

STRENGTHMATTERS®



STRENGTH MATTERS Boot Camp on Financial Reporting for Rental Housing Nonprofit Enterprises

Module 7: Transition to Operations, Key Operating Documents

Materials:

- Definitions Section of Restoration Housing's Limited Partnership Agreement
- Section 10 of Restoration Housing's Limited Partnership Agreement
 - Surplus Cash

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RTH RESTORATION HOUSING LIMITED PARTNERSHIP

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP dated as of December 11, 2015, among RTH RESTORATION HOUSING GP, INC., a Massachusetts corporation, as General Partner (the “General Partner”); BANK OF AMERICA, N.A., a national banking association, as Investor Limited Partner (the “Investor Limited Partner”); BANC OF AMERICA CDC SPECIAL HOLDING COMPANY, INC., a North Carolina corporation, as Special Limited Partner (the “Special Limited Partner”); and Riverway CDC Inc., a Massachusetts not for profit corporation, as the Withdrawing Limited Partner (the “Withdrawing Limited Partner”). _____

Preliminary Statement

The Partnership was formed as a limited partnership under the Uniform Act pursuant to Limited Partnership Agreement dated as of March 5, 2015, (the “Original Partnership Agreement”) and a Certificate of Limited Partnership dated as of March 3, 2015 (the “Certificate”) filed with the Office of the Secretary of State of the Commonwealth of Massachusetts (the “Filing Office”) on March 5, 2015.

The purposes of this amendment to, and restatement of, the Original Partnership Agreement are to (i) admit the Investor Limited Partner and the Special Limited Partner as Partners; (ii) provide for the withdrawal of the Withdrawing Limited Partner as Limited Partner; and (iii) to set out more fully the rights, obligations and duties of the Partners.

Now, therefore, it is agreed and certified, and the Original Partnership Agreement is hereby amended and restated in its entirety, as follows:

ARTICLE I

DEFINED TERMS

The defined terms used in this Agreement shall have the meanings specified below:

“121A Documents” means those certain agreements, as assigned to or with the Partnership, including without limitation the Amended and Restated Contract Between Restoration Housing Corporation and the City of Boston Pursuant to Section 6A of Chapter 121A of the Massachusetts General Laws and the 121A Regulatory Agreement, providing a formula for the payment of real estate taxes beginning in 2015 and continuing until September 25, 2020.

“121A Regulatory Agreement” means that certain regulatory agreement under Section 18C of Chapter 121A of the General Laws of the Commonwealth of Massachusetts, by and between Boston Redevelopment Authority, a body politic and corporate and a public instrumentality organized under the laws of the Commonwealth of Massachusetts, and the Partnership dated as of December 11, 2015.

“Accountants” means CohnReznick LLP or any other firm of certified public accountants as may be engaged by the General Partners with the Consent of the Investor Limited Partner.

“Act” means the National Housing Act, as amended from time to time.

“Actual Federal Historic Tax Credit Amount” has the meaning set forth in Section 5.2E.

“Adjusted Aggregate Federal Low Income Tax Credit Amount” means the product of (i) 99.99% and (ii) the aggregate amount of Federal Low Income Tax Credits that is determined by the Accountants, at Cost Certification, to be available to the Property (and is reflected in the final IRS Form(s) 8609 for the Property) for the entire Credit Period, as such amount may be increased or decreased as a result of a subsequent determination by the Accountants, a Final Determination or a Recapture Event.

“Admission Date” means the date on which this Agreement is delivered by all the parties hereto and the Investor Limited Partner is admitted to the Partnership pursuant to Section 13.8.

“Adverse Consequences” means (i) all damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses and fees, including court costs and reasonable attorneys’ fees and expenses actually incurred and paid, or reasonably expected to be paid, by the party suffering the Adverse Consequences in connection with any and all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, and rulings and (ii) the costs of any fees or other compensation to third parties reasonably required in connection with replacement of a General Partner.

“Affiliate” means, when used with reference to a specified Person: (i) any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to the specified Person or of which the specified Person is an officer, partner, or trustee, or with respect to which the specified Person serves in a similar capacity; (iii) any Person that, directly or indirectly, is the beneficial owner of, or controls, 10% or more of any class of equity securities of, or otherwise has a substantial beneficial interest (10% or more) in, the specified Person, or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities, or in which the specified Person has a substantial beneficial interest (10% or more); and (iv) any relative or spouse of the specified Person. Affiliate of the Partnership or a General Partner does not include a Person who is a partner in a partnership or joint venture with the Partnership if that Person is not otherwise an Affiliate of the Partnership or General Partner.

“After-Tax Basis” means with respect to any payment to be received by a Person (or, in the case of a passthrough entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including Taxes, for which the payment to be received is made) imposed currently on such Person by any

Governmental Agency or other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received; *provided, however*, for the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the highest combined marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to corporations from time to time.

“Agreement” means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Appraised Value” means, as of the Determination Date, the estimated fair market value of an asset determined by an Independent Appraiser in accordance with the procedures set forth in Section 7.7F. In determining the Appraised Value of the real estate comprising the Project, such Independent Appraiser shall take into account the rent and occupancy restrictions affecting the Project which are set forth in the Code or in the Project Documents, as well as any increase in real estate taxes which is triggered by the removal of a General Partner.

“Architect” means Davis Square Architects, Inc.

“Asset Management Fee” means an annual fee payable to the Special Limited Partner equal to \$5,000 per year, earned on an annual basis, beginning on the first day of the first month following Permanent Mortgage Commencement (with a pro-rata share of such fee earned for any partial calendar year) and increasing annually at a rate of 3%. The Asset Management Fee is payable solely from available Cash Flow and Capital Transaction Proceeds as provided in Section 10.1A and 10.1B and shall accrue, without interest, until there is sufficient cash available to pay accrued Asset Management Fee as set forth in Section 10.1A and 10.1B.

“Assignment” shall mean any assignment, transfer or sale, and the words “assign,” “assignee” and “assignor” shall have correlative meanings, except in each case where the sense of this Agreement requires a different construction.

“BANA” means Bank of America, N.A., a national banking association.

“Bond Issuer” means Massachusetts Development Finance Agency, as issuer of the Bonds.

“Bond Lender” means Massachusetts Development Finance Agency.

“Bond Loan” means the construction loan from Massachusetts Development Finance Agency to the Partnership in the amount of \$16,800,000, which is made from the proceeds of the Bonds. The Bond Loan shall bear interest at the rate of 1.05% and have a term of 24 months. The Bond Loan is expected to be repaid with a combination of the proceeds of the Permanent Loan and a portion of the Capital Contribution of the Investor Limited Partner.

“Bond Loan Agreement” means the Loan and Trust Agreement dated as of December 1, 2015 by and among the Bond Lender, the Partnership and the Trustee.

“Bond Loan Documents” means the Bond Loan Agreement, the Bond Loan Mortgage, the Bond Loan Regulatory Agreement, the Bond LOC, the Bond LOC Reimbursement Agreement, the Collateral Assignment of Capital Contributions and any other documents entered into by the General Partner on behalf of the Partnership, evidencing the Bond Loan.

“Bond Loan Mortgage” means the mortgage granted by the Partnership to the Bond Lender, to secure the Partnership’s obligations under the Bond LOC Reimbursement Agreement.

“Bond Loan Regulatory Agreement” means the Affordable Housing and Tax Regulatory Agreement dated as of December 11, 2015 by and among the Bond Lender, the Partnership and the Trustee, providing for the treatment of the Project as 3 qualified residential rental projects for bond purposes and describing the long term restrictions to which the Project shall be subject.

“Bond LOC” means the Irrevocable Letter of Credit in the amount of \$16,898,000 issued by the Bond LOC Provider for the benefit of the Bond Lender to secure the obligations of the Partnership under the Bond Loan Documents. The Bond LOC has a term of 24 months.

“Bond LOC Provider” means Bank of America, N.A., and its successors.

“Bond LOC Reimbursement Agreement” means the Letter of Credit, Reimbursement and Security Agreement by and among the Bond LOC Provider and the Borrowers.

“Bonds” means the \$16,800,000 Massachusetts Development Finance Agency Multifamily Housing Revenue Bonds RTH Restoration Housing Limited Partnership Issue, Series 2015.

“Breakeven” means the first day following a specified period of consecutive calendar months commencing on or after Final Closing during each of which, as determined by the Accountants, the Project has produced income (other than rental subsidies) actually received by the Partnership on a cash basis from normal operations plus rental subsidies on an accrual basis at least equal to all cash requirements of the Project on an accrual basis (not including distributions or payments to Partners out of Cash Flow but including all debt service at the greater of actual levels or the levels in effect following Permanent Mortgage Commencement, whether or not Permanent Mortgage Commencement shall have occurred, real estate taxes assuming full assessment and reserve requirements imposed upon the Project by the Project Documents or this Agreement) and, on an annualized basis, all projected expenditures, including those of a seasonal nature, which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation. If free rent or other rental concessions shall have been granted to tenants, the calculation of income pursuant to the preceding sentence shall be adjusted so that the effect of such concessions is amortized equally over the term of all leases (excluding renewal periods) to which it applies. The determination of the Accountants that Breakeven has occurred, in the form attached hereto as **Exhibit F**, shall be subject to confirmation by the Investor Limited Partner pursuant to a physical inspection of the Property to determine, among other things, that there is no deferred maintenance of the Project; provided, however, that in the event that the Investor Limited Partner does not make such physical inspection of the Property within fifteen (15) business days after having received the

Accountants' determination letter, then the Investor Limited Partner will be deemed to have waived the physical inspection requirement and Breakeven shall be deemed to have occurred.

"Builder" means Northeast Interiors, Inc., of Randolph, Massachusetts and its successors.

"Building" or "Buildings" means each of the seventeen (17) existing buildings located on Francis Street, Fenwood Road or St. Albans Street in the Mission Hill neighborhood of Boston, MA containing 81 units in the aggregate, which the Partnership plans to acquire and rehabilitate.

"Capital Account" means, with respect to any Partner, the Capital Account maintained by the Partnership with respect to such Partner, consisting of (i) the amount of cash such Partner has contributed to the Partnership plus (ii) the fair market value of any property such Partner has contributed to the Partnership net of liabilities assumed by the Partnership or to which such property is subject plus (iii) the amount of profits and tax-exempt income allocated to such Partner less (iv) the amount of losses allocated to such Partner less (v) the amount of all cash distributed to such Partner less (vi) the fair market value of any property distributed to such Partner net of liabilities assumed by such Partner or to which such property is subject less (vii) such Partner's share of any other expenditures which are not deductible by the Partnership for federal income tax purposes or which are not allowable as additions to the basis of Partnership property, and subject to such other adjustments as may be required under the Code.

"Capital Contribution" means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner in respect to the Partnership interest of such then Partner. The term "Capital Contribution" shall include any Special Capital Contribution.

"Capital Transaction" means any transaction the proceeds of which are not includable in determining Cash Flow, including without limitation the sale, refinancing or other disposition of all or substantially all of the assets of the Partnership, but excluding loans to the Partnership (other than a refinancing of any Mortgage Loan) and contributions of capital to the Partnership by the Partners.

"Cash Available for Debt Service Requirements" means, for any specified period of consecutive months beginning not earlier than the Completion Date, the excess of (i) all Cash Receipts during such period over (ii) all cash requirements of the Partnership properly allocable to such period of time on an accrual basis (not including distributions or fees to Partners payable solely out of Cash Flow of the Partnership) and, on an annualized basis, all projected expenditures, including those of a seasonal nature which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation, as determined by the Accountants but specifically excluding Debt Service Requirements. For purposes of this definition, (i) cash requirements of the Partnership shall include to the extent not otherwise covered above, full funding of reserves, normal repairs and necessary capital improvements and (ii) if free rent or other rental concessions shall have been granted to tenants, the calculation of rental revenues under clause (i) of the preceding sentence shall be adjusted so that the effect of

such concessions is amortized equally over the term of all leases (excluding renewal periods) to which they apply.

“Cash Flow” means the excess of Cash Receipts over Operating Expenses. Cash Flow shall be determined separately for each Fiscal Year or portion thereof.

“Cash Receipts” means with respect to a Fiscal Year or other applicable period, all rental revenue including amounts received pursuant to the HAP Contract, laundry income, parking revenue, and other incidental revenues which are received by the Partnership on a cash basis during such period and arise from normal operations of the Project but specifically excluding interest on Partnership reserves, proceeds from insurance (other than business or rental interruption insurance), loans, proceeds of a Capital Transaction or Capital Contributions. In addition, any amount released without restriction from any escrow account in a Fiscal Year shall be considered a cash receipt of the Partnership for such Fiscal Year. Also, delayed receipts of housing assistance payments under the HAP Contract will be applied to rental revenue for the month in which such payments were intended; provided, such payments are received within 30 days of the close of such month.

“Certificate” means the certificate of limited partnership of the Partnership under the Uniform Act, as amended from time to time in accordance with the terms hereof and the Uniform Act.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder at the time of reference thereto.

“Collateral Assignment of Capital Contributions” means that certain Collateral Assignment and Pledge of Capital Contributions and Tax Credits of even date herewith made by the Partnership in favor of the Bond LOC Provider.

“Commitments” means and includes, collectively, (i) the Mortgage Loan Commitments, and (ii) any documents and other instruments delivered to or required by the Lenders or any Governmental Agency in connection with any of such commitments, as amended from time to time.

“Completion Date” means the latest of: (i) the date on which the Investor Limited Partner shall have received a certificate evidencing substantial completion from the Architect, a form of which is attached hereto as **Exhibit K**, confirming that occupancy of 100% of the Units in the Project is permitted under local law; *provided, however*, that if such certificate indicates that the permission to occupy is of a temporary nature, the “Completion Date” shall not be deemed to have occurred unless the Architect confirms in its certificate evidencing substantial completion that work remaining to be done is of a nature which would not impair the permanent occupancy of any of such Units; (ii) the date as of which the Construction Inspector certifies that the work to be performed by the Builder under the Construction Contract is substantially complete, subject only to punch list items not in excess of \$100,000 in the aggregate, and that such work has been performed in a good and workmanlike manner in accordance with applicable requirements of all Governmental Authorities having jurisdiction over the Project and the Construction Documents (as certified in the form attached to the Second Installment Payment

Certificate); (iii) the Builder has delivered a lien waiver with respect to work performed and/or materials supplied through the Completion Date and for which it has been paid to date, and (iv) environmental remediation of the Property, if any, has been completed in accordance with the requirements of any Governmental Authority having jurisdiction over the Project. Any representation by any General Partner under this Agreement that the Completion Date has occurred shall be subject to confirmation by the Investor Limited Partner pursuant to a physical inspection of the Property; *provided, however*, that in the event that the Investor Limited Partner does not make such physical inspection of the Property within ten (10) business days after having received any such General Partner's representation, then the Investor Limited Partner will be deemed to have waived the physical inspection requirement.

"Compliance Period" means the entire period during which the "compliance period" described in Section 42(i)(1) of the Code shall be applicable to any Building.

"Condemnation Awards" means any and all judgments, awards of damages (including severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of condemnation of the Property, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any condemnation or threatened condemnation of the Property.

"Consent of the Investor Limited Partner" means the prior written consent or approval of the Investor Limited Partner, or, if at any time there is more than one Investor Limited Partner, the prior written consent or approval of at least 51% in interest of the Investor Limited Partners.

"Construction Contract" means the construction contract between the Partnership and the Builder providing for the construction of the Improvements, as amended from time to time.

"Construction Documents" means the Construction Contract, including, without limitation, the general conditions, project manual (including general requirements and technical specifications, drawings or sketches), the Plans and Specifications, and any addenda thereto, together with all trade contracts pursuant to which construction of the Improvements will be accomplished.

"Construction Inspector" means the Person performing construction review services for the Bond LOC Provider, or such other Person designated from time to time by the Investor Limited Partner. At any time that the Bond LOC Provider is the Investor Limited Partner or an Affiliate thereof, then (i) the Construction Inspector will be the Person designated by the Bond LOC Provider to perform the acts described in the preceding sentence, and (ii) so long as there is no default by the Partnership under the Bond Loan Documents of which the Partnership has been provided notice, then the Partnership and the General Partner will be deemed to have satisfied the obligations of this Agreement with respect to the Construction Inspector.

"Consumer Price Index" means the Consumer Price Index for All Urban Consumers, Boston-Brockton-Nashua, MA-NH-ME-CT for All Items (base 1982-84 = 100) published by the United States Bureau of Labor Statistics. In the event such index is not in existence when any determination relying on such index under this Agreement is to be made, the most comparable governmental index published in lieu thereof shall be substituted therefor.

“Cost Certification” means the submission to, and acceptance by, the Credit Agency of a certified audit by the Accountants of the Partnership’s development and related costs for purposes of establishing the amount of Federal Low Income Tax and Federal Historic Tax Credits available to the Project. A draft of the audit described in the preceding sentence shall be submitted to the Investor Limited Partner for approval prior to submission to the Credit Agency.

“Credit Agency” means DHCD.

“Credit Approval” means the written determination issued pursuant to Section 42(m)(1)(D) of the Code by the Credit Agency and the written determination issued pursuant to Section 42(m)(2)(D) of the Code by the Bond Issuer, both approving Tax Credits for the Project in an amount of not less than \$886,025 per annum.

“Credit Period” means the entire period during which the “credit period” described in Section 42(f)(1) shall be applicable to any Building.

“Debt Service Coverage Ratio” means, for any specified period of consecutive calendar months beginning not earlier than the Completion Date, a fraction, the numerator of which is the Cash Available for Debt Service Requirements with respect to such period and the denominator of which is the Debt Service Requirements for such period. The achievement by the Partnership of a specified Debt Service Coverage Ratio shall be confirmed by the Accountants and shall be subject to independent confirmation by the Investor Limited Partner pursuant to a physical inspection of the Property for the purpose of confirming that the Property is in good condition and repair (ordinary wear and tear excepted); provided, however, that (i) no objection by the Investor Limited Partner to the determination of the Accountants based on its physical inspection of the Property shall be valid unless the General Partner is notified of such objection, and the specific reasons therefor, within seven (7) business days following the completion of such inspection and (ii) in the event that the Investor Limited Partner does not make such physical inspection of the Property within fifteen (15) business days after having received the Accountants’ determination letter, then the Investor Limited Partner will be deemed to have waived the physical inspection requirement.

“Debt Service Requirements” means, for any specified period of consecutive calendar months beginning not earlier than the Completion Date, all must pay debt service, mortgage insurance premium and/or other cash requirements imposed by the Permanent Loan Documents, Tranche A of the Seller Loan or any other indebtedness properly allocable to such period of time on an annualized accrual basis as determined by the Accountants.

“Deferred Development Fee” has the meaning attributed thereto in the Development Agreement.

“Designated Prime Rate” means the annual rate of interest which is at all times equal to the lesser of (i) the highest prime rate as published in the Wall Street Journal (or any comparable publication selected by the Investor Limited Partner in its reasonable discretion if the Wall Street Journal ceases to publish such index) plus 1%, with calculations of interest to be made on a daily basis and on the basis of a three hundred sixty (360)-day year and (ii) the maximum rate permitted by law in the applicable context.

“Designated Proceeds” means the proceeds of the Mortgage Loans, any net rental or other miscellaneous income of the Partnership as of the Completion Date (to the extent not otherwise covered by this Designated Proceeds definition) which is permitted by any applicable Lender or Governmental Agency to be utilized for Development Costs, the Capital Contributions (excluding any Special Capital Contributions and Capital Contributions of the General Partners in excess of the amounts permitted under Section 4.1), and any insurance proceeds arising out of casualties prior to the Development Obligation Date.

“Determination Date” means the last day of the month preceding the month in which the Removal Notice Date occurs.

“Developer” means RTH.

“Development Advances” has the meaning set forth in Section 6.8 of this Agreement.

“Development Agreement” means the Development Agreement of even date herewith between the Partnership and the Developer, as amended.

“Development Amount” has the meaning attributed thereto in the Development Agreement.

“Development Costs” means all costs (including the Development Amount net of the Deferred Development Fee) incurred to (i) acquire the Land and the Building, (ii) complete the rehabilitation of the Improvements or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics’, materialmen’s or similar liens, and equip the Improvements or cause the same to be equipped, all substantially in accordance with the Project Documents and the drawings and specifications forming a part of the Construction Contract, (iii) arrive at Final Closing in substantial conformity with the Project Documents, (iv) discharge all Partnership liabilities and obligations arising out of any casualty giving rise to the receipt of insurance proceeds, (v) pay or provide for all other payments, expenses, escrows or reserves required by this Agreement or by any Lender, Governmental Agency or Partnership creditor to be made, incurred or funded through the Development Obligation Date (other than Operating Expenses incurred through the Development Obligation Date and reserves which are to be funded from other sources), (vi) repay the amount due under the Bond Loan, and (vii) pay all Environmental Compliance Costs and all costs associated with the performance of any radon remediation activities which may be required pursuant to Section 12.1N.

“Development Deficit Loans” has the meaning attributed thereto in Section 6.8 of this Agreement.

“Development Obligation Date” means the date of delivery of the Certificate of Achievement of Development Obligation Date to the Investor Limited Partner in the form attached as **Exhibit G**, which certifies that the following events have occurred: (i) three (3) consecutive calendar months of not less than 93% occupancy of the Units, (ii) the Completion Date, (iii) the Initial Occupancy Date, and (iv) Final Closing.

“Document Schedule” means the Related Agreements identified in **Exhibit B**.

“DOR” means the Massachusetts Department of Revenue.

“Economic Risk of Loss” has the meaning set forth in Treasury Regulation Section 1.752-2.

“Election Notice” has the meaning given to it in Section 5.3B.

“Eligible Basis” has the meaning set forth in Section 42(d) of the Code and the Treasury Regulations thereunder.

“Entity” means any general partnership, limited partnership, limited liability company or partnership, corporation, joint venture, trust, business trust, cooperative or association.

“Environmental Compliance Costs” means all costs necessary to bring the Land and the Project into compliance with all Hazardous Waste Laws.

“Environmental Reports” means the environmental reports listed in **Exhibit H**.

“Event of Bankruptcy” means, as to a specified Person:

(i) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days; or

(ii) the commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of such Person or for any substantial part of his property, or the making by him of any assignment for the benefit of creditors, or the failure of such Person generally to pay his debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing; or

(iii) in the case of a Person who is a General Partner, the voluntary withdrawal of such Person as a General Partner in violation of the terms of this Agreement.

“Expense Reimbursement Contribution” means a Special Capital Contribution in the amount of the actual legal and other professional costs of the Investor Limited Partner incurred in connection with the Investor Limited Partner’s admission to the Partnership, in an amount up to \$93,750. The Investor Limited Partner will make the Expense Reimbursement Contribution concurrent with the payment of the First Installment of its Capital Contribution. The proceeds of the Expense Reimbursement Contribution will be immediately disbursed by the Partnership to pay or to reimburse such expenses of the Investor Limited Partner.

“Extended Use Agreement” means the agreement required to be entered into between the Credit Agency and the Partnership respecting long-term use restrictions and satisfying all of the requirements of Section 42(h)(6) of the Code.

“Federal Historic Tax Credit Application” means the Historic Certification Applications submitted by the Partnership to NPS to obtain the Federal Historic Tax Credit Approvals, including all documentation submitted to NPS concurrently therewith or pursuant thereto.

“Federal Historic Tax Credit Approvals” means, collectively, the Part 1 Approval, the Part 2 Approval and the Part 3 Approval.

“Federal Historic Tax Credits” means the historic tax credits for which the Project is eligible under Section 47 of the Code.

“Federal Low Income Tax Credits” means the tax credits for which the Project is eligible under Section 42 of the Code.

“Federal Tax Credits” means the Federal Historic Tax Credits and the Federal Low Income Tax Credits.

“Final Closing” means the date upon which all of the following events have occurred: (i) the Completion Date and sign off from ISD that the rehabilitation is 100% complete, (ii) Permanent Mortgage Commencement, (iii) the Project’s being free of any mechanics’ or other liens (except for the Mortgages and liens either bonded against in such a manner as to preclude the holder thereof from having any recourse to the Project or the Partnership for payment of any debt secured thereby or affirmatively insured against (in such manner as precludes recourse to the Partnership for any loss incurred by the insurer) by the Title Policy or by another policy of title insurance issued to the Partnership by a reputable title insurance company in an amount satisfactory to Investor Tax Counsel (or by an endorsement of either such title policy)), (iv) the completion by the Accountants of a certified audit, approved by the Investor Limited Partner, of the Partnership’s and the Builder’s rehabilitation costs as a part of Cost Certification, (v) the agreement and acceptance of such Cost Certification by the Lenders and the Governmental Agency to the extent required by the Lenders and the Governmental Agency, (vi) the disbursement of proceeds under the Mortgage Loans has been made in the full amount permitted by such cost certification, (vii) delivery to the Investor Limited Partner of permanent Mortgage Loan Documents in form and substance reasonably acceptable to the Investor Limited Partner (to the extent not previously delivered in connection with Investment Closing), (viii) all amounts due in connection with the construction of the Project have been paid or provided for, including payment of all expenses associated with completing any punch list items outstanding as of the Completion Date, (ix) delivery of a date-down endorsement without a survey exception, and (x) the full funding of any reserves required under the Mortgage Loan Documents and this Agreement.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), (ii) the date on which the Service has entered

into a binding agreement with the Partnership with respect to such issue or on which the Service has reached a final administrative determination with respect to such issue which, whether by law or agreement, is not subject to appeal, (iii) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired, or (iv) the date on which the applicable statute of limitations for raising an issue regarding a federal income tax matter with respect to the Partnership has expired.

“Final Tax Credit Amount” means the amount of Federal Low Income Tax Credits determined by the Accountants promptly following the receipt of Form 8609 with respect to the Project and prior to the Fourth Installment based on all information available at such time including, but not limited to, the Cost Certification prepared by the Accountants in connection with obtaining Form 8609.

“First Full Credit Year” means the first calendar year with respect to which the Partnership actually receives the full (twelve-month) amount of Federal Low Income Tax Credits then reasonably anticipated with respect to all Buildings constituting the Project.

“Fiscal Year” means the twelve-month period which begins on the first day of January and ends on the thirty-first day of December of each calendar year (or ends on the date of final dissolution for the year in which the Partnership is wound up and dissolved).

“General Partners” means, initially, RTH Restoration Housing GP, Inc., and any Person who becomes a General Partner as provided herein. If at any time the Partnership shall have a sole General Partner, the term “General Partners” shall be construed as singular.

“Governmental Agency” means, as applicable, HUD, the Credit Agency, the Bond Issuer and/or any other government agency having jurisdiction over the particular matter to which reference is being made.

“Guarantor” means RTH.

“Guaranty Agreement” means the guaranty of even date herewith, made by the Guarantor in favor of the Investor Limited Partner.

“HAP Contract” means the Housing Assistance Payments Basic Renewal Contract between the Seller and MassHousing dated March 17, 2014 providing rental subsidies under Section 8 of the National Housing Act to 81 Units in the Project until March 16, 2015, the Housing Assistance Payments Basic Renewal Contract between the Seller and MassHousing dated March 17, 2015 providing rental subsidies under Section 8 of the National Housing Act to 81 Units in the Project until March 16, 2016 and the Housing Assistance Payments Renewal Contract for Mark-Up-to-Market Project between the Seller and MassHousing dated December 11, 2015, providing rental subsidies under Section 8 of the National Housing Act to 81 Units in the Project for a period of twenty (20) years, which, pursuant to that certain HAP Contract Assignment, is being assigned to and assumed by the Partnership.

“HAP Contract Assignment” means the Assignment, Assumption and Amendment Agreement by and among the Seller, the Partnership and HUD, dated on or about the date hereof.

“Hazardous Material” means and includes any pollutant or contaminant or any hazardous, toxic or radioactive waste, substance or material, including without limitation those listed in or regulated under any Hazardous Waste Laws, polychlorinated biphenyls, petroleum, petroleum-based or petroleum-derived products, mold, and asbestos or asbestos-containing materials.

“Hazardous Waste Laws” means and includes the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act; the Toxic Substances Control Act and any other federal, state or local statutes, ordinances, regulations or by-laws dealing with Hazardous Material, as the same may be amended from time to time and including any regulations promulgated thereunder.

“HUD” means the Department of Housing and Urban Development of the United States of America and its successors.

“Improvements” means the Buildings and any related facilities to be constructed in accordance with the Project Documents.

“Independent Appraiser” means a firm which is generally qualified to render opinions as to the fair market value of assets such as those owned by the Partnership, which is mutually acceptable to the General Partners and the Special Limited Partner and which satisfies the following criteria:

- (i) such firm is not a Partner, or an Affiliate of the Partnership or any Partner;
- (ii) such firm (or a predecessor in interest to the assets and business of such firm) has been in business for at least five (5) years, and at least one of the principals of such firm has been in the active business of appraising substantially similar assets for at least ten (10) years;
- (iii) such firm has regularly rendered appraisals of substantially similar assets for at least five (5) years on behalf of a reasonable number of unrelated clients, so as to demonstrate reasonable market acceptance of the valuation opinions of such firm;
- (iv) one or more of the principals or appraisers of such firm are members in good standing of an appropriate professional association or group which establishes and maintains professional standards for its members; and
- (v) such firm renders an appraisal to the Partnership only after entering into a contract that specifies the compensation payable for such appraisal.

“Initial Economic Projections” means the economic projections for the Project attached as **Exhibit I**.

“Initial Occupancy Date” shall mean the first date upon which not less than 100% of the Low Income Units in the Project are or have been occupied by Qualified Tenants at least one time under bona fide written leases satisfying the requirements of Section 42 of the Code with terms of not less than one year. The achievement of the Initial Occupancy Date shall be

confirmed by the Management Agent and certified by the General Partners with a copy of such confirmation and certification, together with the rent roll and Tenant Income Certifications for each of the Qualified Tenants, forwarded to the Special Limited Partner. The Initial Occupancy Date will be deemed to have been achieved upon written acknowledgment of such confirmation to the Partnership from the Special Limited Partner. The Special Limited Partner shall have seven (7) Business Days after receipt of the written confirmation from the Manager and General Partners to acknowledge or object to the achievement of the Initial Occupancy Date, and the failure to acknowledge or object to the calculation with such seven (7)-Business Day period shall be deemed to be an acceptance of the calculation by the Special Limited Partner. All objections must be commercially reasonable, and shall be delivered in writing to the General Partners, who shall have a reasonable time to cure such objections to the calculations received from the Special Limited Partner.

“Installment” means any Installment of the Capital Contributions of the Investor Limited Partner referred to in Section 5.1.

“Insurance Proceeds” means the insurance claims under and the proceeds of any and all policies of insurance covering the Property or any part thereof, including all returned and unearned premiums with respect to any insurance relating to such Property, in each case whether now or hereafter existing or arising.

“Interest”, or words of like import, shall mean all the interest of a Partner in Cash Flow and other distributions, capital, profits and losses, tax credits, and otherwise in the Partnership, including all allocations and distributions and all rights under this Agreement, and also shall include such interests and rights of such Partner in any successor Entity formed pursuant to this Agreement.

“Investment Closing” means the date on which this Agreement is delivered by all parties hereto.

“Investor Limited Partner” means, initially, BANA, and shall include any other Persons admitted as an Investor Limited Partner pursuant to Section 4.6 or admitted as a Substitute Limited Partner pursuant to Section 8.2, and their respective successors in such capacity.

“Investor Tax Counsel” means Holland & Knight LLP of Boston, Massachusetts, or other counsel acceptable to the Investor Limited Partner.

“ISD” means City of Boston Inspectional Services Department.

“Land” means the parcels of land on which the Improvements are located in the Mission Hill neighborhood of Boston, Massachusetts, as described in Schedule A of the Title Policy.

“Lender” means the Bond Lender, the Permanent Lender, the Seller or the State Historic Tax Credit Lender, as the context may require.

“Limited Partner” or “Limited Partners” mean any or all of those Persons designated as Limited Partners in the Schedule, any Person admitted as a Limited Partner pursuant to Section 4.6, or any Person who becomes a Substitute Limited Partner as provided herein, in each such

Person's capacity as a Limited Partner of the Partnership. Such terms shall include the Special Limited Partner, the Investor Limited Partner and any Persons who may succeed to the Interests of such Limited Partners.

"Low Income Unit" means any of the 81 Units in the Project which are to be held for occupancy by the Partnership in such manner as to qualify such units as qualified low-income housing units under Section 42(i)(3) of the Code.

"Madison Park" means Madison Park Community Development Corporation, a Massachusetts non-profit corporation.

"Management Agent" means Wingate Management Company, LLC of Newton, Massachusetts, or any successor thereto engaged by the General Partners as the management agent for the Project with the Consent of the Investor Limited Partner.

"Management Agreement" means the management contract or agreement by and between the Partnership and the Management Agent which has received all Requisite Approvals.

"Management Fee" means the amount payable from time to time by the Partnership to the Management Agent for management services in accordance with the Management Agreement which shall be subject to any Requisite Approvals.

"Managing General Partner" means any Managing General Partner designated as provided in Section 6.3B.

"MassHousing" means Massachusetts Housing Finance Agency, its successors and assigns.

"Material Default" has the meaning set forth in Section 7.7B.

"MHC" means the Massachusetts Historical Commission.

"Mortgage" means any mortgage indebtedness of the Partnership evidenced by any Note and secured by any mortgage on the Property from the Partnership to any Lender; and, where the context admits, "Mortgage" shall mean and include any of the mortgages securing said indebtedness and any other documents pertaining to said indebtedness which were required by the Lender as a condition to making such Mortgage Loan. In case any Mortgage is replaced by any subsequent mortgage or mortgages, such term shall refer to any such subsequent mortgage or mortgages. The term "mortgage" means any mortgage, mortgage deed, deed of trust, deed to secure debt or any similar security instrument, and "foreclose" and words of like import include the exercise of a power of sale under a mortgage or comparable remedies.

"Mortgage Loan" means the Bond Loan, the Permanent Loan, the Seller Loan, the State Historic Tax Credit Loan and the Sponsor Loan as the context may require.

"Mortgage Loan Commitments" means and includes the commitments of the Lenders and the Bond LOC Provider to make each of their respective Mortgage Loans.

“Mortgage Loan Documents” means the loan agreements, Notes, Mortgages and other documents evidencing and securing any Mortgage Loan or otherwise entered into connection therewith.

“Net Capital Contribution” means \$11,936,558.

“Net Proceeds” means, when used with respect to any Condemnation Awards or Insurance Proceeds, the gross proceeds from any condemnation or casualty of the Property remaining after payment of all expenses, including reasonable attorneys’ fees, incurred in the collection of such gross proceeds.

“Note” means and includes any promissory note from the Partnership to a Lender evidencing a Mortgage Loan, and shall also mean and include any note supplemental to said original note issued to a Lender or any note issued to a Lender in substitution for any such original note.

“Operating Expense Loan” means a loan to the Partnership pursuant to Section 6.9A which is repayable without interest and only as provided in Article X.

“Operating Expenses” means (i) up to and including the Development Obligation Date, those expenses, properly accruable through such date which may be properly charged as operating expenses of the Project under standard accounting procedures and which are allocable, in accordance with generally accepted accounting principles, to Units for which all requisite approvals for occupancy have been obtained; such operating expenses may include real estate taxes and debt service and mortgage insurance premiums, if any, with respect to the Mortgage Loans (to the extent such operating expenses are not funded out of Designated Proceeds), but shall not include any costs required to be capitalized in accordance with generally accepted accounting principles; and (ii) after the Development Obligation Date, all the costs and expenses of any type incurred incidental to the ownership and operation of the Project, including, without limitation, taxes, capital improvements reasonably deemed necessary by the General Partners and not funded out of any reserves for such, mortgage and bond insurance premiums, if any, and the cost of operations, debt service, maintenance and repairs, and the funding of any reserves required to be maintained by any Lender or Governmental Agency or pursuant to this Agreement, but shall not include (i) repayments of Operating Expense Loans made pursuant to Section 6.9A, (ii) distributions or payments to Partners pursuant to Article X or (iii) any fees or debt service on Loans payable solely from Cash Flow pursuant to Article X.

“Operating Reserve” means the operating reserve described in Section 6.12B.

“Part 1 Approval” means the 17 approvals by NPS of Part 1 of the Federal Historic Tax Credit Application for each address in the Project, pursuant to which NPS has made a determination that the Buildings contribute to the significance of a potential historic district, the Francis Street- Fenwood Road National Register Historic District.

“Part 2 Approval” means the 17 approvals by NPS of Part 2 of the Federal Historic Tax Credit Application for each address in the Project, pursuant to which NPS has made a preliminary determination that the proposed rehabilitation work as described in the Plans and Specifications will satisfy the Interior’s “Standards for Rehabilitation”.

“Part 3 Approval” means the 17 approvals by NPS of Part 2 of the Federal Historic Tax Credit Application for each address in the Project, pursuant to which NPS will make a final determination that the rehabilitation work as completed satisfies the Interior’s “Standards for Rehabilitation”.

“Partner” means any General Partner or Limited Partner.

“Partner Nonrecourse Debt” means any Partnership liability (i) that is considered non-recourse under Treasury Regulation Section 1.1001-2 or for which the creditor’s right to repayment is limited to one or more assets of the Partnership and (ii) for which any Partner or Related Person bears the Economic Risk of Loss.

“Partner Nonrecourse Debt Minimum Gain” means the amount of partner nonrecourse debt minimum gain and the net increase or decrease in partner nonrecourse debt minimum gain determined in a manner consistent with Treasury Regulation Sections 1.704-2(d), 1.704-2(i)(2) and (i)(3) and 1.704-2(k).

“Partnership” means the limited partnership governed by this Agreement as said limited partnership may from time to time be constituted.

“Partnership Counsel” means Klein Hornig LLP of Boston, Massachusetts or such other counsel as the General Partners may designate from time to time as counsel for the Partnership.

“Partnership Management Agreement” means the Partnership Management Agreement between the Partnership and the Managing General Partner pursuant to which the Managing General Partner is to provide certain management services to the Partnership.

“Partnership Management Fee” means the fee payable from time to time by the Partnership to the Managing General Partner for its management services to the Partnership pursuant to the Partnership Management Agreement.

“Partnership Minimum Gain” means the amount determined by computing, with respect to each Partnership Nonrecourse Liability, the amount of gain, if any, that would be realized by the Partnership if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction of such liability, and by then aggregating the amounts so computed. Such computations shall be made in a manner consistent with Treasury Regulation Sections 1.704-2(d) and 1.704-2(k).

“Partnership Nonrecourse Liability” means any Partnership liability (or portion thereof) for which no Partner or Related Person bears the Economic Risk of Loss.

“Payment Certificate” has the meaning given it in Section 5.1B(i).

“Permanent Lender” means the Massachusetts Housing Partnership Fund Board.

“Permanent Loan” means the permanent mortgage loan from the Permanent Lender to the Partnership in the amount of \$7,715,000, bearing interest at the rate of 5.08% and having a term of 16 years and an amortization period of 30 years.

“Permanent Loan Agreement” means the agreement between the Permanent Lender and the Partnership setting forth the terms and conditions upon which the Permanent Loan is being made to the Partnership.

“Permanent Loan Documents” means the Permanent Loan Agreement, Permanent Loan Mortgage, Permanent Loan Note, Permanent Loan Regulatory Agreement and all other documents executed and/or delivered in connection with, evidencing or securing the Permanent Loan.

“Permanent Loan Mortgage” means the mortgage and security agreement granted by the Partnership to the Permanent Lender to secure the Partnership’s obligations under the Permanent Loan Note.

“Permanent Loan Note” means the promissory note in the original principal amount of \$7,715,000 executed by the Partnership to evidence its obligation to repay the Permanent Loan.

“Permanent Loan Regulatory Agreement” means the affordable housing agreement between the Permanent Lender and the Partnership providing for the restrictions to be observed in the operation of the Project, for a period of 16 years.

“Permanent Mortgage Commencement” means the latest to occur of: (i) the repayment of the Bond Loan; (ii) release of the Bond LOC, (iii) commencement of monthly amortization of principal and interest on the Permanent Loan and Tranche A of the Seller Loan, (iv) termination of any construction phase guarantees granted in connection with any Mortgage Loan, and (v) full disbursement of the principal amount of the Permanent Loan, the Sponsor Loan and the State Historic Tax Credit Loan.

“Person” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

“Plans and Specifications” means the plans and specifications for the rehabilitation of the Property approved by the Bond LOC Provider, the Bond Purchaser, the Credit Agency, and the Special Limited Partner, including, without limitation, specifications for materials, and all amendments and modifications thereof, as the same may from time to time be amended with the prior written approval of the Special Limited Partner, *provided, however*, if the Bond LOC Provider is the Investor Limited Partner or an Affiliate thereof, no such approval by the Special Limited Partner will be required if such changes are approved by the Bond LOC Provider.

“Project” or “Property” means the Land and the Improvements.

“Project Documents” means and includes this Agreement, the Construction Contract, the Guaranty Agreement, the Mortgage Loan Documents, the Tax Credit Application, the Credit Approval, the Extended Use Agreement, the Development Agreement, any Regulatory Agreement, the Management Agreement, the Commitments, the HAP Contract, the HAP Contract Assignment, the Section 8 Use Agreement, the 121A Documents and all other documents relating to the Project which are required by, or have been executed in connection with, any of the foregoing documents.

“Projected Aggregate Federal Low Income Tax Credit Amount” means \$8,590,858 which is the product of (i) 99.99% and (ii) the aggregate amount of Federal Low Income Tax Credits expected to be available to the Property during the Credit Period. If, following any determination or redetermination of the Adjusted Aggregate Federal Low Income Tax Credit Amount pursuant to Section 5.2, such amount is different than the Projected Aggregate Federal Low Income Tax Credit Amount, then, for purposes of any subsequent application of Section 5.2, the term “Projected Aggregate Federal Low Income Tax Credit Amount” shall mean the Adjusted Aggregate Federal Low Income Tax Credit Amount, provided that any required adjustment(s), payment(s) or Tax Credit Shortfall Payments have been made pursuant to the provisions of Section 5.2 on account of such difference.

“Purchase Option Agreement” means the Purchase Option Agreement between the Partnership and RTH, of even date herewith.

“Qualified Income Offset Item” means (i) an allocation of loss or deduction that, as of the end of each year, reasonably is expected to be made (a) pursuant to Section 704(e)(2) of the Code to a donee of an interest in the Partnership, (b) pursuant to Section 706(d) of the Code as the result of a change in any Partner’s interest in the Partnership, or (c) pursuant to Regulation Section 1.751-1(b)(2)(ii) as the result of a distribution by the Partnership of unrealized receivables or inventory items and (ii) a distribution that, as of the end of such year, reasonably is expected to be made to a Partner to the extent it exceeds offsetting increases to such Partner’s Capital Account which reasonably are expected to occur during or prior to the Partnership taxable year in which such distribution reasonably is expected to occur.

“Qualified Tenant” means a tenant (i) with income not exceeding the percentage of area gross median income set forth in Section 42(g)(1)(A) or (B) of the Code (whichever is applicable) who leases an apartment unit in the Project under a lease having an original term of not less than twelve (12) months at a rent not in excess of that specified in Section 42(g)(2) of the Code, and (ii) complying with any other requirements imposed by the Project Documents.

“Recapture Event” means an event, as evidenced by a determination thereof by the Accountants or as a result of a Final Determination, which results in a recapture with respect to all or any portion of the Partnership’s Tax Credits and/or which results in a disallowance of any Tax Credits previously claimed by the Partnership.

“Regulations” means the rules and regulations of any Governmental Agency which are applicable to the Project or the Partnership.

“Regulatory Agreement” means any regulatory agreements, affordability restrictions, restrictive covenants or other similar documents entered or to be entered into between or by the Partnership and/or for the benefit of any Lender or Governmental Agency with respect to the Project, as amended from time to time.

“Related Agreements” means each agreement, promissory note, document and certificate referred to in the Document Schedule.

“Related Person” has the meaning set forth in Treasury Regulation Section 1.752-4(b) or any successor regulation thereto.

“Removal Notice” shall have the meaning set forth in Section 7.7.

“Removal Notice Date” shall have the meaning set forth in Section 7.7.

“Requisite Approvals” means any required approvals of the Lender and each Governmental Agency to an action proposed to be taken by the Partnership.

“Retirement” (including the forms “Retire” and “Retired”) means, as to a General Partner, and shall be deemed to have occurred automatically upon, the occurrence of death, adjudication of insanity or incompetence, Event of Bankruptcy, dissolution or voluntary or involuntary withdrawal from the Partnership for any reason. Involuntary withdrawal shall occur whenever a General Partner may no longer continue as a General Partner by law, death, incapacity or pursuant to any terms of this Agreement. A General Partner which is an Entity (an “Entity General Partner”) also will be deemed to have Retired upon the sale or other disposition of a controlling interest in such Entity General Partner. Without limitation of the foregoing, any of the foregoing events occurring as to an individual or Entity which directly or indirectly holds a controlling interest in an Entity General Partner shall also be deemed to constitute the Retirement of any such Entity General Partner. For purposes of this definition, “controlling interest” shall mean the power to direct the management and policies of such Entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Revised Economic Projections” means the economic projections calculated immediately prior to payment of the Fourth Installment using the same assumptions and methodology as the Initial Economic Projections, revised to reflect the actual construction costs and available Federal Low Income Tax Credits, Federal Historic Tax Credits and State Historic Tax Credits at such time and taking into account all other changes from the Initial Economic Projections which affect the amount and timing of benefits, including the month the Project is placed into service for purposes of Section 42 of the Code, the actual rate of lease-up for the Low Income Units, and the actual operating history of the Project.

“Right of First Refusal Agreement” means the Right of First Refusal Agreement of even date herewith between the Partnership and RTH.

“RTH” means Roxbury Tenants of Harvard Association, Inc., a Massachusetts non-profit corporation.

“Schedule” means the Schedule of Partners annexed hereto as **Exhibit A** as amended from time to time and as so amended at the time of reference thereto.

“Section 8 Use Agreement” means the Section 8 Use Agreement dated on or about the date hereof entered into by HUD and Seller in connection with the HAP Contract pursuant to which the Seller has agreed to operate the Project as affordable housing for low-income tenants throughout the term of the HAP Contract.

“Seller” means Restoration Housing Corporation, a Massachusetts non-profit corporation.

“Seller Loan” means the construction and permanent loan in the amount of \$9,980,879 made to the Partnership by the Seller. The Seller Loan has a term of 40 years and will be made to the Partnership in two tranches. “Tranche A” requires monthly payments of principal and interest based on an amortization period of 40 years and will bear interest at 4.150%. “Tranche B” is payable solely from Cash Flow as set forth in Section 10.1A of this Agreement and will bear interest at the rate of 3.8%. The Partnership may use approximately \$255,000 of the proceeds from the receipt of the State Historic Tax Credit Loan to make a payment on Tranche B of the Seller Loan.

“Seller Loan Documents” means the Seller Loan Mortgage, Seller Loan Note and all other documents executed and/or delivered in connection with, evidencing or securing the Seller Loan.

“Seller Loan Mortgage” means the mortgage granted by the Partnership to the Seller to secure the Partnership’s obligations under the Seller Loan.

“Seller Loan Note” means the promissory note in the original principal amount of \$9,980,879 executed by the Partnership to evidence its obligation to repay the Seller Loan.

“Service” means the Internal Revenue Service.

“Special Capital Contribution” means a capital contribution described in and made pursuant to Section 6.9A or Section 6.12 and the expense reimbursement of the actual legal and other professional costs of the Investor Limited Partner as set forth in Section 5.1.

“Special Endorsements” means, collectively, (i) a non-imputation endorsement, (ii) a comprehensive endorsement, (iii) a contiguity endorsement (if the Land consists of more than one parcel), (iv) an access endorsement, (v) a zoning endorsement for improved land (including any applicable parking provisions) unless a zoning opinion satisfactory to the Investor Limited Partner has been provided, (vi) a Fairways endorsement (unless substantially similar coverage is provided under the general policy), (vii) a blanket easement endorsement, (viii) a subdivision endorsement, (ix) a same as survey endorsement, (x) a separate tax lot endorsement, (xi) a maximum loss endorsement, (xii) a restriction, encroachment, minerals endorsement, (xiii) a condominium endorsement (if applicable), and (xiv) any other endorsements reasonably requested by the Special Limited Partner to the extent available in the State, each in a form reasonably acceptable to the Special Limited Partner.

“Special Limited Partner” means Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, and its successors.

“Sponsor Loan” means the loan in the amount of \$1,279,720 to be made by RTH to the Partnership. The Sponsor Loan is expected to be funded after Investment Closing but no later than Permanent Mortgage Commencement. The Sponsor Loan will mature in 2057.

“Sponsor Loan Mortgage” means the mortgage granted by the Partnership to the Sponsor to secure the Partnership’s obligations under the Sponsor Loan Note.

“Sponsor Loan Note” means the promissory note in the amount of \$1,279,720 evidencing the Partnership’s obligation to repay the Sponsor Loan.

“State” means the Commonwealth of Massachusetts.

“State Historic Tax Credit Application” means the Historic Preservation Certification Application submitted by the Partnership to MHC to obtain the State Historic Tax Credit Commitment, including all documentation submitted to MHC concurrently therewith or pursuant thereto.

“State Historic Tax Credit Commitment” means the allocations issued to RTH by MHC on November 12, 2014 for 24 Fenwood Road, 32 Fenwood Road, 36 Fenwood Road, 50 Fenwood Road, 51 Fenwood Road, 52 Fenwood Road, 53 Fenwood Road, and 54 Fenwood Road providing for a conditional reservation of State Historic Tax Credits in the aggregate amount of \$450,000 and the allocations issued to RTH by MHC on August 3, 2015 for each Building in the Project in the amount of \$100,000 each, providing for a conditional reservation of State Historic Tax Credits in the aggregate amount of \$1,700,000. The allocations of State Historic Tax Credits have been made by MHC in connection with the historic rehabilitation of the Project. The General Partner anticipates receiving conditional reservations in the amount of an additional \$300,000 and ultimately claiming approximately \$2,450,000 of State Historic Tax Credits in connection with the historic rehabilitation of the Project. The allocations issued to RTH have been contributed to the General Partner and then to Partnership pursuant to that certain Contribution Agreement by and between RTH and the General Partner dated on or about the date hereof and that certain Contribution Agreement by and between the General Partner and the Partnership dated on or about the date hereof.

“State Historic Tax Credits” means the Massachusetts historic rehabilitation tax credit described in M.G.L. c. 63, §38R.

“State Historic Tax Credit Lender” means Madison Park.

“State Historic Tax Credit Loan” means the permanent loan in the original principal amount of up to \$2,082,500 to be made to the Partnership by Madison Park which loan shall bear interest at the rate of 0.10% and have a term of 42 years. The State Historic Tax Credit Loan will be secured by the State Historic Tax Credit Loan Mortgage, which will be a subordinate mortgage on the Project, and will require payments from available Cash Flow.

“State Historic Tax Credit Loan Agreement” means the State Historic Tax Credit Loan Agreement entered into with respect to the State Historic Tax Credit Loan, dated on or about the date hereof, by and between the Partnership and Madison Park, as amended.

“State Historic Tax Credit Loan Documents” means the State Historic Tax Credit Loan Agreement, the State Historic Tax Credit Loan Mortgage, the State Historic Tax Credit Loan Note, and all other documents or instruments executed and/or delivered in connection with the State Historic Tax Credit Loan, as amended.

“State Historic Tax Credit Loan Mortgage” means the State Historic Tax Credit Loan Mortgage and Security Agreement executed by the Partnership as security for the State Historic Tax Credit Loan, as amended.

“State Historic Tax Credit Loan Note” means the State Historic Tax Credit Loan Promissory Note in the amount of up to \$2,082,500 executed by the Partnership to evidence its obligations to repay the State Historic Tax Credit Loan, as amended.

“Substitute Limited Partner” means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 8.2.

“Supervisory Management Agreement” means the Supervisory Management Agreement of even date herewith between the Partnership and the General Partners pursuant to which the General Partners are to provide certain supplemental management and oversight services with respect to the Project.

“Supervisory Management Fee” means the fee payable to the General Partners under the Supervisory Management Agreement for its services thereunder.

“Tax Credit Application” means the application submitted to the Credit Agency to obtain the Credit Approval, as amended from time to time, including all documentation submitted to the Credit Agency concurrently therewith or pursuant thereto.

“Tax Credit Shortfall Payments” has the meaning attributed thereto in Section 5.2E.

“Tax Credits” means the Federal Low Income Tax Credits, the Federal Historic Tax Credits and the State Historic Tax Credits

“Tenant Income Certification” means a tenant’s initial tax credit certification, including the tenant income certification/certificate of resident eligibility, all sources used in verifying income and assets (including, but not limited to, third party verification, checking and savings accounts, pay stubs, verification of assets, etc.), a copy of one completed lease signed and dated for each building in the Property, and a copy of the first and last page of each lease of each Low Income Unit, showing the start date of the lease and signature of the resident(s) and owner.

“Title Policy” means the ALTA owner’s policy of title insurance issued to the Partnership by Commonwealth Land Title Insurance Company as endorsed to include the Special Endorsements in the amount of \$32,739,657 (which represents the sum of the Investor Limited Partner’s Net Capital Contributions and the maximum principal amount of the permanent Mortgage Loans) and dated not more than ten (10) days prior to Investment Closing.

“TMP” means the General Partner designated as Tax Matters Partner of the Partnership in accordance with Section 6.2.

“Transfer” means any sale, exchange, assignment, encumbrance, hypothecation, pledge, foreclosure, conveyance, gift or other transfer of any kind, whether direct or indirect, voluntary or involuntary. When used as a verb, such term shall mean, voluntarily or involuntarily, to sell,

exchange, assign, encumber, hypothecate, pledge, foreclose, convey in trust, give or otherwise transfer.

“Trustee” means U.S. Bank National Association.

“Uniform Act” means the Revised Uniform Limited Partnership Act as in effect under the laws of the State, as amended from time to time.

“Units” means any of the 81 dwelling units in the Project.

“Urban Edge” means Urban Edge Housing Corporation, a Massachusetts non-profit corporation.

“Withdrawal Purchase Price” shall have the meaning set forth in Section 7.7D.

“Withdrawing Limited Partner” means RTH.

ARTICLE II

CONTINUATION, NAME AND PURPOSE

Section 2.1 Continuation

The parties hereto hereby agree to continue the limited partnership known as RTH Restoration Housing Limited Partnership, which was formed pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office; Agent for Service

A. The Partnership shall continue to be conducted under the name and style set forth in Section 2.1. The principal office of the Partnership shall be at c/o Roxbury Tenants of Harvard Association, Inc., 11 New Whitney Street, Boston, MA 02115. The General Partners may at any time change the location of such principal office and shall give prompt notice of any such change to the Limited Partners.

B. The name and address of the agent of the Partnership for service of process shall be: Roxbury Tenants of Harvard Association, Inc., 11 New Whitney Street, Boston, MA 02115.

Section 2.3 Purpose

The purpose of the Partnership is to acquire, construct, rehabilitate, develop, repair, improve, maintain, operate, manage, lease, dispose of and otherwise deal with the Project in accordance with any applicable Regulations and the provisions of this Agreement. The Partnership shall not engage in any other business or activity. The Partners acknowledge that the shareholders of the General Partner are exempt organizations under Section 501(c)(3) of the Code, engaging in providing low-income housing. In carrying out its duties and responsibilities under this Agreement, the General Partner shall not act, notwithstanding any other provision of

Transfer of Partnership assets for security or mortgage purposes, and may not sell, lease, exchange or otherwise Transfer all or substantially all the assets of the Partnership without the Consent of the Investor Limited Partner. In the event that an Affiliate of BANA shall be ready, willing and able to furnish financing on substantially equivalent terms, the Consent of the Investor Limited Partner to any proposed refinancing of a Mortgage Loan may be conditioned upon the substitution of such Affiliate as the maker of such refinanced Mortgage Loan. Notwithstanding the foregoing, no such Consent shall be required for the leasing of apartments to tenants in the normal course of operations; *provided, however*, unless such Consent is obtained the Partnership shall lease the Project in such a manner as to qualify as a “qualified low-income housing project” under Section 42(g)(1) of the Code, and shall lease all of the Low Income Units to Qualified Tenants.

Section 9.3 Sales Commissions

In connection with the sale of the Property by the Partnership, no Person may receive real estate commissions in excess of that which is reasonable, customary, and competitive with those paid in similar transactions in the same geographic area. Real estate commissions may be paid to an Affiliate of a General Partner.

ARTICLE X

PROFITS, LOSSES AND DISTRIBUTIONS

Section 10.1 Distributions Prior to Dissolution

A. *Distribution of Cash Flow.*

Subject to any Requisite Approvals, (i) net rental income generated through the Completion Date shall be includable in Designated Proceeds and shall be available to the Developer and the General Partners for the purposes and subject to the conditions set forth in the Development Agreement and Section 6.8 hereof, and (ii) subject to the terms of the Mortgage Loan Documents, Cash Flow for each Fiscal Year (or fractional portion thereof) from and after the Completion Date and any Designated Proceeds remaining after payment of all Development Costs (including the Development Amount) shall be distributed within ninety (90) days after the end of each Fiscal Year, in the following order of priority:

First, to the Special Limited Partner as payment of the Asset Management Fee;

Second, to the Investor Limited Partner an amount equal to any amounts contributed by the Investor Limited Partner pursuant to Section 6.4O(iii)(if any);

Third, to the payment of any Deferred Development Fee and any accrued interest thereon;

Fourth, to the payment of the Investor Limited Partner an amount equal to any theretofore unpaid Tax Credit Shortfall Payments;

Fifth, to the payment of the Partnership Management Fee;

Sixth, to the repayment of any Operating Expense Loans and Development Deficit Loans then outstanding;

Seventh, to replenish the Operating Reserve to \$1,197,027;

Eighth, to make payments on “Tranche B” of the Seller Loan in accordance with the terms of the Seller Loan Note, until such Loan is paid in full;

Ninth, to make payments on the Sponsor Loan in accordance with the terms of the Sponsor Loan Note, until such Loan is paid in full;

Tenth, to make payments on the State Historic Tax Credit Loan in accordance with the terms of the State Historic Tax Credit Loan Note, until such Loan is paid in full; and

Eleventh, 99.99% of the balance remaining shall be distributed to the Investor Limited Partner and 0.01% to the General Partner. From and after January 1, 2021, 90% of the balance remaining shall be distributed to the General Partner, first as payment of the Supervisory Management Fee and then as a distribution and 10% shall be distributed to the Investor Limited Partner.

B. Distributions of Capital Transaction Proceeds

Prior to dissolution, if the General Partners shall determine that there are proceeds available for distribution from a Capital Transaction, such proceeds shall be applied and distributed as follows:

First, to discharge, to the extent required by any lender or creditor, the debts and obligations of the Partnership (other than items listed in the ensuing clauses of this Section 10.1B);

Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partners (other than items listed in the ensuing clauses of this Section 10.1B);

Third, to the Limited Partners in an amount equal to, on an After-Tax Basis, the taxes (if any) owed by it (or them) as a result of any income allocation arising out of the Capital Transaction plus any amounts contributed by the Investor Limited Partner pursuant to Section 6.4O(iii)(if any);

Fourth, to the Special Limited Partner, any unpaid Asset Management Fee;

Fifth, to the repayment of any outstanding Deferred Development Fee and any accrued interest thereon;

Sixth, to the Investor Limited Partner an amount equal to any theretofore unpaid Tax Credit Shortfall Payments;

Seventh, to the payment of any outstanding Partnership Management Fee;

Eighth, to the payment of any outstanding Operating Expense Loans and Development Deficit Loans; and

Ninth, 99.99% of the balance remaining shall be distributed to the Investor Limited Partner and 0.01% to the General Partner. From and after January 1, 2021, 90% of the balance remaining shall be distributed to the Investor Limited Partner and 10% shall be distributed to the General Partner.

C. Sharing of Distributions

All distributions to the respective classes of the Partners shall be shared by the members of such classes in accordance with the percentages set forth opposite their respective names on the Schedule, except as otherwise provided in this Agreement.

D. Proceeds from Insurance

Notwithstanding the provisions of Sections 10.1A or 10.1B, if the Partnership receives proceeds from the Title Policy, an insurance policy, or as the result of a casualty or condemnation after payment of debts and obligations of the Partnership, such proceeds shall be applied and distributed to the payment to the Investor Limited Partner of an amount equal to 100% of its Net Capital Contribution less the sum of all Tax Credits received by the Investor Limited Partner and not subject to a Recapture Event; and the balance to the General Partners.

Section 10.2 Distributions Upon Dissolution

A. Upon dissolution and termination, after payment of, or adequate provision for, the debts and obligations of the Partnership, the remaining assets of the Partnership shall be distributed to the Partners in accordance with the positive balances in their Capital Accounts after taking into account all Capital Account adjustments for the Partnership taxable year, including adjustments to Capital Accounts pursuant to Sections 10.2B and 10.3B. Liquidation distributions shall be made by the end of the taxable year in which the liquidation occurs or, if later, within ninety (90) days after the date of liquidation. In the event that a Partner has a negative balance in its Capital Account following the liquidation of the Partnership or its Interest after taking into account all Capital Account adjustments for the Partnership taxable year in which the liquidation occurs, such Partner shall pay to the Partnership in cash an amount equal to the negative balance in its Capital Account. Such payment shall be made by the end of such taxable year (or, if later, within ninety (90) days after the date of such liquidation) and shall, upon liquidation of the Partnership, be paid to recourse creditors of the Partnership or distributed to other Partners in accordance with the positive balances in their Capital Accounts. Notwithstanding the foregoing, the obligation of any Partner to contribute such deficit shall be zero unless and until it shall notify the Partnership in writing of its election to have a different amount (the "Designated Amount") apply, which Designated Amount may be increased or reduced (subject to the provisions of the following sentence) by similar written notice from the Investor Limited Partner at any subsequent date. No such notice shall be effective with respect to any Fiscal Year unless the same shall be given prior to the end of such Fiscal Year. No subsequent reduction to the Designated Amount shall reduce the same below the Partner's deficit