

- (iii) 90% of the balance of the proceeds to the Limited Partners, pro rata, according to their respective interests, 10% of the balance of the proceeds to the General Partner.

6.3 Allocation upon Transfer of Partnership Interest.

In the event of a transfer of a Partnership interest at any time other than at the end of an accounting period of the Partnership, the distributive shares of the various items of Partnership income, gain, loss, deduction or credit as computed for Federal and State Income Tax purposes shall be allocated in accordance with ownership and Partnership interest ratios applicable at the end of the Partnership year, unless otherwise agreed by transferor and transferee.

ARTICLE VII

MANAGEMENT OBLIGATIONS OF THE GENERAL PARTNER

- 7.1 The General Partner shall manage the Partnership business and shall devote such time to the Partnership as shall reasonably be required for its welfare and success. The Partnership shall enter into a management contract with a management firm selected by the General Partner subject to the approval of Federal Housing Administration under which it shall operate the project, and for which it shall receive the usual customary compensation for such services, which compensation shall be set forth in the management contract. The General Partner shall not be entitled to any compensation for the services referred to in the first sentence of this subsection.
- 7.2 Without limitation on any power that may be conferred upon it by law, and except as hereinafter stated, the General Partner may;
- (a) Enter into leases with respect to any portion of the Partnership's property without limit as to the term thereof, whether or not such term (including renewal terms) shall extend beyond the date of the termination of the Partnership, at such rental or amount, and upon such terms as it deems proper.
 - (b) Comprise, submit to arbitration, sue on or defend all claims in favor of or against the Partnership.
 - (c) Make and revoke any election permitted the Partnership by any taxing authority.
 - (d) Do all acts it deems necessary or appropriate for the protection and preservation of the Partnership assets.
 - (e) Carry, at the expense of the Partnership, such insurance coverage for public liability and all other insurance necessary or appropriate to the business of the Partnership in such amounts and of such types, as it shall determine from time to time and which shall meet Federal Housing Administration requirements.
 - (f) Execute such documents as may be required in all dealings with the Federal Housing Commissioner as a result of the Federal Housing Administration insured mortgage including documents necessary to permit an increase in such insured mortgage as may be approved by the Federal Housing Administration. Neither the Partnership nor any of the Partners shall be personally liable for payments due under the mortgage note and mortgage, or for the payments to the reserve for replacements, except as provided under the Regulatory Agreement with respect to funds or property of the Project coming into their hands which, by the provision of the Regulatory Agreement, they are not entitled to retain and with respect to their own acts and deeds or acts and deeds of others which they have authorized in violation of the provisions of the Regulatory Agreement.