildings is not sufficient to enable the "safe-deposit vault" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$250,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "safe-deposit vault" buildings exceeds the price set forth in the construction contract for construction of the "safe-deposit vault" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.B.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Public Security Vaults Inc. ("PSVI"), or another firm designated by the General Partners, an annual Management Fee of 10% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to PSVI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$200,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$2,720,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. In the event that the Project is sold, a sales commission at customary market rates will be paid to the selling broker, which may be the General Partners.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

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omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding 66 2/3% of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 25% to the General Partners and 75% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 25% to the General Partners and 75% to the Limited Partners in the ratio stated in Section 5.1.A.

C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 25% to the General Partners and 75% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 75% to the Limited Partners and 25% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 10% to Robert L. Peterman and 15% to Richard F. Beavers.

S Section 5.3. Distribution of Financing Proceeds and Cash Flow After a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

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Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 10% to Robert L. Peterman and 15% to Richard F. Beavers.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. The event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

- (i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;
- (ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;
- (iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;
- (iv) fourth, 50% to the General Partners, and 50% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 10% to Robert L. Peterman and 15% to Richard F. Beavers.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records: The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions

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with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding 66 2/3% of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

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E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

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Section 8.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 8.5. General Partners May Require Exculpation. Notwithstanding the fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 9.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his Interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 10th day of January 1983.

ATTEST:

Jeanette L. Upple

GENERAL PARTNERS:

Robert L. Peterman
Robert L. Peterman
General Partner

ATTEST:

Jeanette L. Upple

Richard F. Beavers
Richard F. Beavers
General Partner

ATTEST:

Jeanette L. Upple

ORIGINAL LIMITED PARTNER:

Harold D. Beavers
Harold D. Beavers

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SCHEDULE A

TO

/PUBLIC SECURITY VAULTS I, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution (I)</u>
GENERAL PARTNERS:	
Robert L. Peterman 1307 E. Northern Parkway Baltimore, Maryland 21239	800.00
Richard F. Beavers 728 Bel Air Road Bel Air, Maryland 21014	1200.00
INITIAL LIMITED PARTNER:	
Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	500.00
TOTAL	<u>\$2,500.00</u>

(1) Contributed in cash on January 10, 1983

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CERTIFICATE OF LIMITED PARTNERSHIP

OF

PUBLIC SECURITY VAULTS 1, LIMITED PARTNERSHIP

received for record January 10, 1983 *33*, at 2:25 P.M.
and recorded on Film No. *2572* Frame No. *0839* one of
the limited partnership records of the State Department of Assessments and Taxation of Maryland.
To the clerk of the Circuit court of Harford County

AA No 0687

8307818

Fee Paid \$50.00

MAY 18-83 B #2 967 *****1250

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NO *3* FOLIO *213*
MAY 18 10 37 AM '83
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

ANNAPOLIS PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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Mailed to Richard Beavers, 728 Bel Air Rd. #100, Bel Air, Md. 21014

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ANNAPOLIS PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 10th day of February 1983, by and among Robert L. Pateman and Richard F. Beavers, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to own and operate one public safe-deposit vault storage facility located within the state of Maryland; offering storage space to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family of any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

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referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

(a) that it is generally not paying its debts as such debts become due;

(b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;

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

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

(e) being adjudicated a bankrupt;

(f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or

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

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

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"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means one location within the state of Maryland.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, and Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Public Security Vaults Inc., ("PSVI") a Maryland corporation, or its successor.

"General Partners" means Robert L. Peterman and Richard F. Beavers, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

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"Project" means the land and the safe deposit vault building to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland.

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$10,000 or \$5,000 for a $\frac{1}{2}$ Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1. Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

1 N ANNAPOLIS PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. The resident agent of the Partnership is Richard F. Beavers.

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Section 2.3 Purpose. The purpose of the Partnership is to lease or acquire, own and develop the Land and to construct thereon "Safe-deposit Vault" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

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(ix) To engage in 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 purpose of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development for construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in the agreement for its services in connection with the sale of Units.

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

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Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1 General Partners. The General Partners of the Partnership are Robert L. Peterman and Richard F. Beavers. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general partner without the prior consent of all remaining General Partners and the consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$350,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after December 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$10,000 for each unit, or \$5,000 for each $\frac{1}{2}$ unit, each additional Limited Partner being required to make an initial minimum purchase of at least $\frac{1}{2}$ unit. Under no conditions, however, shall there be more than 35 investors (plus an unlimited amount of accredited investors).

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

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Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$350,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$350,000 are not received on or before June 30, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than December 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

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or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lead any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) lease or acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1991, General Partners shall inquire in writing of all

Limited Partners not later than April 30, 1991 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1991 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1991 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "safe-deposit vault" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "safe-deposit vault" buildings is not sufficient to enable the "safe-deposit vault" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$100,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "safe-deposit vault" buildings exceeds the price set forth in the construction contract for construction of the "safe-deposit vault" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

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meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.B.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Public Security Vaults Inc. ("PSVI"), or another firm designated by the General Partners, an annual Management Fee of 10% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to PSVI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$35,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$540,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. In the event that the Project is sold, a sales commission at customary market rates will be paid to the selling broker, which may be the General Partners.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding 66 2/3% of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 30% to the General Partners and 70% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 30% to the General Partners and 70% to the Limited Partners in the ratio stated in Section 5.1.A.

C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 30% to the General Partners and 70% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 70% to the Limited Partners and 30% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

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(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 10% to Robert L. Peterman and 10% to Richard F. Beavers.

S Section 5.3. Distribution of Financing Proceeds and Cash Flow After a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

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Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. The event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

(i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;

(ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(iv) fourth, 50% to the General Partners, and 50% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records. The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions

with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

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B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding $66 \frac{2}{3}\%$ of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

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D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

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E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

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Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

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Section 8.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 8.5. General Partners May Require Exculpation. Notwithstanding the fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 9.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 10th day of January 1983.

ATTEST:

Jeanette L. Unkle

GENERAL PARTNERS:

Robert L. Peterman
Robert L. Peterman
General Partner

ATTEST:

Jeanette L. Unkle

Richard F. Beavers
Richard F. Beavers
General Partner

ATTEST:

Jeanette L. Unkle

ORIGINAL LIMITED PARTNER:

Harold D. Beavers
Harold D. Beavers

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SCHEDULE A

TO

ANNAPOLIS PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution (1)</u>
GENERAL PARTNERS:	
Robert L. Peterman 1307 E. Northern Parkway Baltimore, Maryland 21239	300.00
Richard F. Beavers 728 Bel Air Road Bel Air, Maryland 21014	700.00
INITIAL LIMITED PARTNER:	
Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	500.00
TOTAL	<u><u>\$1,500.00</u></u>

(1) Contributed in cash on February 10, 1983.

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CERTIFICATE OF LIMITED PARTNERSHIP

OF

ANNAPOLIS PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

received for record February 10, 1983

, at 4:06 P.M.

and recorded on Film No. 2580

30

Frame No 03103 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the

Circuit

court of

Harford County

AA No 0839

8309405

Fee Paid

\$50.00

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READ & RECORDED *Fee*
NO 3 FOLIO 245
JUN 13 5 01 AM '83
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK

COLUMBIA PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THE UNIT ("UNITS") OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH THE SECURITIES COMMISSION OF ANY STATE. THE UNITS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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Mailed to Richard Beavers, 728 Bel Air Rd. #100, Bel Air, Md. 21014

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COLUMBIA PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP
AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made this 10th day of February 1983, by and among Robert L. Peterman and Richard F. Beavers, the General Partners, Harold D. Beavers, as Initial Limited Partner, and those persons who shall hereafter be admitted to the Partnership as Limited Partners.

Recitals

It is the intention of the parties hereto to associate themselves for the purpose of forming a limited partnership under the provisions of the Maryland Revised Uniform Limited Partnership Act; to own and operate one public safe-deposit vault storage facility located within the state of Maryland; offering storage space to individuals, small businesses, professionals, and to some extent, large businesses.

ARTICLE I

Defined Terms

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

"Accountants" means Wolpoff and Company, or such other firm of certified public accountants as may be engaged by the Partnership.

"Additional Limited Partners" means those Persons admitted to the Partnership pursuant to Section 3.3 hereof.

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

"Affiliated Person" means any (i) General Partner, (ii) member of the Immediate Family of any General Partner, (iii) legal representative, successor or assignee of any person referred to in the preceding clauses (i) and (ii), (iv) trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) through (iii), or (v) Entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with any Person referred to in the preceding clauses (i) through (iv), or (vi) Person who is an officer, director, trustee, employee, stockholder (10% or more) or partner, of any Person

referred to in the preceding clauses (i) through (v). For purposes of this definition, the term "control" means the ownership of 10% or more of the beneficial interest or the voting power of the appropriate Entity.

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

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

"Capital Contribution" means the total amount of cash contributed to the Partnership by each Partner, decreased by amounts distributed to each Partner from Financing Proceeds or from the sale of all or substantially all of, or a substantial interest in, the Project. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner with respect to the Percentage Interest of such then Partner.

"Cash Flow" shall have the meaning provided in Section 5.2.B hereof.

"Certificate" means the Agreement and Certificate of Limited Partnership establishing the Partnership, filed in the Office of the Clerk of the Maryland State Department of Assessments and Taxation, as said Certificate may be restated or amended from time to time in accordance with the terms hereof and the Uniform Act.

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

"Code" means the Internal Revenue Code of 1954, as amended from time to time.

"Consent of the Limited Partners" means the written consent or approval of Limited Partners who hold at least 51% of the total Units held by all of the Limited Partners, which consent or approval shall be obtained prior to the taking of the action for which it is required hereunder.

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

"Escrow Agent" means The First National Bank of Maryland, Baltimore, Maryland.

"Event of Bankruptcy" means as to a General Partner:

- (a) that it is generally not paying its debts as such debts become due;
- (b) its filing a petition commencing a case as a debtor under the Bankruptcy Code (as now or in the future amended), or in the event of the commencement of an involuntary case against it under the Bankruptcy Code, and the earlier of the entry of an order for relief or the appointment of an interim trustee to take possession of its estate or to operate any of its business;
- (c) making a general assignment for the benefit of creditors;
- (d) consenting to the appointment of a receiver for all or a substantial part of its property;
- (e) being adjudicated a bankrupt;
- (f) the entry of a court order appointing a receiver, trustee or custodian for all or a substantial part of its property without its consent; or
- (g) the assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of its property.

"Financing Proceeds" means the net proceeds of any financing or refinancing of a substantial portion of the assets of the Partnership, after deducting (i) all expenses of the financing or refinancing, (ii) all obligations of the Partnership which were satisfied with the proceeds of the financing or refinancing, (iii) funds expended for any assets purchased by the Partnership with proceeds of the financing or refinancing and (iv) any amount set aside by the General Partners for reserves.

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

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

"Initial Limited Partner" means Harold D. Beavers.

"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"Involuntary Withdrawal", as to a General Partner, shall occur whenever the General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement or by any other compelling reason beyond its control including, without limitation, death, insanity, incompetence, and physical or mental incapacity, but excluding an Event of Bankruptcy.

"Land" means one location within the state of Maryland.

"Limited Partner" or "Limited Partners" shall mean and include any Person designated in the Schedule as a Limited Partner, or any Person who becomes a Limited Partner as provided herein, including an Initial Limited Partner, and Additional Limited Partner or a Substitute Limited Partner, in each such Person's capacity as a Limited Partner of the Partnership.

"Management Agent" means the managing and leasing agent for the Project, which shall be Public Security Vaults Inc., ("PSVI") a Maryland corporation, or its successor.

"General Partners" means Robert L. Peterman and Richard F. Beavers, in their capacity as General Partners, so long as they shall be General Partners, and thereafter shall mean any Persons admitted to the Partnership as a successor General Partner.

"Partner" means any General Partner or Limited Partner.

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

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

"Project" means the land and the safe deposit vault building to be constructed thereon.

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

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

"State" means the State of Maryland.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 7.5.

"Uniform Act" means the Uniform Limited Partnership Act as embodied in Sections 10-101, et seq., of the Corporations and Associations Article of the Annotated Code of Maryland.

"Unit" means an Interest held by a Limited Partner representing a Capital Contribution of \$10,000 or \$5,000 for a $\frac{1}{2}$ Unit.

"Voluntary Withdrawal", as to a General Partner, shall include any circumstances (other than Involuntary Withdrawal or an Event of Bankruptcy) by which a General Partner (i) ceases to be a General Partner in the Partnership, (ii) sells, exchanges, assigns, transfers or otherwise disposes of all or any portion of its Interest, excluding, however, transfers or assignments solely for security purposes or (iii) dissolves.

ARTICLE II

Formation; Name; and Purpose

Section 2.1. Formation; Name. The parties hereto hereby agree to form a limited partnership pursuant to the provisions of the Uniform Act, which shall be conducted under the name and style of:

✓ COLUMBIA PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

Section 2.2. Principal Office. The principal office of the Partnership shall be located at 728 Bel Air Road, Bel Air, Maryland 21014, or at such other location or locations as shall be designated by the General Partners, upon giving due notice of a change in the location of the principal office to all Partners. The resident agent of the Partnership is Richard F. Beavers.

Section 2.3 Purpose. The purpose of the Partnership is to lease or acquire, own and develop the Land and to construct thereon "Safe-deposit Vault" buildings which it shall lease to tenants. The Partnership shall not engage in any other business or activity.

Section 2.4. Authorized Acts. In furtherance of its purposes, but subject to all other provisions of this Agreement, the Partnership is hereby authorized:

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

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

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

(iv) To borrow money on the general credit of the Partnership business.

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

(vi) To employ a Management Agent to manage the Project, and to pay compensation for such services.

(vii) To lease space in the Project from time to time, and to collect all rents and other income and to pay therefrom all Partnership expenses.

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

(ix) To engage in 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 purpose of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(x) To enter into, on behalf of the Partnership, (1) easements, rights of way, utility or other agreements necessary for the development of the Project, and (2) easements, cross-easements, rights of way and other agreements required to permit access over, through, and across the Project (to serve adjoining properties, for vehicular and pedestrian access, utility installation and maintenance and for other purposes); provided, however, all of the foregoing shall be in accordance with applicable law and regulations.

(xi) To hold in reserve proceeds from the sale of Units to the extent not required for development for construction of the Project to be used in the discretion of the General Partners for necessary, convenient or incidental to the purpose of the Partnership.

(xii) To enter into a Dealer Manager Agreement with MDI Securities Corporation providing among other things for the payment to said corporation of commissions on the terms set forth in the agreement for its services in connection with the sale of Units.

Section 2.5. Term. The Partnership shall continue in full force and effect until December 31, 2010, except that the Partnership shall be terminated and wound up prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all of the assets of the Partnership; provided, however, that the Partnership shall continue in existence solely for the purpose of collecting any deferred installment payment of the purchase price of such assets;

(ii) The Retirement of a General Partner if no General Partner remains who elects to continue the Partnership pursuant to Section 7.2B(ii); or

(iii) The election to terminate the Partnership made in writing by all General Partners with the consent of the Limited Partners.

Upon termination and winding up of the Partnership, the General Partners (or their trustees, receivers, successors or legal representatives) shall cause the cancellation of the

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Certificate, and shall, unless the Partnership is continued pursuant to Section 7.2, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 5.4. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership which are necessary to satisfy the Partnership debts and obligations.

ARTICLE III

Partners; Capital

Section 3.1 General Partners. The General Partners of the Partnership are Robert L. Peterman and Richard F. Beavers. The respective Capital Contributions of the General Partners are as set forth in the Schedule. No person may be admitted as an additional general partner without the prior consent of all remaining General Partners and the consent of the Limited Partners.

Section 3.2. Initial Limited Partner. The Initial Limited Partner of the Partnership and his Capital Contribution is as set forth in the Schedule. Upon the admission of Additional Limited Partners to the Partnership, the Initial Limited Partner shall withdraw as a Partner in the Partnership, and his Capital Contribution shall be returned to him without interest.

Section 3.3. Additional Limited Partners.

A. The General Partners are authorized to admit to the Partnership Additional Limited Partners if, after the admission of such Additional Limited Partners, the Capital Contributions of all Additional Limited Partners are not more than \$350,000, provided, however, that no Additional Limited Partner shall be admitted to the Partnership after December 30, 1983.

B. The Capital Contribution of each Additional Limited Partner shall be made in cash and shall be not less than \$10,000 for each unit, or \$5,000 for each $\frac{1}{2}$ unit, each additional Limited Partner being required to make an initial minimum purchase of at least $\frac{1}{2}$ unit. Under no conditions, however, shall there be more than 35 investors (plus an unlimited amount of accredited investors).

C. Each Additional Limited Partner shall, as a condition of being admitted to the Partnership, satisfy the conditions of

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Section 9.8. The names and addresses of the Additional Limited Partners and their Capital Contributions (which may be expressed as the number of Units held) shall be as set forth in the Schedule.

D. All subscriptions tendered for Units that are acceptable to the General Partners shall be received by the Partnership in trust and deposited in an escrow account with the Escrow Agent. Upon receipt of subscriptions for Units aggregating \$350,000 that are acceptable to the General Partners, the Escrow Agent shall release such subscriptions to the Partnership, and the subscribers for such Units shall be admitted to the Partnership as Additional Limited Partners within 15 days after the date of such release. All moneys tendered by subscribers whose subscriptions are rejected by the General Partners will be returned to such subscribers without interest forthwith after such rejection.

If subscriptions acceptable to the General Partners for Units aggregating at least \$350,000 are not received on or before June 30, 1983, any subscriptions received and accepted by that date shall promptly be returned to subscribers along with all moneys deposited by such subscribers for Units together with any interest earned on such moneys; provided, however, that the offering period may be extended by agreement of the General Partners and MDI Securities Corporation to a date not later than December 30, 1983.

Interest earned on funds deposited with the Escrow Agent by subscribers who are admitted to the Partnership as Limited Partners shall be computed pro rata on a daily basis and returned to subscribers within 30 days after their admission.

Section 3.4. Partnership Capital. The capital of the Partnership shall be the aggregate amount of the cash contributed by the General Partners and the Limited Partners as set forth in the Schedule.

Section 3.5. Capital Accounts. An individual Capital Account shall be maintained for each Partner.

Section 3.6. Withdrawal of Capital. No Partner shall have the right to withdraw from the Partnership all or any part of his Capital Contribution until December 31, 2010. No partner shall have any right to demand and receive property (other than cash) of the Partnership in return of his Capital Contribution except as may be specifically provided in this Agreement. All rights to withdrawal of a Partner's Capital Contribution shall be subject to the provisions of the Uniform Act.

Section 3.7. Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts,

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or obligations of the Partnership. After his Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further Capital Contribution or lend any funds to the Partnership.

Section 3.8. Admission of Limited Partners. Upon the admission of any Limited Partner, the Schedule shall be amended to reflect the name, address and Capital Contribution of such Limited Partner, and an amendment to the Certificate reflecting such admission, shall be filed with the office of the Clerk of the Maryland State Department of Assessments and Taxation. Each Limited Partner may become signatory hereto by signing a conformed copy of this Agreement in such manner as the General Partners shall determine, and, by so signing, such Limited Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however that no such copy shall be binding until it has been signed by the General Partners.

ARTICLE IV

Rights, Powers and Duties of the General Partners

Section 4.1. Restrictions on Authority.

A. The General Partners shall not have any authority to do any of the following acts without the prior Consent of the Limited Partners:

(i) following completion of construction of the Project, construct any new capital improvements, or replace any existing capital improvements, which construction or replacement would substantially alter the character or use of the Project;

(ii) lease or acquire any real property in addition to the Land, other than easements or rights of way which are incident to and necessary for the operation of the Project, as provided in Section 2.4(x);

(iii) sell, transfer or otherwise dispose of all or substantially all or a substantial portion of the assets of the Partnership;

(iv) dissolve the Partnership; or

(v) except as otherwise provided herein, do any act required to be approved or ratified by the Limited Partners under the Uniform Act.

B. In the event that the Project has not been sold by January 1, 1991, General Partners shall inquire in writing of all

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Limited Partners not later than April 30, 1991 whether the Limited Partners desire that the General Partners seek bids for the purchase of the Project. Such written inquiry shall include the General Partner's estimate of the then current market value of the Project. In the event that (i) Limited Partners holding at least two-thirds of the Units respond in writing within 60 days after the mailing of the inquiry to the effect that they desire that the General Partners seek bids for the purchase of the Project, and (ii) the General Partners deems a sale of the Project at that time to be in the best interests of the Partnership, the General Partners shall attempt to sell the Project for a purchase price in an amount equal to at least 80 percent of the estimated market value provided to the Limited Partners. In the event that the Project is sold for at least 80 percent of the estimated market value, the Consent of the Limited Partners to the sale as required by Section 4.1.A(iii) shall be deemed to have been granted.

In the event that the Project has not been sold, the procedure described herein shall be followed every three years following 1991 until the Project is sold or the Partnership is terminated. Nothing contained in this Section 4.1.B shall prevent the sale of the Project at any time before or after 1991 if such sale is deemed by the General Partners to be in the best interests of the Partnership, and the Consent of the Limited Partners has been given as required in Section 4.1.A.

Section 4.2. Business Management and Control. Except as expressly set forth herein, the General Partners shall have the exclusive right to manage the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as General Partner) shall (i) have any authority or right to act for or bind the Partnership, or (ii) participate in or have any control over the Partnership business, except as required by law or as provided herein. The Limited Partners hereby consent to the exercise by the General Partners of the powers conferred upon it by this Agreement.

Section 4.3. Duties and Obligations. The General Partners shall devote such of their time to the business of the Partnership as may be necessary to conduct it in the best interests of the Partnership, and shall at all times act in a fiduciary manner toward the Partnership and the Limited Partners. The General Partners shall take all such actions on behalf of the Partnership as they may deem necessary or appropriate for the development of the Project and the proper maintenance and operation thereof in accordance with the provisions of this Agreement and all applicable laws and regulations.

Section 4.4. Net Worth of General Partners. The General Partners shall at all times use their best efforts to maintain its net worth or the combined net worth at a level sufficient to assure that the Partnership will be classified for federal income tax purposes as a partnership and not as an association taxable as a corporation.

Section 4.5. Construction Completion Obligation of the General Partners. The General Partners shall use their best efforts to cause the Project consisting of the "safe-deposit vault" buildings, to be constructed in the manner and for the price set forth in the construction contract. In the event that the price set forth in the construction contract for construction of the "safe-deposit vault" buildings is not sufficient to enable the "safe-deposit vault" buildings to be constructed as stated above, the General Partners shall advance to the Partnership all funds required to accomplish such construction at the time or times that such funds are required.

Any funds advanced by the General Partners pursuant to this Section 4.5 shall be repaid up to \$100,000 from Cash Flow prior to making any distributions of Cash Flow pursuant to Article V. To the extent that advances made by the General Partners pursuant to this Section 4.5 exceed the amounts available for repayment as described in the two immediately preceding sentences, such excess amounts shall not be repaid. The term "Cash Flow" as used in this paragraph shall have the same meaning as it does elsewhere in this Agreement, except that such amount shall not be reduced by the amount of advances repaid as provided for by this Section 4.5.

To the extent that the cost of completing construction of the "safe-deposit vault" buildings exceeds the price set forth in the construction contract for construction of the "safe-deposit vault" buildings as a result of acts of God; strikes, lockouts or labor difficulty; explosion, sabotage, accident, riot or civil commotion; acts of war; fire or other casualty; or legal impediments, the obligation to advance funds to complete construction as set forth above shall not come into effect.

Section 4.6. Other Duties of the General Partners.

A. The General Partners shall disburse the original Capital Contributions for the purposes set forth in this Agreement.

B. The General Partners shall have the responsibility for, and is authorized to make in accordance with the provisions of Section 6.3, short-term investments of such Partnership funds as the General Partners in their discretion, from time to time determines to be unnecessary in order for the Partnership to

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meet its current expenses and obligations. The General Partners may employ at reasonable cost to the Partnership such investment bankers and/or investment advisors, including Affiliated Persons, as it deems appropriate to assist it in the investment of Partnership funds as provided in this Section 4.6.3.

C. The General Partners shall have the sole power and authority, on behalf of the Partnership, to modify or enforce the Construction Agreement, Management Agreement, and any other agreements made between the Partnership and any Affiliate thereof.

D. The General Partners shall have the responsibility for transmitting to Limited Partners all reports required to be transmitted pursuant to Section 6.5.

Section 4.7. Fees to General Partners and Affiliates.

A. Management Fee. In consideration of managing the business and affairs of the Partnership and the Project, the Partnership shall pay to Public Security Vaults Inc. ("PSVI"), or another firm designated by the General Partners, an annual Management Fee of 10% of gross rents received in respect of the Project.

B. Construction Supervision Fee. In consideration of supervision of development and construction of the Project to completion, the Partnership shall pay to PSVI from the Capital Contributions of Limited Partners a Construction Supervision Fee in the amount of \$35,000. The Construction Supervision Fee shall be payable on a monthly basis, as funds are expended for construction, in the ratio that the funds expended in any one month bear to the total construction contract price.

C. Construction Contract. In consideration of development and construction of the Project to completion, the Partnership shall pay to Mini-Warehouse Construction Corporation from the Capital Contributions and Mortgage Proceeds, a Construction Contract sum in the amount of \$540,000. The Construction Contract is on a cost basis and if cost savings can be achieved, 50% of such savings will be allocated to the Partnership, and 50% to the Construction Company.

D. In the event that the Project is sold, a sales commission at customary market rates will be paid to the selling broker, which may be the General Partners.

Section 4.8. Limitation on Liability of General Partners; Indemnification. No General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Limited Partners for any action or omission performed or

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omitted by any General Partner in good faith and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The Partnership shall indemnify and save harmless each of the General Partners against any loss, liability or damage incurred by it as a result of or in connection with its acting as a General Partner in connection with the Partnership's activities, provided that such General Partner was not guilty of fraud, gross negligence or willful misconduct. The satisfaction of any indemnification and any saving harmless shall be from and limited to Partnership assets, and no Partner shall have any personal liability on account thereof.

Section 4.9. Removal of General Partner. By a vote of Limited Partners holding 66 2/3% of the Units, the Limited Partners may remove a General Partner only by reason of conduct constituting fraud, willful misconduct or gross negligence.

ARTICLE V

Profits and Losses; Distributions

Section 5.1. Profits and Losses.

A. For federal and state income tax purposes, all items of income, gain, loss, deduction and credit for a particular calendar year, except for such items generated by sales or dispositions of substantially all of the assets of the Partnership, shall be allocated to the Partners in the same ratio as they share Cash Flow distributions generated during that calendar year; provided, however, that if there is no such Cash Flow to distribute, items of income, gain, loss, deduction and credit shall be allocated 30% to the General Partners and 70% to the Limited Partners, in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners.

B. Gain or loss from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership shall be allocated among the Partners in the same ratio as the proceeds from such an event are distributed to the Partners. If there are no proceeds distributed to the Partners, then gain or loss shall be allocated 30% to the General Partners and 70% to the Limited Partners in the ratio stated in Section 5.1.A.

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C. Notwithstanding Sections 5.1.A and 5.1.B, on the date that Additional Limited Partners are first admitted to the Partnership, the Partnership shall have an initial closing of its books. Any income, gain, loss, deduction or credit arising prior to such closing shall be allocated 30% to the General Partners and 70% to the Initial Limited Partner. For the period from the initial closing until the end of the Partnership's first accounting year (the "Initial Operating Period"), any income, gain, loss, deduction or credit allocable to the Limited Partners shall be allocated among the Additional Limited Partners in accordance with the number of Units owned by each and the number of days during the Initial Operating Period during which each is a Limited Partner. In the event of the transfer of all or any part of a Partner's Interest in the Partnership at any time other than the end of a Partnership accounting year, the distributive share of the income, gain, loss, deduction and credit of the Partnership in respect of the Partnership Interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the Partnership accounting year that each party owned his Partnership interest. The provisions of the two preceding sentences shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Partnership. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Partners on the date the gain is realized or the loss incurred, as the case may be, in accordance with Section 5.1.B.

Section 5.2. Cash Flow.

A. Cash Flow for each calendar year (or fractional portion thereof) shall be distributed in the following order of priority:

(i) first, Cash Flow will be distributed 70% to the Limited Partners and 30% to the General Partners, until distributions to the Limited Partners equal 150% of their class contribution, and;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

B. For all purposes of this Agreement, the term "Cash Flow" shall mean the profits or losses of the Partnership, provided that:

(i) depreciation of real and personal property, amortization of all fees and other noncash charges taken into account in determining the Partnership's taxable income shall not be considered as deductions in determining Cash Flow;

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(ii) repayment of the debts of the Partnership, including loans from Partners (such as advances made by the General Partners pursuant to Section 4.5), and any other cash expenditures permitted by this Agreement and not deductible in determining the Partnership's taxable income shall be considered as deductions from Cash Flow;

(iii) reasonable reserves established by the General Partners to provide for working capital needs, funds for replacement or for any other contingencies of the Partnership from time to time shall be considered as deductions from Cash Flow and, conversely, any amounts previously set aside as reserves shall be considered as additions to Cash Flow when, and to the extent, the General Partners no longer regard such reserves as reasonably necessary for the efficient conduct of the affairs of the Partnership; and

(iv) gain or loss on the sale, exchange or other disposition of all, substantially all or a substantial portion of the Partnership's assets, or from a liquidation of such assets following a dissolution of the Partnership shall not be included in determining Cash Flow.

C. Cash Flow shall be determined separately for each calendar year and shall not be cumulative. Distributions of Cash Flow shall be made quarterly, and may be made more frequently in the discretion of the General Partners.

Distributions of Cash Flow among the Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Cash Flow to General Partners shall be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

S Section 5.3. Distribution of Financing Proceeds and Cash Flow After a Financing. In the event that the Partnership borrows funds and subjects the Project to a mortgage or deed of trust (a "Financing"), the Financing Proceeds from such loan shall be distributed in accordance with Section 5.3.A. Subsequent to a Financing, Cash Flow shall be distributed in accordance with Section 5.3.B.

A. Financing Proceeds shall be distributed in the following priorities:

(i) first, to the Limited Partners, an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(ii) second, 50% to the Limited Partners and 50% to the General Partners.

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Distributions of Financing Proceeds within the class of Limited Partners shall be in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of Financing Proceeds to General Partners shall be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

B. Subsequent to a Financing, Cash Flow shall continue to be distributed in accordance with the priorities described in Section 5.2.A.

Section 5.4. Distributions and Payments upon Termination and Winding Up. The event of the sale, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion (for example, the sale of one of the safe-deposit vault buildings or the sale of a significant interest in the Project) of the assets of the Partnership, the proceeds from such sale or other disposition shall be applied and distributed in the following priorities:

(i) first, the discharge of debts and obligations of the Partnership, including loans from Partners and fees owing to General Partners and Affiliated Persons thereof;

(ii) second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(iii) third, to the Limited Partners an amount equal to any shortfall in their priority Cash Flow distributions, and the remaining proceeds will be distributed;

(iv) fourth, 50% to the General Partners, and 50% to the Limited Partners.

The proceeds of such sale or other disposition shall be distributed among the Limited Partners in the ratio which the number of Units owned by each Limited Partner bears to the total number of Units owned by all Limited Partners entitled to such distribution. Distributions of sale or disposition proceeds to General Partners will be made 10% to Robert L. Peterman and 20% to Richard F. Beavers.

ARTICLE VI

Books and Records; Accounting

Section 6.1. Books and Records. The General Partners shall keep or cause to be kept complete and accurate books and records of the Partnership and supporting documentation of transactions

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with respect to the conduct of the Partnership's business, which shall be maintained in accordance with generally accepted accounting practices and shall be available at the principal office of the Partnership for examination by any Partner, or his duly authorized representatives, at any and all reasonable times during normal business hours.

Section 6.2. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. The books of the Partnership shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partners may determine.

Section 6.3. Bank Accounts and Investments. The bank accounts of the Partnership shall be maintained in such banking institutions having assets of at least \$500,000,000 as the General Partners shall determine, and withdrawals shall be made only in the regular course of business on such signature or signatures as the General Partners shall determine. All deposits and other funds not needed in the operation of the business shall be deposited in insured interest-bearing accounts, or invested in bank certificates of deposit, United States Government or state or municipal obligations maturing within one year, bank repurchase agreements covering securities of the United States Government or governmental agencies, or unaffiliated money market funds.

Section 6.4. Accountants. The Accountants for the Partnership shall be those named in Article I hereof or such other firm of certified public accountants as shall be engaged by the General Partners. The Accountants shall prepare for execution by the General Partners all tax returns of the Partnership.

Section 6.5. Reports to Limited Partners.

A. Within 90 days after the end of each fiscal year, the General Partners shall cause to be prepared and sent to all Limited Partners (i) a balance sheet and related statements of income and changes in financial position, accompanied by a report of the Accountants stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements; and (ii) a descriptive statement of all transactions during the fiscal year between the Partnership and any Affiliated Person, including the nature of the transaction and the payments involved. Upon the written request of any Limited Partner for further information with respect to any matter covered in items (i) or (ii) above, the General Partners shall furnish such information within 30 days of receipt of such request.

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B. Within 75 days after the end of each year, the General Partners shall cause to be prepared and sent to each Person who was a Limited Partner during the year then ended such tax information as shall be necessary for the preparation by that Person of his federal and state income tax returns.

C. Within 45 days after the end of each fiscal quarter, the General Partners shall cause to be prepared and sent to each Limited Partner a report describing the status of the Project during the quarter then ended.

D. Within 90 days after the end of each fiscal year, the General Partners shall furnish to each Limited Partner an evaluation of (i) the fair market value of the Project at the end of the fiscal year, and (ii) the net asset value of a Unit at the end of the fiscal year. Such evaluation may be prepared by an Affiliated Person of the General Partners.

Section 6.6. Depreciation and Elections. With respect to all depreciable assets, the Partnership shall elect to use, so far as permitted by the provisions of the Code, straight-line depreciation methods. Upon consultation with the Accountants, however, the Partnership may elect or change to some other method of depreciation in the discretion of the General Partners.

All other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in consultation with the Accountants.

Section 6.7. Other Expenses. The Partnership shall treat as an expense for federal income tax purposes all amounts incurred by it for real estate taxes, interest and other charges during or relating to the construction of improvements which may, for federal income tax purposes, be considered as expenses.

ARTICLE VII

Restrictions on Transfer; Retirement of General Partner

Section 7.1. General. Notwithstanding any other provision of this Agreement, no sale or exchange of any Partner's Interest in the Partnership may be made if the Interest sought to be sold or exchanged, when added to the total of all other Interests in the Partnership sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Partnership under Section 708 of the Code; however, such a sale or exchange may be made if prior to the date of transfer, a ruling of the Internal Revenue Service to the effect that the same type of sale, exchange or transfer will not result in a termination shall have been

published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring Partner or the Partnership upon the application and at the expense of the Partner desiring to sell or exchange his Interest in the Partnership.

Section 7.2. Retirement of General Partners and Grant of Security Interest.

A. The General Partners may Voluntarily Withdraw from the Partnership, provided that, prior to or contemporaneous with such Voluntary Withdrawal a substitute General Partner, as the case may be, is admitted to the Partnership and (1) the consent of each other General Partner, if any, and Limited Partners holding $66 \frac{2}{3}\%$ of the Units is obtained and (2) the Retiring General Partner obtains an opinion of counsel satisfactory to counsel to the Partnership to the effect that after the substitute General Partner is admitted as a Partner, the Partnership will be classified as a partnership rather than as an association taxable as a corporation (the "Partnership Classification Opinion"). In the event of Voluntary Withdrawal in compliance with this Section 7.2.A, the substitute General Partner shall succeed to the entire Interest of the Retiring General Partner as a general partner in the Partnership. Subsequent to the Voluntary Withdrawal of a General Partner in compliance with this Section 7.2.A, the Retiring General Partner shall have no further obligations to the Partnership, and shall be entitled to receive only such fees and distributions in respect of its Interest as related to the period prior to and including the date of Voluntary Withdrawal.

B. Upon the occurrence of an Event of Bankruptcy or the Involuntary Withdrawal of a General Partner, any remaining General Partner or General Partners, or, if none, the Retired General Partner or its successors or assigns, shall immediately send notice of such retirement to each Limited Partner. In such event the Partnership (i) shall be dissolved, or (ii) shall be continued by any remaining General Partner who so elects, if the remaining General Partner obtains a Partnership Classification Opinion. In the event that the Partnership is not continued pursuant to Section 7.2.B(ii), any remaining General Partner shall be vested with the authority and responsibility to wind up the business of the Partnership and distribute the proceeds of the sale of the Partnership's assets in accordance with Section 5.4.

C. Each General Partner hereby grants to the Partnership and to each of the Limited Partners, as their interests may exist, a security interest in its General Partner's Interest in the Partnership and in all monies due and to become due from the Partnership to the General Partner to secure the payment of all financial obligations of the General Partner to the Partnership under this Agreement.

D. Upon the Retirement of a General Partner as a result of an Event of Bankruptcy, any monies otherwise payable to the Retired General Partner and not paid at the time of the Retirement, shall be retained by the Partnership as security for all obligations of the General Partner under this Agreement until satisfied. In addition, in the event of any Retirement caused by an Event of Bankruptcy, the Partnership shall offset all mutual debts owed by it to the General Partner that arose prior to the Retirement.

Section 7.3. Transferability of Limited Partner Interests.

A. Except as provided in Section 7.4, a Limited Partner may transfer his Interest in the Partnership to any other Person. A transferee of a Limited Partner may not be admitted to the Partnership as a Substitute Limited Partner, however, except in accordance with Section 7.5.

B. If a Limited Partner dies, his executor, administrator or trustee, or, if he is adjudicated incompetent, his committee guardian or conservator, or, if he becomes bankrupt, the trustee or receiver of his estate, shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such power as the decedent or incompetent possessed to assign all or any part of his Interest and to join with the assignee thereof in satisfying conditions precedent to such assignee becoming a Substitute Limited Partner. The death, dissolution, adjudication of incompetence or bankruptcy of a Limited Partner shall not dissolve the Partnership.

C. The Partnership need not recognize for any purpose any assignment of all or any fraction of the Interest of a Limited Partner unless there shall have been filed with the Partnership and recorded on the Partnership's books a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument evidences the written acceptance by the assignee of all of the terms and provisions of this Agreement, represents that such assignment was made in accordance with all applicable laws and regulations (including investor suitability requirements) and in all other respects is satisfactory in form and substance to the General Partners.

D. Any Limited Partner who shall assign all of his Interest shall cease to be a Limited Partner of the Partnership, except that unless and until a Substitute Limited Partner is admitted in his stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a limited partnership interest under the Uniform Act. The rights of an assignee of Units who does not become a Substitute Limited Partner shall be limited to receipt of his share of Cash Flow, Financing Proceeds, Partnership profits and losses and distributions upon liquidation as determined under Article V.

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E. An assignee of Units who does not become a Substitute Limited Partner and who desires to make a further assignment of his Units shall be subject to all the provisions of this Article VII to the same extent and in the same manner as a Limited Partner desiring to make an assignment of Units.

Section 7.4. Restrictions on Transfer.

A. During the period ending twelve months after the last sale of a Unit by the Partnership, no Limited Partner shall have the right to assign or transfer all or any portion of his Interest in the Partnership.

B. No sale or exchange of the Interest of any person as Limited Partner in the Partnership shall be made if the sale or exchange would violate Section 7.1.

C. In no event shall all or any part of a Limited Partner's Interest in the Partnership be assigned or transferred to an incompetent or to a minor, except to a custodian or guardian for an incompetent or a minor under applicable law. In no event shall a Limited Partner assign or transfer without the written permission of the General Partners fewer than one Unit.

D. The General Partners may require as a condition of any sale, transfer, exchange or other disposition of any Interest in the Partnership, that the transferor assume all costs incurred by the Partnership in connection therewith.

E. Any sale, exchange, transfer or other disposition in contravention of any of the provisions of this Section 7.4 shall be void and ineffectual and shall not bind or be recognized by the Partnership.

Section 7.5. Substitute Limited Partners. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partners shall, however, have the right in its exclusive discretion to consent to the admission of an assignee of the interest of a Limited Partner as a Substitute Limited Partner. Any such consent by the General Partners shall be binding and conclusive without the consent or approval of any Limited Partner. The General Partner's failure or refusal to permit an assignee to become a Substitute Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

Any Substitute Limited Partner shall, as a condition of being admitted to the Partnership, agree to be bound by the provisions of this Agreement to the same extent as other Limited Partners.

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Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate, if necessary, the name and address of the predecessor of the Substitute Limited Partner, and an amendment to the Certificate reflecting the admission shall be filed in accordance with the Uniform Act. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partners to signify his agreement to be bound by all of the provisions of this Agreement.

Any assignee of a Limited Partner who becomes a Substitute Limited Partner shall succeed to the assignor's Limited Partner Interest as set forth in the Schedule.

ARTICLE VIII

Loans

Section 8.1. In General.

A. To the extent that Partnership borrowings are permitted under Section 2.4, they may be made from any source, including Partners and Affiliated Persons thereof. The Partnership may issue notes to evidence such borrowings or in payment for goods and services furnished to the Partnership.

If any Partner shall lend any monies to the Partnership, the amount of any such loan shall not be an increase of his Capital Contribution or affect in any way his share of the profits, losses or distributions of the Partnership.

Section 8.2. Preexisting Advances. Section 8.1 to the contrary notwithstanding, the General Partners are authorized to repay to themselves and Affiliated Persons from the Capital Contributions of Limited Partners all advances actually made to, or for the benefit of, the Partnership prior to the date of admission of Additional Limited Partners for proper Partnership purposes, including, without limitation, amounts advanced for the purchase of the Land.

Section 8.3. Other Business of Partners. Any Partner may engage independently or with others in other business ventures of every nature and description, including, without limitation, the rendering of services of any kind to other investors and the making or management of other investments, including, without limitation, investments in real property. Neither the Partnership nor any Partner shall have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper.

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Section 3.4. No Duty of Inquiry. No Person dealing with the General Partners shall be required to ascertain whether the General Partners is acting in accordance with this Agreement, but such Person shall be protected in relying solely upon the deed, transfer, or assurance of and the execution of such instrument by the General Partners.

Section 3.5. General Partners May Require Exculpation. Notwithstanding the fact that the liability of each General Partner will otherwise be unlimited, each General Partner will have the right and authority to require in all partnership contracts that the General Partners shall not be personally liable for obligations thereunder and that the Person contracting with the Partnership is to look solely to the assets of the Partnership for satisfaction.

ARTICLE IX

General Provisions

Section 3.1. Appointment of Attorneys-in-Fact. Each Limited Partner hereunder (including a Substitute or Additional Limited Partner) hereby irrevocably appoints and empowers the General Partners his true and lawful attorney-in-fact, in his name, place and stead, to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the following:

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

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

(iii) any amendments to this Agreement adopted pursuant to Section 9.11;

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

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

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

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

The appointment by each Limited Partner of the General Partners as his attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Limited Partners under this Agreement will be relying upon the power of the General Partners to act as contemplated by this Agreement in such filing and other action by them on behalf of the Partnership. The foregoing power of attorney shall survive the assignment by any Limited Partner of the whole or any part of his Interest hereunder, and shall survive the disability or death of any Limited Partner to the extent permitted by law.

Section 9.2. Notices. Any and all notices (as distinguished from periodic reports) called for under this Agreement shall be deemed adequately given only if in writing and mailed postage prepaid to the party or parties for whom such notices are intended.

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

Section 9.3. Word Meanings. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

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

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

Section 9.4. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

Section 9.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

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Section 9.6. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart, except that no counterpart shall be binding unless signed by the General Partners. Any counterpart hereof signed by the party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.7. Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

Section 9.8. Representations of Additional Limited Partners. Each Additional Limited Partner represents that he is acquiring his Interest as a Limited Partner for his own account. Each Limited Partner agrees that he will not sell or offer to sell all or any portion of his Interest as a Limited Partner, or solicit offers to buy the same from or otherwise approach or negotiate in respect thereof with any Person or Persons whomsoever, so as thereby to bring this transaction and the offering of Limited Partnership Interests in the Partnership within the provisions of Section 5 of the Securities Act of 1933, as amended, or the registration requirements of any state "Blue Sky" statute.

Each Additional Limited Partner further represents that for a period ending twelve months following the date of the last sale of a Unit by the Partnership, he will not sell or otherwise transfer his Interest as a Limited Partner to any Person.

Section 9.9. Paragraph Titles. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.10. Meetings of Partners. Limited Partners whose Capital Contributions represent at least 25% of the Class Contribution of the Limited Partners may request in writing that the General Partners call a meeting of the Partners. The General Partners shall be required to call a meeting of the Partners in Baltimore, Maryland

within 30 days of the receipt of the Limited Partners' request. The General Partners shall give at least 21 days' written notice of the meeting to all Partners.

Section 9.11. Amendment Procedure. This Agreement may not be modified or amended except with the written consent of the General Partners and the consent of Limited Partners who hold at least 66 2/3% of the Units; provided, that any modification or amendment which would (i) increase the amount of the Capital Contributions payable by the Limited Partners, (ii) extend the termination date specified in Section 2.5 hereof, (iii) increase the liability of the Limited Partners, (iv) affect the rights of the Limited Partners under Article V, or (v) amend this Section 9.11 shall require the written consent of all Partners.

WITNESS the execution under seal as of the 10th day of January 1983.

ATTEST:

Jeanette L. Unkle

GENERAL PARTNERS:

✓ Robert L. Peterman
Robert L. Peterman
General Partner

ATTEST:

Jeanette L. Unkle

✓ Richard F. Beavers
Richard F. Beavers
General Partner

ATTEST:

Jeanette L. Unkle

✓ ORIGINAL LIMITED PARTNER:

✓ Harold D. Beavers
Harold D. Beavers

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SCHEDULE A

TO

COLUMBIA PUBLIC SECURITY VAULT, LIMITED PARTNERSHIP

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Capital Contribution (1)</u>
GENERAL PARTNERS:	
Robert L. Peterman 1307 E. Northern Parkway Baltimore, Maryland 21239	300.00
Richard F. Beavers 728 Bel Air Road Bel Air, Maryland 21014	700.00
INITIAL LIMITED PARTNER:	
Harold D. Beavers 200 North Tollgate Road Bel Air, Maryland 21014	500.00
TOTAL	<u>\$1,500.00</u>

(1) Contributed in cash on February 10, 1983.

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CERTIFICATE OF LIMITED PARTNERSHIP

OF

COLUMBIA PUBLIC SECURITY VAULT,
LIMITED PARTNERSHIP

received for record February 10, 1983

, at 4:06 P M

and recorded on Film No. 2580

32

Frame No. 03135 one of

the limited partnership records of the State Department of Assessments and Taxation of Maryland.

To the clerk of the Circuit court of Harford County

AA No 0840

8309406

Fee Paid \$50.00

15-83 B 24596 *****12

bt

REC'D & RECORDED *type*
NO 3 FOLIO 277
JUN 15 9 01 AM '83
HARFORD CO.
H. DOUGLAS CHILCOAT
CLERK