

EXHIBIT A

MORRISANIA ASSOCIATES
LIMITED PARTNERSHIP AGREEMENT

This Limited Partnership Agreement is made and entered into as of July 10, 1972, by and among Two Trees, Inc., a New York corporation, as general partner, and those persons named in Section 2.02, as limited partners.

ARTICLE I

Organizational Matters and Descriptive Terms

Section 1.01. Formation of Partnership and Name. The parties hereby form a limited partnership (the "Partnership") under the laws of the State of New York. The name of the Partnership is Morrisania Associates.

Section 1.02. Descriptive Terms. As used in this Agreement

(a) the term "Limited Partners" shall refer to those persons named in Section 2.02, and any person admitted to the Partnership as an Additional or a Substituted Limited Partner pursuant to Sections 7.04 or 7.05;

(b) the term "General Partner" shall refer to Two Trees, Inc. and to any person admitted to the Partnership as an Additional, Successor or Substituted General Partner pursuant to Sections 6.01, 6.02 or 7.02;

(c) the term "Partner" shall refer to every person who shall be from time to time either a General or a Limited Partner.

Section 1.03. Principal Office. The principal office of the Partnership shall be at 680 Fifth Avenue, New York, New York, or such other location as may hereafter be determined by the General Partner. The Limited Partners shall be notified by the General Partner of any change of location of the principal office.

Section 1.04. Purpose of Partnership. The purpose of the Partnership is to acquire certain real property and to develop, rehabilitate, construct, operate and maintain thereon a housing project (the "Project") containing

approximately 149 units financed by a non-recourse construction loan (the "Construction Loan") and mortgage (the "Mortgage") to be insured under Section 236 of the National Housing Act administered by the Federal Housing Administration (the "FHA"). The Construction Loan and the Mortgage are to be insured at the "Initial Endorsement" and the "Final Endorsement" respectively.

Section 1.05. **Location.** The Project shall be developed on real property located in the South Bronx, New York, New York which is more particularly described in Exhibit A.

ARTICLE II

Financial Terms: Contributions, Allocations and Distributions

Section 2.01. Partnership Interests.

(a) The Partnership Interest of each Partner shall be as stated opposite his name in Section 2.02. The Partnership Interest of each Partner hereafter admitted to the Partnership shall be as stated in the amendment to the certificate of limited partnership filed to effect the admission of such Partner to the Partnership.

(b) Reference in this Agreement to a certain percentage in interest of the Partners shall mean Partners owning in the aggregate that percentage of Partnership Interests as set out below in Section 2.02 rather than to the shares of Partners in profits and losses, Net Cash Flow or on dissolution of the Partnership.

Section 2.02. **Capital Contributions of Partners.** The capital contributions of the Partners shall be payable as provided in Sections 2.03 and 2.04 and, subject to such sections, are, together with their respective Partnership Interests, set out below:

Section 2.03. Payment of Capital Contribution by General Partner.

(a) The General Partner's capital contribution shall be payable in cash to the Partnership at the time of the execution of this Agreement.

(b) The General Partner shall assign or cause to be assigned to the Partnership: the FHA Letters of Feasibility and Commitment relating to the Project; any agreements with architects, contractors and others; any financing commitment; and site plans, architectural plans, specifications, working drawings, surveys, engineering reports, test borings, market surveys, and other work product related to the development of the Project. No assignment by or on behalf of the General Partner under this sub-section to the Partnership shall increase its Partnership Interest or be reimbursed by the Partnership.

Section 2.04. Payment of Capital Contributions by Limited Partners.

(a) One fourth of the capital contribution of each Limited Partner shall be payable to the Partnership by certified or bank check at the time of the execution of this Agreement and the balance shall be payable in three equal installments as provided below in Section 2.04(b).

(b) The obligation of each Limited Partner to pay the balance of his capital contribution in installments shall be represented by three Promissory Notes, each in a principal amount equal to one-quarter of such Limited Partner's capital contribution as set out in Section 2.02, made by such Limited Partner payable to the order of the Partnership and delivered to it at the time of the execution of this Agreement. Such Promissory Notes shall be non-interest bearing and shall be payable as follows:

<u>Promissory Note</u>	<u>Due Date</u>
Number 1	Date of Final Endorsement of the Mortgage
Number 2	One year after date of Final Endorsement
Number 3	Two years after date Final Endorsement

(c) No Limited Partner has the right to substitute an assignee of his Partnership Interest as a contributor in his place.

Section 2.05. Return of Contributions.

(a) If a Limited Partner is not approved by the FHA, when such approval is required, his capital contribution shall be returned forthwith.

(b) Except as provided above in Section 2.05(a), no Partner shall be entitled (i) to demand the return of any part of his capital contribution before the dissolution of the Partnership or (ii) to demand and receive any property other than cash in return for his capital contribution.

Section 2.06. **Net Cash Flow.** For the purpose of this Agreement, the term "Net Cash Flow" shall mean the net income of the Partnership as determined by its accountants,

(i) increased by deductions for depreciation and other non-cash charges, and

(ii) decreased by mortgage amortization payments, capital expenditures and such reserves as the General Partner shall deem necessary or prudent to set aside for replacements, repairs or improvements, working capital, or foreseen or unforeseen expenses, liabilities and contingencies.

Net Cash Flow shall also include any other funds deemed by the General Partner to be available for distribution, subject to the approval of the FHA where required, including but not limited to any part of the capital contributions of the Partners or any reserves previously set aside by the General Partner not needed for the continued operation of the Project.

Net Cash Flow shall be determined separately for each fiscal year and shall not be cumulative from year to year.

Section 2.07. **Distribution of Net Cash Flow.** Within 90 days after the close of each fiscal year, or at such other times as the General Partner shall determine, Net Cash Flow shall be distributed to the Partners in the proportion which their respective capital contributions bear to the total capital contributions of all Partners as set out in Section 2.02 in a cumulative amount equal to the maximum annual cash distribution permitted by the FHA.

Section 2.08. **Allocation of Profits and Losses.** The profits and losses of the Partnership as determined by its accountants for each fiscal year shall be allocated to the Partners in the proportion which their respective capital contributions bear to the total capital contributions of all Partners as set out in Section 2.02.

Section 2.09. **Sale of Partnership Property.** The General Partner shall not sell, refinance, exchange, or dispose of all or substantially all of the assets of the Partnership without the prior written consent of Partners owning in the aggregate more than 75% of the Partnership Interests.

Section 2.10. **Distribution of Proceeds of Refinancing, Sale or Dissolution.** The net proceeds resulting from the refinancing of any mortgage loan on the property of the Partnership, from the sale of all or substantially all of its property, or from the liquidation of its property following dissolution of the Partnership shall be distributed and applied in the following order of priority and to the following extent:

- (a) to the payment of liabilities, including the expenses of liquidation,
- (b) to the setting up of any reserve which the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities of the Partnership, provided said reserves are paid over by the General Partner to a bank or trust company as escrowee,
- (c) to the repayment of any loans, including Residual Receipts Obligations (as defined in Section 4.12), made to the Partnership by the General Partner,
- (d) to the repayment to the Partners, in the proportion which their respective capital contributions bear to the total capital contributions of all Partners as set out in Section 2.02, of an amount equal to the excess, if any, of the amount of all capital contributions over the sum of all previous distributions to all Partners of Net Cash Flow and of proceeds pursuant to previous sales or refinancings; and
- (e) 25% of any remaining proceeds to the General Partner; 25% to Graphic Construction Corporation as a Limited Partner; and 50% to the other Limited Partners in the proportion which their respective capital contributions bear to the total capital contributions of such other Limited Partners set out in Section 2.02.

Section 2.11. **Prohibition on Distributions.** No distribution shall be made in violation of the National Housing Act, the Regulatory Agreement, or other applicable law.

ARTICLE III

Authority of The Partnership

Section 3.01. **General Powers.** The Partnership is authorized:

- (a) to engage in any activity, perform and carry out contracts of any kind, and do any and all things necessary and proper for the protection and

provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement.

Section 3.04. **Duration of Power of Attorney.** The Power of Attorney to be concurrently granted by each Limited Partner to the General Partner:

(i) Is a Special Power of Attorney coupled with an interest, is irrevocable, and shall survive the death of the undersigned; and

(ii) Shall survive the delivery of an assignment by a Limited Partner of the whole or any portion of his interest; except that where the assignee thereof has been approved by the General Partner for admission to the Partnership as a Substituted Limited Partner pursuant to Section 7.05, the 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.

ARTICLE IV

Rights, Powers and Obligations of General Partner

Section 4.01. **Management of Business.** The business of the Partnership shall be managed and controlled solely by the General Partner.

Section 4.02. **Certificate of Limited Partnership.** The General Partner shall prepare and execute a Certificate of Limited Partnership relating to the Partnership, and shall file such certificate in the office of appropriate County Clerk. The General Partner shall do all other things requisite to perfect and maintain the Partnership as a limited partnership pursuant to the laws of the State of New York.

Section 4.03. **Authority of General Partner.** The General Partner shall promptly take all action which may be necessary or appropriate for the development of the Project and its proper maintenance and operation in accordance with the provisions of this Agreement, the Regulatory Agreement and applicable federal, state and local laws and regulations. The General Partner will have the right to employ on behalf of the Partnership such persons, firms or corporations as it shall deem advisable for the operation and management of the business of the Partnership, including but not limited to, accountants, attorneys and managers, on such terms and for such compensation as the General Partner shall determine. Without limiting the generality of the foregoing, and without limiting the rights and obligations of the General

Partner under the laws of New York, it is authorized on behalf of the Partnership to execute all contracts and instruments and do all acts necessary and appropriate to the development of the Project and the conduct of the Partnership business.

Section 4.04. Contracts with Affiliated Persons. The General Partner may acquire property or services from persons who are Partners or related to or affiliated with Partners. Any such transaction shall be fully disclosed to all Partners and shall be on terms reasonably comparable with those which may be obtained from unaffiliated persons.

Section 4.05. Accounting Methods. The General Partner shall cause the Partnership to conform its accounting procedures and reporting timetables to the requirements of the FHA.

Section 4.06. Insurance. The General Partner shall cause the Partnership to obtain and keep in force, to the extent available on reasonable terms, comprehensive general liability, fire and extended coverage, rental income, boiler explosion, collapse, crime, vandalism, riot, civil disturbance, workmen's compensation, fidelity and other necessary insurance in such amounts and on such terms as will adequately protect the Partnership.

Section 4.07. Outside Activities. The General Partner shall devote such time and attention to the Partnership business as may be necessary for the proper performance of its duties. It may, however, engage or hold interests in other business ventures of every kind and description for its own account including, without limitation, other housing projects. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in and to such independent business ventures or the income or profits derived therefrom.

Section 4.08. Indemnification of General Partner. The General Partner shall be entitled to the indemnification provided under Section 115-c of the Partnership Law of the State of New York and, in addition, shall be entitled to indemnification from the Partnership for any act performed by it within the scope of the authority conferred on it by this Agreement to the maximum extent authorized by law, provided that any indemnity under this Section shall be paid out of and to the extent of Partnership assets only, and no Limited Partner shall have any personal liability on account thereof.

Section 4.09. Liability of General Partner to Limited Partners. The General Partner shall not be liable, responsible or accountable in damages or otherwise to any Limited Partner for any act performed by it within the scope

of the authority conferred on it by this Agreement, except for acts of bad faith or wilful misconduct.

Section 4.10. Balance Sheet. Within 90 days after the end of each fiscal year, the General Partner shall furnish, at the expense of the Partnership, to each Partner a balance sheet relating to the General Partner as of the end of such fiscal year certified by a public accountant.

Section 4.11. Notice of Default. The General Partner shall promptly notify all Limited Partners upon the receipt of any notice of default under the Construction Loan, Mortgage or the Regulatory Agreement, non-payment of taxes, the filing of any liens against the Project, the commencement of any lawsuits against the Partnership, the cancellation or non-renewal of any insurance, or any other circumstances which may materially and adversely affect the interests of the Partners.

Section 4.12. General Partner's Obligations to Make Advances during Construction. If the proceeds of the Construction Loan, the contributions to the capital of the Partnership theretofore made by the Limited Partners and the net rental income from the Project prior to Final Endorsement of the Mortgage for insurance are insufficient to complete construction of the Project to the satisfaction of the FHA and any other agency whose consent may be required, the General Partner shall make advances to meet all costs, including interest charges and escrow payments, to complete the construction of the Project. Such advances will be evidenced by non-interest bearing obligations of the Partnership ("Residual Receipts Obligations") which will be reimbursed subject to FHA approval out of the proceeds of the sale or other disposition of, or the refinancing of any mortgage on, the property of the Partnership. In addition, Residual Receipts Obligations may be paid out of Net Cash Flow in any year in which the Limited Partners have received the maximum cumulative distribution of Net Cash Flow permitted under FHA regulations.

ARTICLE V

Rights and Obligations of Limited Partners

Section 5.01. Liability of Limited Partners. The Limited Partners shall not be obligated to provide any contribution to the capital of the Partnership in addition to that specified in Section 2.02 of this Agreement. The Liability of each Limited Partner shall be limited to the then balance of his capital account, and none of the Limited Partners shall have any personal liability with respect to the debts, contracts, liabilities or obligations of the Partnership.

Section 5.02. **Management of Business.** No Limited Partner shall take part in the management or control of the Partnership business.

Section 5.03. **Outside Activities.** Limited Partners may engage or hold interests in other business ventures of every kind and description for their own account including, without limitation, other housing projects. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in such independent business ventures or to the income or profits derived therefrom.

ARTICLE VI

Appointment of Additional General Partner: Removal of General Partner

Section 6.01. **Appointment of Additional General Partner.** The General Partner may at any time or from time to time with the prior written consent of 50% in interest of the Partners, appoint one or more Additional General Partners who shall become General Partners of the Partnership upon satisfaction of the conditions set forth in Section 7.02 for a Substituted General Partner. All General Partners shall thereupon concurrently be entitled to exercise all the powers of the General Partner and all references to the General Partner shall thereafter refer to the General Partners.

Section 6.02. **Removal of General Partner.** Any General Partner may be removed from the Partnership as a general partner upon the written demand of 75% in interest of the Partners; provided, however, that such removal shall be for cause and shall not be arbitrary or unreasonable. The Partners demanding such removal shall designate a Successor General Partner who shall become a General Partner of the Partnership, provided that such person has satisfied the conditions set forth in Section 7.02.

Section 6.03 **Partnership Interest of Additional or Successor General Partner.** Any such Additional or Successor General Partner shall have such Partnership Interest as shall have been specified in the proposal for its admission as an Additional or Successor General Partner, as the case may be, and the Partnership Interests of the other Partners shall be adjusted accordingly.

ARTICLE VII

Transfer of Interest

Section 7.01. Transfer of Partnership Interest by General Partner. The Partnership Interest of the General Partner may not be assigned, sold or transferred except pursuant to an assignment of its entire interest with the prior written approval of 75% in interest of the Partners. If the General Partner is also a Limited Partner, it may assign all or any portion of its Limited Partnership Interest as provided in Section 7.05 of this Agreement.

Section 7.02. Substituted General Partner. In the event of an assignment of the entire Partnership Interest of the General Partner pursuant to the foregoing Section, the assignee shall be admitted as a Substituted General Partner if such assignee has:

(a) accepted and assumed, in form satisfactory to the Partners, all the terms and provisions of this Agreement and the Regulatory Agreement,

(b) provided a certified copy of a resolution of its Board of Directors, if the assignee be a corporation, authorizing it to become a Substituted General Partner under the terms and provisions of this Agreement,

(c) provided an opinion of counsel, in form and substance satisfactory to counsel for the Partnership, that neither the offering nor the assignment of the Partnership Interest (i) violates any federal or state securities law or (ii) jeopardizes the status of the Partnership as a partnership for federal income tax purposes,

(d) executed a statement that it is acquiring said Partnership Interest for investment and not for resale,

(e) executed such other documents or instruments as may be required in order to effect its admission as a Substituted General Partner, and

(f) paid such reasonable expenses as may be incurred in connection with its admission as a Substituted General Partner.

Section 7.03. Death, Incapacity of General Partner.

(a) Upon the death, legal incapacity, resignation, withdrawal, dissolution, bankruptcy or assignment for the benefit of creditors of a General

Partner, the Partnership Interest of such General Partner shall descend to and vest in his heirs, legatees, successors, legal representatives, trustee, receiver, or assignee for the benefit of creditors, who shall be admitted as a Substituted Limited Partner or Limited Partners upon satisfaction of the conditions set forth in Section 7.05.

(b) The death, legal incapacity, resignation, withdrawal, dissolution, bankruptcy or assignment for the benefit of creditors of a General Partner shall not dissolve the Partnership unless such General Partner was the sole General Partner, in which case the Partnership shall be dissolved 60 days after any such event unless, within such 60 day Period, 75% in interest of the remaining Partners agree to continue the Partnership and designate a Successor General Partner.

Section 7.04. Additional Limited Partners.

(a) One or more Additional Limited Partners may from time to time be admitted to the Partnership with the prior written consent of all Partners, provided that any such Additional Limited Partner has satisfied the conditions set forth in Section 7.05 for a Substituted Limited Partner.

(b) Any such Additional Limited Partner shall make such contribution to the capital of the Partnership and shall have such Partnership Interest as shall have been specified in the proposal for his admission as an Additional General Partner, and the Partnership Interests of the other Partners shall be adjusted accordingly.

Section 7.05. Transfer of Partnership Interest by Limited Partner; Substituted Limited Partner. The Partnership Interest of a Limited Partner may not be transferred or assigned in whole or in part except with the prior written consent of the General Partner. Upon such consent, the proposed assignee shall be admitted as a Substituted Limited Partner if such assignee has

(i) Been approved by the FHA, where such approval is required,

(ii) accepted and assumed, in form satisfactory to counsel for the Partnership, all the terms and provisions of this Agreement and the Regulatory Agreement,

(iii) executed a power of attorney substantially identical to that described in Section 4.03 of this Agreement,

(iv) provided a certified copy of a resolution of its Board of Directors, if the assignee be a corporation, authorizing it to become a Limited Partner under the terms and provisions of this Agreement,

(v) provided an opinion of counsel, in form and substance satisfactory to counsel for the Partnership, that neither the offering nor the assignment of the Partnership Interest violates any federal or state securities law (and, if such transfer or assignment is after the "original use" of the Project as defined in Section 7.08 hereof, covering the matters specified in Section 7.08(ii) hereof),

(vi) executed a statement that it is acquiring the said Partnership Interest for investment and not for resale,

(vii) executed such other documents or instruments as counsel for the Partnership may require in order to effect the admission of such assignee as a Limited Partner, and

(viii) paid such reasonable expenses in connection with its admission as a Limited Partner as may be specified in writing by the General Partner.

Section 7.06. Incapacity of Limited Partner. The death, legal incapacity, withdrawal, dissolution, bankruptcy, or assignment for the benefit of creditors of a Limited Partner shall not cause the dissolution of the Partnership. Upon any such event, the interest of such Limited Partner shall descend to and vest in his heirs, legatees, successors, legal representatives, trustee, receiver, or assignee for the benefit of creditors, who shall be admitted as a Substituted Limited Partner or Partners upon satisfaction of the conditions set forth in Section 7.05.

Section 7.07. Amendment of Certificate of Limited Partnership. Upon the admission of any Additional, Substituted or Successor General Partner or Additional or Substituted Limited Partner, the General Partner shall take all steps necessary and appropriate to prepare and record an amendment to the Certificate of Limited Partnership, and may exercise the Power of Attorney granted pursuant to Section 4.03 of this Agreement.

Section 7.08. Restriction on Transfers. Notwithstanding the foregoing provisions of this Article VII, no sale or transfer of a Partnership Interest (General or Limited) may be made after the "original use" of the Project, within

the meaning of applicable Treasury Regulations promulgated under the Internal Revenue Code unless either

(i) the Partnership Interest sought to be sold or transferred, when added to all other Partnership Interests sold or transferred within a period of 12 consecutive months prior thereto, does not equal 50% or more of the aggregate Partnership Interests, and such sale or transfer does not otherwise terminate the Partnership under Section 708 of the Internal Revenue Code, or

(ii) before the date of any sale or transfer of a Partnership Interest, the Partnership has received an opinion of counsel, satisfactory in form and substance to counsel for the Partnership, that the proposed sale or transfer (a) will not prevent the Partnership from being entitled to use any of the accelerated methods of depreciation enumerated in Section 167 of the Internal Revenue Code which it would otherwise be entitled to use and (b) will not jeopardize the status of the Partnership as a partnership for federal income tax purposes.

Section 7.09. Attempted Transfer in Violation of this Article Void. Any attempted assignment or transfer in violation of the provisions of this Article VII shall be void and ineffectual and shall not bind the Partnership.

Section 7.10. Incoming Partners to be Bound by Regulatory Agreement. Any incoming partner shall as a condition of receiving an interest in the Partnership property agree to be bound by the note, mortgage, and Regulatory Agreement and other documents required in connection with the FHA insured loan to the same extent and on the same terms as the other partners.

ARTICLE VIII

Books of Account and Partnership Books

Section 8.01. Books of Account. The General Partner shall keep and maintain, in accordance with sound accounting practice, complete and accurate books, records and accounts of the Partnership. Any Partner shall have the right to examine said books, records and accounts at any reasonable time.

Section 8.01. Fiscal Year. The fiscal year of the Partnership shall be the calendar year, or such other fiscal year as the General Partner shall select.

Section 8.03. Tax Returns. The Partnership's accountants shall prepare, for execution by the General Partner, all tax returns of the Partnership.

Section 8.04. Bank Accounts. The funds of the Partnership shall be deposited in the name of the Partnership in such bank accounts as shall be designated by the General Partner. All deposits, including security deposits and funds required by the FHA to be escrowed, and other funds not currently needed in the operation of the Partnership business, shall be deposited, to the extent permitted by applicable FHA and Federal National Mortgage Association requirements, in interest bearing accounts or shall be invested in short-term United States Government or municipal obligations maturing within one year.

Section 8.05. Financial Reports. Within 90 days after the end of each fiscal year, the General Partner shall deliver to all persons who were Partners at any time during the fiscal year appropriate financial reports of the Partnership, prepared by independent certified public accountants to be selected by the General Partner, including a statement of allocations of Partnership income, gains, losses, deductions and credits.

Section 8.06. Elections. All elections required or permitted to be made by the Partnership under the Internal Revenue Code shall be made in such manner as will, in the opinion of the Partnership's accountants and attorneys, be most advantageous to the Partnership or to the Partners holding 75% of the aggregate Partnership Interests.

ARTICLE IX

Dissolution and Winding-up

Section 9.01. Term. The term of the Partnership shall commence when the Certificate of Limited Partnership is filed and shall terminate on January 1, 2015, unless the Partnership is dissolved at an earlier date pursuant to Section 9.02.

Section 9.02. Dissolution. The Partnership shall be dissolved only upon the happening of any of the following events:

(a) sixty days after the death, legal incapacity, resignation, withdrawal, dissolution, bankruptcy or assignment for the benefit of creditors of the sole General Partner unless, within such 60 day period, 75% in interest

of the remaining Partners agree to continue the Partnership and to designate a Successor General Partner;

(b) subject to Section 9.05(b), an election to dissolve the Partnership made in writing by Partners holding more than 75% of the aggregate Partnership Interests.

(c) the sale, refinancing, exchange or other disposition of all or substantially all of the assets of the Partnership.

Section 9.03. Winding-up and Distribution. Upon the dissolution of the Partnership, the General Partner or its successors (hereinafter called the "Liquidators") shall cause the cancellation of the Partnership Certificate, liquidate the Partnership's assets, and apply and distribute the proceeds of such liquidation in accordance with Section 2.10 of this Agreement.

Section 9.04. Distribution in Kind. Notwithstanding the provisions of Section 9.03, if on dissolution of the Partnership the Liquidators shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the Liquidators may, in order to avoid such loss, either defer for a reasonable time liquidation of any assets except those necessary to satisfy liabilities of the Partnership (other than those to Partners) or distribute to the Partners, in lieu of cash, and as tenants in common, undivided interests in any Partnership assets, liquidating only such assets as are necessary in order to satisfy the liabilities of the Partnership.

Section 9.05. Title Not to Pass to any Person Not Bound by Regulatory Agreement; Approval by FHA. (a) Upon any dissolution, no title or right to possession and control of the Project, 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 Federal Housing Commissioner.

(b) So long as any property of the Partnership is encumbered by any mortgage insured, owned or held by the FHA, the Partnership shall not be voluntarily dissolved without the prior written approval of the FHA, and no distribution (as defined in the Regulatory Agreement) shall be made except in accordance with the requirements of the Regulatory Agreement.

ARTICLE X**General Provisions**

Section 10.01. Identification of Government Agencies, Statutes, Programs and Forms. Any reference in this Agreement, by name or number, to a government agency, statute, program, or form shall include any successor agency, statute, program or form.

Section 10.02. Counterparts; Partners Independently Bound. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the same counterpart. Each Partner shall become bound by this Agreement immediately upon affixing his signature hereto or to any such counterpart and independently of the signature of any other Partner.

Section 10.03. Addresses and Notices. The Address of each Partner for all purposes shall be the address set forth in this Agreement, or such other address of which all Partners shall have received written notice. Any notice, demand or request required or permitted to be given or made hereunder shall be deemed given or made when delivered or sent by certified or registered mail (a) to such Partner at such address and (b) to the Partnership at its principal office.

Section 10.04. Titles and Captions. All articles or section titles or captions in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

Section 10.05. Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require.

Section 10.06. Further Action. The Parties shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 10.07. Applicable Law. This Agreement shall be interpreted in accordance with the laws of the State of New York.

Section 10.08. Agreement Binding. This Agreement shall be binding upon the Parties and their heirs, executors, administrators, successors and assigns.

Section 10.09. **Entire Agreement.** This Agreement contains the entire understanding between the Parties and supersedes any prior understandings and agreements respecting the subject matter of this Agreement.

Section 10.10. **Waiver of Trial by Jury.** The Parties hereby waive trial by jury in any action, proceeding or counterclaim brought by any Party against any other Party in any matter arising out of or in any way connected with the subject matter of this Agreement.

Section 10.11. **Amendment.** This Agreement may be modified or amended only with the written approval of all Partners.

Section 10.12. **Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Partnership or of any Partner.

Section 10.13. **Saving Clause.** Any provisions of the National Housing Act, the Regulatory Agreement or other laws or regulations which supersede or invalidate any provision hereof shall not affect the validity of the balance of this Agreement, and the remaining provisions shall be enforced as if the invalid provisions were deleted.

Section 10.14. **Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Any Partner by notice pursuant to Section 10.03 hereof may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Partner. No waiver shall affect or alter this Agreement but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 10.15. **Remedies.** The rights and remedies of any of the Parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the Parties confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provision hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, or shall limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach

or threatened breach of any provision hereof, it being the intention by this paragraph to make clear the agreement of the parties that the respective rights and obligations of the parties hereunder shall be enforceable in equity as well as at law or otherwise.

General Partner:

Two Trees, Inc.

By _____
David C. Walentas,
President

Attest:

Limited Partners:

David C. Walentas

J. Frederic Byers III

Bartle Bull

David W. Keller

Address:

680 Fifth Avenue
New York, New York

Residence Addresses:

55 Park Avenue
New York, New York

66 East 79th Street
New York, New York

437 East 51st Street
New York, New York

333 East 57th Street
New York, New York

Limited Partners:

Dan W. Lufkin

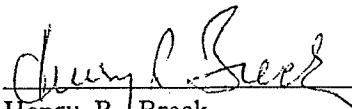
By: _____

Cyril F. O'Neil, Jr.,
as attorney in fact

Michael M. Thomas

William R. Acquavella

Samuel P. Reed



Henry R. Breck

Howard A. Goodman

Sheldon E. Prentice

Peter Nelson

Residence Addresses:

Poverty Hollow Farm
Newton, Connecticut

320 East 72nd Street
New York, New York

39 East 79th Street
New York, New York

4 East 72nd Street
New York, New York

903 Park Avenue
New York, New York

345 East 56th Street
New York, New York

31 East 79th Street
New York, New York

985 Fifth Avenue
New York, New York

Limited Partners:

Emanuel Goldberg

Jack Weprin

Stanley G. Mortimer III

Graphic Construction Corporation

By _____

Attest:

Residence Addresses:

140 Cabrini Boulevard
New York, New York

187-27 Aberdeen Road
Jamaica Estates,
New York, New York

130 East 67th Street
New York, New York

919 Third Avenue
New York, New York

State of New York }
County of New York } ss.:

On the day of July, 1972, before me personally came David C. Walentas, to me known, who, being by me duly sworn, did depose and say that he resides at 55 Park Avenue, New York, New York; that he is president of Two Trees, Inc., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Notary Public

(Notarial Seal)

EXHIBIT B

POWER OF ATTORNEY

1. The undersigned hereby makes, constitutes and appoints Two Trees, Inc., 680 Fifth Avenue, New York, New York, as General Partner of Morrisania Associates, a New York limited partnership (hereinafter respectively referred to as the "General Partner" and the "Partnership"), 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 and acknowledge, file and record:

A. A Certificate of Limited Partnership, as well as amendments thereto, under the laws of the State of New York, or the Laws of any other state in which such a certificate is required to be filed;

B. Any other instrument which may be required to be filed by the Partnership under the laws of any state or by any governmental agency, or which the General Partner deems it advisable to file; and

C. Any documents which may be required to effect the continuation of the Partnership, the admission of an additional or substituted Partner, or the dissolution and termination of the Partnership, provided such continuation, admission or dissolution and termination are in accordance with the terms of the Limited Partnership Agreement of even date with respect to the Partnership.

2. The foregoing grant of authority:

A. Is a Special Power of Attorney coupled with an interest, is irrevocable, and shall survive the death of the undersigned; and

B. Shall survive the delivery of an assignment by the undersigned of the whole or any portion of his interest as a Limited Partner of the Partnership; except that where the assignee thereof has been approved by the General Partner for admission to the Partnership as a Substituted Limited Partner, the 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.

3. The undersigned authorizes the General Partner to take any further action which the General Partner shall consider necessary or convenient in

