

- (viii) cause the Partnership, prior to December 31, 1976, to pay a 2-1/2% discount in connection with the mortgage loan transaction
- (ix) cause the Partnership, on the date of Final Endorsement, to be the owner of the Project free and clear of all debts, liens and encumbrances except for the FHA insured note, mortgage, Regulatory Agreement and other items approved by HUD
- (x) make any tax, hazard and mortgage insurance payments and any escrow deposits required under the mortgage

"Partnership Funds" as used in this paragraph shall include:

- (a) the proceeds of the construction - permanent mortgage loan,
- (b) the proceeds of renting the improvements through Final Endorsement, excluding rent security deposits and
- (c) other receipts of the Partnership

- 8.4 In addition to the foregoing, in the event the HUD required audits show a negative cash flow for the Project for the period beginning with the Initial Closing of the Project and ending on December 31, 1978, the General Partner shall reimburse the Partnership by paying to it an amount equal to the amount by which the cash flow is negative; provided that the amount of such reimbursement shall not exceed \$27,000.00.

ARTICLE IX

WITHDRAWAL OF GENERAL PARTNER

9.1 WITHDRAWAL, RESIGNATION, SALE, TRANSFER OR ASSIGNMENT OF A GENERAL PARTNER.

- (a) A General Partner shall have the right to withdraw, resign, sell, transfer or assign its Partnership Interest only after four (4) years, (or Final Endorsement), have elapsed from the date of Initial Endorsement and then only with the approval of seventy (70%) percent in Interest of the Limited Partners.
- (b) In the event that a General Partner withdraws, resigns, sells, transfers or assigns its entire Partnership Interest pursuant to subsection (a) above, such withdrawal, resignation, sale, transfer or assignment shall become effective only if the entire interest of the withdrawing General Partner in the Partnership is transferred to a successor person or entity designated by the General Partner, and
 - (i) The successor person or entity has been approved by seventy percent (70%) in interest of the Limited Partners;
 - (ii) All of the provisions of Sec. 9.2 below have been complied with; and
 - (iii) The successor person or entity has been admitted as a General Partner.

9.2 ADMISSION OF A SUCCESSOR GENERAL PARTNER.

- (a) If the Limited Partners approve the transfer to a successor person or entity Partnership Interest to a General Partner, the successor person or entity shall be admitted as a General Partner of the Partnership if the following terms and conditions are satisfied.
 - (i) If the Regulatory Agreement is in effect, the Federal Housing Administration shall have given its written approval of such transfer;

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