

6. Distributions to Partners.

(a) Allocation of Income. Profits and losses as determined for Federal Income Tax purposes as shown on Form 1065 U. S. Partnership Return of Income shall be allocated fifty (50%) per cent to the General Partner and fifty (50%) per cent to the Limited Partners in proportion to their capital contributions. The profits and losses of the Partnership shall be determined in accordance with generally accepted accounting principles and practices as applicable in the computation of profits and losses as determined for Federal Income Tax purposes.

(b) Distribution of Cash Flow. The net cash flow determined as hereinafter provided shall be distributed at not less than monthly intervals fifty (50%) per cent to the General Partner and forty-nine (49%) per cent to the Limited Partner, John Laing America Inc. and one (1%) per cent to the Limited Partner, Gertrude F. Aulbach, such distributions to be made only when the cash is not required for the efficient operation of the Partnership business.

The term "net cash flow" shall mean the amount by which the cash receipts of the Partnership, whether derived from leases or occupancy agreements covering the apartment complex or any portion thereof, or any other source whatsoever, shall exceed the cash disbursements of the Partnership made in accordance with this Agreement in payment of expenses of the Partnership, debt service, interest to the General Partner and all other obligations of the Partnership.

In the event that as a result of refinancing any mortgage constituting a lien against the real property held by this Limited Partnership, net proceeds in excess of the then remaining unpaid principal balance of the mortgage liens of any nature prior to such refinancing, are received by this Partnership, such net proceeds, which are not expended for improvements to the existing structure within ninety (90) days of receipt thereof or committed to dis-