

## ARTICLE VIII

OBLIGATIONS, REPRESENTATIONS AND WARRANTIES OF THE GENERAL PARTNER

- 8.1 At or before the Initial Endorsement, General Partner will cause the FHA Commitment to be transferred to the Partnership and will convey and cause to be conveyed to the Partnership, the Property, Plans and Specifications, Engineering, and other documents and work product pertaining to the Project. The General Partner is to be paid for property and other items covered in this paragraph only to the extent funds are available from mortgage proceeds, however, General Partner's interest in the Partnership shall not be increased by such transfers, whether General Partner is paid in full or not for such transfers.
- 8.2 By execution of this Agreement, General Partner warrants to the Partnership that the Project will be completed to the satisfaction of HUD to the extent necessary to cause Final Endorsement to occur, it being understood that the sole responsibility for determining such satisfaction shall rest with HUD and that the occurrence of Final Endorsement shall be conclusive as to General Partner's fulfillment of its warranty to the Partnership.
- 8.3 General Partner shall pay or cause to be paid any and all sums in excess of all "Partnership Funds", as hereinafter defined, available for the following purposes ( i through x ) in this paragraph in order to:
- (i) effect Initial Endorsement
  - (ii) pay the premium for the Mortgagee's and Mortgagor's Title Insurance in the amount of the Mortgage
  - (iii) pay any General Contractor's fee
  - (iv) defray any cost overruns and correct any defects due to faulty materials or workmanship which appear within one year from the date of substantial completion
  - (v) complete the Project to the satisfaction of HUD
  - (vi) pay the cost of preparing the cost certification prior to Final Endorsement
  - (vii) effect Final Endorsement

(NOTE: THE REMAINDER OF THIS PAGE INTENTIONALLY OMITTED)