



WESTSIDE ASSOCIATES LIMITED PARTNERSHIP
AMENDED AND RESTATED AGREEMENT AND
CERTIFICATE OF LIMITED PARTNERSHIP

As of June 1, 1990

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**WESTSIDE ASSOCIATES LIMITED PARTNERSHIP
AMENDED AND RESTATED AGREEMENT AND
CERTIFICATE OF LIMITED PARTNERSHIP**

This Amended and Restated Agreement and Certificate of Limited Partnership is made and entered into as of the 1st day of June, 1990, by and among the undersigned parties.

WHEREAS, as of September 6, 1989, Interfaith I, Inc., a Rhode Island corporation ("Interfaith"), and Landex Corporation, a Rhode Island corporation ("Landex"), as General Partners, and Landex and Rhode Island Interfaith Housing, Incorporated, a Rhode Island non-profit corporation ("Interfaith Housing"), as the Initial Limited Partners, executed an Agreement of Limited Partnership (the "Agreement") and a Certificate of Limited Partnership (the "Certificate"), pursuant to the Rhode Island Uniform Limited Partnership Act (the "Act"), for the formation of Westside Associates Limited Partnership (the "Partnership"), which Certificate was subsequently filed in the Office of the Secretary of State of Rhode Island, on September 8, 1989; and

WHEREAS, as of December 28, 1989, the partners of the Partnership executed an Amendment to Partnership Agreement, amending the Agreement by restating Section 13 of the Agreement; and

WHEREAS, as of April 20, 1990, the partners of the Partnership executed a second Amendment to Partnership Agreement and an Amendment to the Certificate of Limited Partnership (the "Certificate Amendment"), which provided for the withdrawal of Landex as a General Partner and as an Initial Limited Partner of the Partnership, and for the admission of BCP Westside, Inc., a Massachusetts corporation ("BCP Westside"), as a General Partner and as an Initial Limited Partner of the Partnership, which Certificate Amendment subsequently was filed in the Office of the Secretary of State of Rhode Island on April 23, 1990; and

WHEREAS, the Partnership has been formed to develop, construct, own, maintain and operate a 40-unit multifamily apartment complex, consisting of 18 two-and three-unit structures located on scattered sites, and intended for rental to individuals and families of low and moderate income, to be known as Westside Apartments, and to be located in the City of Providence, Rhode Island (the "Apartment Complex"); and

WHEREAS, the Partnership has received two construction and permanent mortgage loans for the Apartment Complex from the Rhode Island Housing and Mortgage Finance Corporation ("RIHMFC") as follows: (i) a first mortgage loan in the principal amount of \$1,922,580 (the "Mortgage Loan"), and (ii) a second mortgage loan under RIHMFC's Targeted Loan program in the principal amount of

\$604,621 (the "Second Mortgage Loan"); the initial closing of both the Mortgage Loan and the Second Mortgage Loan occurred on December 28, 1989 (the "Initial Closing"); and

WHEREAS, the parties hereto now desire to enter into this Amended and Restated Agreement and Certificate of Limited Partnership to (i) continue the Partnership; (ii) admit Boston Capital Tax Credit Fund II Limited Partnership, a Delaware limited partnership, to the Partnership as a Limited Partner; (iii) withdraw the Initial Limited Partners from the Partnership; (iv) reassign Interests in the Partnership; and (v) set forth all of the provisions governing the Partnership.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Partnership pursuant to the Act, as set forth in this Amended and Restated Agreement and Certificate of Limited Partnership, which reads in its entirety as follows:

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ARTICLE I
CONTINUATION OF PARTNERSHIP

1.01. Continuation. The undersigned hereby continue the Partnership as a limited partnership under the Act.

1.02. Name. The name of the Partnership is WESTSIDE ASSOCIATES LIMITED PARTNERSHIP.

1.03. Principal Executive Offices; Agent for Service of Process. The principal executive office of the Partnership shall be c/o Boston Capital Properties, Inc., 313 Congress Street, Boston, Massachusetts 02210; the Partnership also shall maintain an office at c/o Rhode Island State Council of Churches, 734 Hope Street, Providence, Rhode Island 02906. The Partnership may change the location of its principal executive office to such other place or places as may hereafter be determined by the Managing General Partner. The Managing General Partner shall promptly notify all other Partners of any change in the principal executive office and/or the other office of the Partnership designated above. The Partnership may maintain such other offices at such other place or places as the General Partners may from time to time deem advisable.

The name of the Agent for service of process is David Gilden, c/o Partridge, Snow & Hahn, One Old Stone Square, Providence, Rhode Island 02903.

1.04. Term. The term of the Partnership commenced as of September 8, 1989, and shall continue until December 31, 2030, unless the Partnership is sooner dissolved in accordance with the provisions of this Agreement.

1.05. Recording of Certificate. Upon the execution of this Amended and Restated Agreement and Certificate of Limited Partnership by the parties hereto, the General Partners shall take all actions necessary to assure the prompt recording hereof as required by the Act, including filing with the Secretary of State of Rhode Island. All fees for filing shall be paid out of the Partnership's assets. The General Partners shall take all other necessary action required by law to perfect and maintain the Partnership as a limited partnership under the laws of the State, and shall register the Partnership under any assumed or fictitious name statute or similar law in force and effect in the State.

ARTICLE II
DEFINED TERMS

In addition to the abbreviations of the parties set forth in the preamble to this Agreement, the following defined terms used in this Agreement shall have the meanings specified below:

"Accountants" means Martin, LaMarca and Co., P.C., of Weymouth, Massachusetts, or such other firm of independent certified public accountants as may be engaged by the General Partners with the consent of the Investment Partnership to prepare the Partnership income tax returns.

"Act" means the Uniform Limited Partnership Act of the State of Rhode Island, being Chapter 7-13 of the General Laws of Rhode Island, 1956, as amended, as amended from time to time during the term of the Partnership.

"Actual Credit" means as of any point in time, the total amount of the Tax Credit actually received by the Partnership.

"Admission Date" means the date upon which the Investment Partnership is admitted to the Partnership.

"Affiliate" means any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with a General Partner, or with another designated Person, as the context may require.

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

"Apartment Complex" means the Land and the 40-unit multifamily rental housing development and other improvements to be constructed, owned and operated thereon by the Partnership, and to be known as Westside Apartments.

"Bankruptcy" or "Bankrupt" as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Act of 1898 or the Bankruptcy Code of 1978 or like provision of law (except if such petition is contested by such Person and has been dismissed within 60 days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of his assets; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such

Person indicates his approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 60 days.

"BCP Westside" means BCP Westside, Inc., a Massachusetts corporation, which is a General Partner of the Partnership.

"BCS" means Boston Capital Services, Inc., a Massachusetts corporation.

"BCTC" means Boston Capital Tax Credit Fund II Limited Partnership, a Delaware limited partnership which is a Limited Partner of the Partnership.

"Boston Capital" means Boston Capital Partners, Inc., a Massachusetts corporation.

"Broker-Dealer" means BCS and other broker-dealers selected by BCS to assist in selling limited partnership interests in the Investment Partnership to investor limited partners.

"Capital Account" means the capital account of a Partner as described in Section 11.05.

"Capital Contribution" means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the Interest of such Partner.

"Capital Transaction" means any transaction the proceeds of which are not includable in determining Cash Flow, including without limitation the disposition, whether by partial sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by all of the Partners), casualty (where the proceeds are not to be used for reconstruction), condemnation, refinancing or similar event of any part of the Apartment Complex, prior to the sale of the Apartment Complex, where the gross proceeds from such sale or event exceed \$50,000.

"Cash Flow" means, with respect to any year or other applicable period, (a) all Revenues received by the Partnership during such period, plus (b) any amounts which the Managing General Partner, with the Consent of RIHMFC and of the Investment Partnership, releases from the Reserve Fund for Replacements as being no longer necessary to hold as part of the Reserve Fund for Replacements, less (i) operating expenses of the Partnership paid from Revenues during the applicable period, (ii) all cash payments made from Revenues during such period to discharge Partnership indebtedness, other than with respect to the Second Mortgage Loan, and (iii) all amounts from Revenues, if any, added to the Reserve Fund for Replacements during such period. In no

event will deductions in determining Cash Flow pursuant to clauses (i) and (ii) above include payments made on account of: the Reporting Fee; amounts due on any Subordinated Loans; and/or the Incentive Partnership Management Fee.

Cash Flow shall be determined separately for each fiscal year and shall not be cumulative. Wherever there is a reference to the distribution of Cash Flow pursuant to the provisions of this Agreement, Cash Flow shall be deemed to be limited to Surplus Cash available for distribution.

"CDBG Grant" means the grant in the amount of approximately \$50,000 anticipated to be obtained by the Partnership from the City of Providence through its Department of Planning and Development.

"Certificate" means this Amended and Restated Agreement and Certificate of Limited Partnership or any certificate of limited partnership or any other instrument or document which is required under the laws of the State to be signed and sworn to by the Partners of the Partnership and filed in the appropriate public offices within the State to perfect or maintain the Partnership as a limited partnership under the laws of the State, to effect the admission, withdrawal or substitution of any Partner of the Partnership, or to protect the limited liability of the Limited Partners as limited partners under the laws of the State.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

"Consent" means the prior written consent or approval of the Investment Partnership and/or any other Partner, as the context may require, to do the act or thing for which the consent is solicited.

"Construction Contract" means the construction contract in the amount of \$1,457,900 (including all exhibits and attachments thereto) entered into between the Partnership and the Contractor, pursuant to which all construction work as to the Apartment Complex, other than the manufacture, delivery and erection of the manufactured housing units, is being performed.

"Construction Management Agreement" means the agreement (including all exhibits and attachments thereto) entered into between the Partnership and the Construction Manager, pursuant to which the Construction Manager is providing management, supervision and oversight services as to all construction work as to the Apartment Complex, and pursuant to which the Partnership is to pay the Construction Manager a fee in the amount of \$86,814 for such services.

"Construction Manager" means Boston Capital Properties, Inc., a Massachusetts corporation and an Affiliate of BCP Westside, which is the construction manager for construction of the Apartment Complex.

"Contractor" means American Building Systems, Inc., a Massachusetts corporation and an Affiliate of BCP Westside, which is the general construction contractor for the Apartment Complex.

"Counsel" or "Counsel for the Partnership" shall mean such attorney or law firm upon which the Investment Partnership and the General Partners shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

"Department" means the State of Rhode Island, through the Executive Department, Governor's Office of Housing, Energy and Intergovernmental Relations, acting through any authorized representative.

"Development Fee" means the fee payable by the Partnership to the General Partners pursuant to Section 8.10(a) of this Agreement.

"Excess Development Costs" means all funds in excess of the aggregate of (i) proceeds of the Mortgage Loan, (ii) proceeds of the Second Mortgage Loan, (iii) not more than \$1,277,759 of the Capital Contributions of the Investment Partnership made to and received by the Partnership, (iv) proceeds of the CDBG Grant, and (v) any and all other funds, excluding Cash Flow, which are available to the Partnership, if and to the extent approved by the Investment Partnership; which are required to (a) complete construction of the Apartment Complex, including the provision of fire-safety chain ladders for all two-story residential structures in the Apartment Complex and rear yard storage sheds for all units in the Apartment Complex, as required by the City of Providence, (b) achieve Substantial Completion, (c) achieve Initial Closing and Final Closing, (d) effect funding of the Mortgage Loan and the Second Mortgage Loan for the Apartment Complex, and (e) pay any applicable loan assessment fees, discounts or other expenses incurred by the Partnership as a result of the occurrence of Final Closing.

"Final Closing" means the occurrence of both of the following: (i) Substantial Completion, and (ii) determination by RIHMFC of the Final Mortgage Amount.

"Final Mortgage Amount" means the aggregate of the principal amounts of the Mortgage Loan and the Second Mortgage Loan as determined by RIHMFC and advanced at or prior to the Final Closing, before any reduction resulting from repayment(s) of principal thereof.

"40-60 Set-Aside Test" means the Minimum Set-Aside Test whereby at least 40% of the units in the Apartment Complex must be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size.

"General Partners" means BCP Westside and Interfaith, and any other Person admitted as a general partner pursuant to this Agreement, and their respective successors pursuant to this Agreement, including particularly the provisions of Section 6.03, 8.01 and 8.11.

"Initial Closing" means December 28, 1989, the date upon which the Mortgage Loan and the Second Mortgage Loan were closed and the first disbursement of proceeds of the Mortgage Loan was made to the Partnership.

"Installment" means an Installment of the Investment Partnership's Capital Contribution paid or payable to the Partnership pursuant to Section 5.01.

"Interest" or "Partnership Interest" means the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of said Act. Such Interest of each Partner shall, except as otherwise specifically provided herein, be that percentage of the aggregate of such benefit or obligation specified by Section 5.01 as such Partner's Percentage Interest.

"Interfaith" means Interfaith I, Inc., a Rhode Island corporation, which is a General Partner of the Partnership.

"Interfaith Housing" means Rhode Island Interfaith Housing, Incorporated, a Rhode Island non-profit corporation.

"Invested Amount" means, as to the Investment Partnership, the aggregate amount of capital contributions made to the Investment Partnership by its investors and attributable to the Partnership, which is an amount equal to the Investment Partnership's paid-in Capital Contributions, less the amount of \$155,238, divided by 73%.

"Investment Partnership" means Boston Capital Tax Credit Fund II Limited Partnership, a Delaware limited partnership which is the Limited Partner of the Partnership.

"Land" means the tracts of land upon which the Apartment Complex will be located, consisting of eighteen (18) scattered sites located in the City of Providence, Rhode Island, and identified as: 566 Potters Avenue, 171 Dexter Street, 145 Hanover Street, 50 Hanover Street, 183 Hanover Street, 187 Hanover Street, 77 Althea Street, 22 Diamond Street, 87 Diamond Street, 31 Diamond Street, 64 Waverly Street, 96 Mawney Street, 110 Benedict Street, 23 Gilmore Street, 27 Gilmore Street, 161 Waldo Street, 143 Waldo Street and 105 Burnett Street (the 105 Burnett Street site has not been acquired by the Partnership as of the date of this Agreement, but is expected to be acquired by the Partnership on or before June 30, 1990).

"Limited Partner" means the Investment Partnership, or any other Limited Partner in such Person's capacity as a limited partner of the Partnership.

"Liquidator" means the General Partners or, if there are none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Partnership upon its dissolution.

"Loan Agreement" means the Construction Loan Agreement with respect to the terms and conditions of the making of the Mortgage Loan and the Second Mortgage Loan which was entered into between RIHMFC and the Partnership at the Initial Closing.

"Low-Income Housing Tax Credit" means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

"Management Agent" means the management and rental agent for the Apartment Complex.

"Management Agreement" means the agreement between the Partnership and the Management Agent providing for the management of the Apartment Complex.

"Managing General Partner" means BCP Westside.

"Manufactured Housing Unit Contract" means the Contract of Sale in the amount of \$1,450,900 (including all exhibits and attachments thereto) entered into between the Partnership and the Manufactured Housing Unit Contractor, pursuant to which the manufacture, delivery and erection of the manufactured housing units for the Apartment Complex is being performed.

"Manufactured Housing Unit Contractor" means Penn Lyon Homes, Inc., a Pennsylvania corporation, which has contracted to manufacture, deliver and erect the manufactured housing units for the Apartment Complex.

"Minimum Set-Aside Test" means the set-aside test selected by the Partnership pursuant to Section 42(g) of the Code with respect to the percentage of units in its Apartment Complex to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Partnership has selected or will select the 40-60 Set-Aside Test as the Minimum Set-Aside Test.

"Mortgage" means the Mortgage given by the Partnership at the Initial Closing in favor of RIHMFC as maker of the Mortgage Loan, constituting a first lien on the Apartment Complex and securing the Mortgage Loan.

"Mortgage Loan" means the non-recourse construction and permanent mortgage loan in the principal amount of \$1,922,580 made to the Partnership by RIHMFC at the Initial Closing, which is evidenced by the Promissory Note given by the Partnership to RIHMFC at the Initial Closing, and which is secured by the Mortgage and other related security documents and financing statements; the Mortgage Loan bears interest at the rate of ten and one-half per cent (10.5%) per annum; interest only is payable until the earlier of November 1, 1990 or the first day of the month next succeeding Substantial Completion (the "Amortization Date"); from and after the Amortization Date, monthly payments of interest and principal, calculated on a 30-year level amortization basis, are due and payable; the Mortgage Loan shall mature, and the entire outstanding balance of principal and all accrued and unpaid interest shall be due and payable, on the date 29 years and 11 months from and after the Amortization Date.

"Net Capital Contribution" means an amount equal to a Partner's paid-in Capital Contribution (but not including any Capital Contribution of any prior Partner), less the aggregate amount of cash distributions, if any, made to such Partner hereunder, and, in the case of the Investment Partnership, less the amount of \$155,238.

"Notice" means a writing containing the information required by this Agreement to be communicated to a Partner and sent by registered or certified mail, postage prepaid, return receipt requested, to such Partner at the last known address of such Partner, the date of registry thereof or the date of the certification receipt therefor being deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Partner actually received by such Partner shall constitute Notice for all purposes of this agreement.

"Operating Deficit" means the amount by which the income of the Partnership from rental payments made by tenants of the Apartment Complex and all other income of the Partnership (other than proceeds of any loans to the Partnership and investment earnings on funds on deposit in the Partnership's Reserve Fund

for Replacements and other such reserve or escrow funds or accounts) for a particular period of time, is exceeded by the sum of all the operating expenses, including all debt service payments due and payable other than with respect to the Second Mortgage Loan, operating and maintenance expenses, deposits into the Reserve Fund for Replacements, any RIHMFC servicing or other recurring fee payments and all other Partnership obligations or expenditures, excluding payments for construction of the Apartment Complex and fees and other expenses and obligations of the Partnership to be paid from the Capital Contributions of the Investment Partnership to the Partnership pursuant to this Agreement, during the same period of time.

"Operating Deficit Letter of Credit" means the letter of credit, in the initial amount of \$96,250, to be delivered by Interfaith pursuant to the provisions of Section 8.18(b).

"Operating Reserve Fund" means that fund to be established by the Partnership, as required by RIHMFC pursuant to the Regulatory Agreement, and described in Section 8.18(a).

"Partner" means any General Partner and any Limited Partner.

"Partnership" means Westside Associates Limited Partnership.

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

"Percentage Interest" means the percentage Interest of each Partner as set forth in Section 5.01.

"Person" means any individual, partnership, corporation, trust or other entity.

"Project Documents" means and includes the Mortgage, the Second Mortgage, the Loan Agreement, the Regulatory Agreement, the RAP Agreement, the RAP Contract, the Management Agreement and all other instruments delivered to (or required by) RIHMFC, and all other documents relating to the Apartment Complex and by which the Partnership is bound, as amended or supplemented from time to time.

"Projected Credit" means Low-Income Housing Tax Credits in the amount of \$104,036 for 1990, \$320,112 per year for each of the years 1991 through 1999, and \$216,076 for 2000, which the General Partners have projected to be the total amount of the Tax Credits which will be available to the Partnership; provided, however, that if the Actual Credit for 1990 is greater than \$104,036, the Projected Credit for the year 2000 shall be reduced by an amount equal to the amount by which the Actual Credit for 1990 exceeds \$104,036.

"RAP Agreement" means the Agreement to Enter Into Rental Assistance Payments Contract dated December 22, 1989, between the Partnership and the Department.

"RAP Contract" means the Rental Assistance Payments Contract to be entered into between the Partnership and the Department at or prior to the Final Closing, pursuant to the RAP Agreement; pursuant to the RAP Contract, the Department is to be obligated to provide rental assistance payments to the Partnership, with respect to eligible tenants residing in all forty (40) units in the Apartment Complex, for a term of not less than twenty (20) years, in the initial annual amount of up to \$267,168.

"Regulatory Agreement" means the Regulatory Agreement entered into at the Initial Closing between the Partnership and RIHMFC setting forth certain terms and conditions under which the Apartment Complex is to be operated.

"Rent Restriction Test" means the test pursuant to Section 42 of the Code whereby the gross rent charged to tenants of the low-income units in the Apartment Complex cannot exceed 30% of the qualifying income levels of those units.

"Reporting Fee" means the fee payable by the Partnership to Boston Capital pursuant to Section 5.06.

"Reserve Fund for Replacements" means the reserve fund for replacements with respect to the Apartment Complex as is required by RIHMFC pursuant to the Regulatory Agreement.

"Revenues" means all cash receipts of the Partnership during any period except for Capital Contributions, proceeds from the liquidation, sale or refinancing of Partnership property or of a Capital Transaction, or the proceeds of any loan to the Partnership.

"RIHMFC" means the Rhode Island Housing and Mortgage Finance Corporation, a corporation, instrumentality and agency of the State of Rhode Island, which is the lender as to the Mortgage Loan and as to the Second Mortgage Loan, and which is the applicable authority and agency of the State for the allocation of Tax Credits.

"Sales Preparation Fee" means the fee payable by the Partnership to the General Partners pursuant to Section 8.11 of this Agreement.

"Second Mortgage" means the Junior Mortgage given by the Partnership at the Initial Closing in favor of RIHMFC as maker of the Second Mortgage Loan, constituting a second lien on the Apartment Complex, junior and subordinate to the Mortgage, and securing the Second Mortgage Loan.

"Second Mortgage Loan" means the non-recourse construction and permanent mortgage loan in the principal amount of \$604,621 made to the Partnership by RIHMFC at the Initial Closing pursuant to RIHMFC's Targeted Loan program, which is evidenced by the Targeted Loan Promissory Note given by the Partnership to RIHMFC at the Initial Closing, and which is secured by the Second Mortgage and other related security documents and financing statements; the Second Mortgage Loan is without interest; annual payments on account of principal of the Second Mortgage are due and payable from and to the extent of Cash Flow for the preceding fiscal year of the Partnership; the entire outstanding balance of principal shall be due and payable on the date 29 years and 11 months from and after the Amortization Date.

"State" means the State of Rhode Island.

"State Designation" means, with respect to the Apartment Complex, the allocation by RIHMFC of Low-Income Housing Tax Credits, as evidenced by the receipt by the Partnership of IRS Form 8609s executed by RIHMFC as to all Units in the Apartment Complex.

"Subordinated Loan" means any loan made by the General Partners to the Partnership pursuant to Section 8.17.

"Substantial Completion" means the date that the Partnership receives all necessary certificates of occupancy from the applicable governmental jurisdiction(s) or authority(ies) for one hundred per cent (100%) of the apartment units in the Apartment Complex.

"Substitute Limited Partner" means any Person admitted to the Partnership as a Limited Partner pursuant to Section 9.03.

"Surplus Cash" means any cash from all sources remaining at the end of an annual fiscal period (i) after the payment (on a thirty day current basis) of (a) all sums due or currently required to be paid under the terms of the Mortgage Loan, (b) any amounts required by RIHMFC to be deposited in the Reserve Fund for Replacements, and (c) all obligations of the Apartment Complex, including operating expenses and escrow deposits for taxes and insurance, other than the Mortgage Loan and the Second Mortgage Loan; and (ii) after the segregation of (a) an amount equal to the aggregate of all special funds required to be maintained by the Apartment Complex, and (b) all tenant security deposits held, together with accrued interest thereon payable to the tenant pursuant to the laws of the State.

"Tax Credit" means the Low-Income Housing Tax Credit.

"Tax Credit Set-Aside" means December 27, 1989, the date upon which RIHMFC issued a Tax Credit reservation to the Partnership with respect to the Apartment Complex.

ARTICLE III
PURPOSE AND BUSINESS OF THE PARTNERSHIP

3.01. Purpose of the Partnership. The Partnership has been organized exclusively to acquire the Land and to develop, finance, construct, own, maintain, operate and sell or otherwise dispose of the Apartment Complex, in order to obtain long-term appreciation, cash income, Tax Credits and tax losses.

3.02. Authority of the Partnership. In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership, including but not limited to the following:

(a) acquire ownership of the Land on which the Apartment Complex is to be located;

(b) construct, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Apartment Complex;

(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the RAP Contract, Regulatory Agreement and the Loan Agreement so long as the RAP Contract, Regulatory Agreement and the Loan Agreement, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership;

(e) borrow money and issue evidences of indebtedness in furtherance of the Partnership business and secure any such indebtedness by mortgage, pledge, or other lien, provided, however, that the Mortgage Loan and the Second Mortgage Loan and any evidences of indebtedness thereof and any documents amending, modifying or replacing them or either of them shall have the legal effect that the Partnership and the Partners shall have no personal liability for the repayment of the principal of or payment of interest on the Mortgage Loan, the Second Mortgage Loan or other such indebtedness, and that the sole recourse of any lender with respect to the principal thereof and interest thereon shall be to the property securing the Mortgage Loan, the Second Mortgage Loan or other such indebtedness, except to the extent otherwise provided in the

documents evidencing and securing the Mortgage Loan and the Second Mortgage Loan, and in the Loan Agreement and the Regulatory Agreement;

(f) maintain and operate the Apartment Complex, including hiring the Management Agent (which Management Agent may be any of the Partners or an Affiliate thereof) and entering into any agreement for the management of the Apartment Complex during its rent-up and after its rent-up period;

(g) subject to the approval of RIHMFC, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Partnership, or for the refinancing of any mortgage loan on the property of the Partnership;

(h) enter into the Loan Agreement and the Regulatory Agreement with RIHMFC providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) enter into the RAP Agreement and the RAP Contract with the Department, providing for rental assistance payment with respect to all dwelling units in the Apartment Complex;

(j) rent dwelling units in the Apartment Complex from time to time, in accordance with the provisions of the Code applicable to Low-Income Housing Tax Credits and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Apartment Complex, and distributing the net proceeds to the Partners, subject to any requirements which may be imposed by the RAP Contract, Regulatory Agreement and/or the Loan Agreement; and

(k) do any and all other acts and things necessary or proper in furtherance of the Partnership business.

3.03. RIHMFC Provisions. Notwithstanding any other provisions of this Agreement, the following will take precedence:

(a) all provisions of the Mortgage, the Second Mortgage, the Loan Agreement, the Regulatory Agreement, the RAP Agreement, the RAP Contract, and all other documents and agreements entered into with, or delivered to, RIHMFC in conjunction with the Apartment Complex, the Mortgage Loan and/or the Second Mortgage Loan, and all rights, duties and

obligations of the Partnership, the General Partners and either of them under or pursuant to the aforesaid documents and agreements shall remain in full force and effect; and

(b) in the event that any provision of this Agreement in any way conflicts with or contradicts any provision of any of the documents referred to in Section 3.03(a) immediately above, the terms of such document(s) and/or agreement(s) entered into with, or delivered to, RIHMFC shall prevail and govern.

The foregoing provisions of this Section 3.03 will automatically become void and of no further force and effect with respect to RIHMFC at such time as neither the Mortgage Loan nor the Second Mortgage Loan is being provided by RIHMFC.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS;
DUTIES AND OBLIGATIONS

4.01. Representations, Warranties and Covenants Relating to the Apartment Complex and the Partnership. As of the date hereof, the General Partners, jointly and severally, hereby represent, warrant and covenant to the Partnership and to the Partners that:

(a) the construction and development of the Apartment Complex has begun and shall be completed in a timely and workmanlike manner in accordance with (i) all applicable requirements of the Loan Agreement, the Regulatory Agreement, the RAP Contract, the Mortgage Loan and the Second Mortgage Loan, (ii) all applicable requirements of all appropriate governmental entities, including the provision of fire-safety chain ladders for all two-story residential structures in the Apartment Complex and rear yard storage sheds for all units in the Apartment Complex, as required by the City of Providence, and (iii) the plans and specifications of the Apartment Complex that have been approved by RIHMFC and any other applicable governmental entities, as such plans and specifications may be changed from time to time with the approval of RIHMFC and any other applicable governmental entities, if such approval shall be required;

(b) at the time of commencement of construction, at Initial Closing and as of the date hereof, the Land was and is properly zoned for the Apartment Complex, they have obtained all consents, permissions and licenses required by all applicable governmental entities, and the Apartment Complex conformed and conforms to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations;

(c) all appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently available and will be operating properly for all units in the Apartment Complex at the time of first occupancy of such units;

(d) at Initial Closing and as of the date hereof, good and marketable fee simple title to the Apartment Complex was and is held by the Partnership, and title insurance policies of a financially responsible institution acceptable to RIHMFC, in the amount of the land value and to be increased from time to time during the construction period up to the amount of the replacement cost of the Apartment Complex, which amount shall not be less than the aggregate of the principal amounts of the Mortgage Loan and the Second Mortgage Loan and the Capital Contributions of the General

Partners and the Investment Partnership (as to the Partnership) and in the amount of the land value and to be increased from time to time during the construction period up to an amount equal to the aggregate of the principal amounts of the Mortgage Loan and the Second Mortgage Loan (as to RIHMFC), in favor of the Partnership and RIHMFC, respectively, were issued on or before Initial Closing, and shall remain in full force and effect, subject only to such easements, covenants, restrictions and such other standard exceptions as are normally included in owner's or mortgagee's title insurance policies and which are acceptable to RIHMFC;

(e) there is and shall be no direct or indirect personal liability of the Partnership or of any of the Partners for the repayment of the principal of or payment of interest on the Mortgage Loan or the Second Mortgage Loan, and the sole recourse of RIHMFC under the Mortgage Loan with respect to the principal thereof and interest thereon, and under the Second Mortgage Loan with respect to the principal thereof, shall be to the property securing the indebtedness;

(f) neither they nor either of them are aware of any default under any agreement, contract, lease, or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or threatened against them, or either of them, the Apartment Complex or the Partnership, or related to the business or assets of the Partnership or of the Apartment Complex, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Partnership or of the Apartment Complex;

(g) neither they nor any Affiliate of them nor the Partnership, have entered, or shall enter, into any agreement or contract for the payment of any Mortgage Loan or Second Mortgage Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guarantee of payment of any such interest charges or financing fees relating to the Mortgage Loan or the Second Mortgage Loan; in no event will they or the Partnership enter into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) which would subject the Partnership or any of the Partners to personal liability as to the Mortgage Loan and/or the Second Mortgage Loan;

(h) the execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this

Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Partnership or them or either of them or their Affiliates, any provision of any indenture, agreement, or other instrument to which the Partnership or they or either of them is a party or by which the Partnership or the Apartment Complex is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Apartment Complex;

(i) the Construction Contract has been entered into between the Partnership and the Contractor, the Manufactured Housing Unit Contract has been entered into between the Partnership and the Manufactured Housing Unit Contractor, and the Construction Management Agreement has been entered into between the Partnership and the Construction Manager; no other consideration or fee shall be paid to the Contractor, to the Manufactured Housing Unit Contractor or to the Construction Manager, as applicable, other than the amounts set forth in the Construction Contract, the Manufactured Housing Unit Contract and the Construction Management Agreement, as applicable;

(j) 100% payment and performance bonds issued by a nationally, financially recognized bonding company and in forms acceptable to RIHMFC in amounts satisfactory to RIHMFC (or such other assurance(s) as is(are) acceptable to RIHMFC), were obtained by the Contractor and the Manufactured Housing Unit Contractor at or before Initial Closing or the commencement of construction of the Apartment Complex, and shall remain in full force and effect under terms and conditions as shall be acceptable to RIHMFC;

(k) At Initial Closing, at the time of commencement of construction of the Apartment Complex and as of the date hereof, a builder's risk insurance policy, as required by RIHMFC, in favor of the Partnership, was and is in full force and effect, and at the time of initial occupancy of the Apartment Complex, fire and extended coverage insurance for the full replacement value of the Apartment Complex (excluding the value of the Land, site utilities, landscaping and foundations) and worker's compensation and public liability insurance, all in favor of the Partnership, will be in full force and effect and will be kept in full force and effect during the term of the Partnership; all such policies shall be in amounts and with insurers satisfactory to RIHMFC, and shall be paid for out of Partnership assets; at all times they, on behalf of the Partnership, will maintain not less than \$1,000,000 of liability insurance covering the Land and the Apartment Complex;

(l) neither they, nor either of them on behalf of the Partnership, nor the Partnership have incurred any financial responsibility with respect to the Apartment Complex prior to the date of execution of this Agreement, other than that disclosed to the Investment Partnership;

(m) at the time of acquisition by the Partnership of the Land, the time of execution of this Agreement, at Initial Closing and at Final Closing, the Partnership was, is and will continue to be a valid limited partnership, duly organized under the laws of the State, had, has and shall continue to have full power and authority to acquire the Land and to develop, construct, operate and maintain the Apartment Complex in accordance with the terms of this Agreement, and had taken and shall continue to take all action under the laws of the State and any other applicable jurisdiction that is necessary to protect the limited liability of the Limited Partners and to enable the Partnership to engage in its business;

(n) no restrictions on the sale or refinancing of the Apartment Complex, other than the restrictions set forth in the Regulatory Agreement, the RAP Contract and the Loan Agreement, exist as of the date hereof, and no such restrictions shall, at any time while the Investment Partnership is a Limited Partner, be placed upon the sale or refinancing of the Apartment Complex;

(o) the Apartment Complex is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating Low-Income Housing Tax Credits under Section 42 of the Code;

(p) the Projected Credits applicable to the Apartment Complex are Low-Income Housing Tax Credits in the amounts of \$104,036 for 1990, \$320,112 per year for each of the years 1991 through 1999, and \$216,076 for 2000; provided, however, that if the Actual Credit for 1990 is greater than \$104,036, the Projected Credit for the year 2000 shall be reduced by an amount equal to the amount by which the Actual Credit for 1990 exceeds \$104,036; and

(q) the transfer of all right, title and interest of Landex in and to an Interest in the Partnership and in and to the Apartment Complex and the Project Documents by Landex to BCP Westside has been completed; neither Landex nor any affiliate thereof nor any other third party has any interest in or claim against the Partnership, the Apartment Complex or the Project Documents; and all required approvals of such transfer by Landex to BCP Westside, including particularly the approvals of RIHMFC and the Department, have been obtained.

4.02. Duties and Obligations Relating to the Apartment Complex and the Partnership. The General Partners, jointly and severally, shall have the following duties and obligations with respect to the Apartment Complex and the Partnership:

(a) all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Apartment Complex to initially qualify, and to continue to qualify, for Tax Credits, including all requirements set forth in the Regulatory Agreement, (ii) issuance of all necessary certificates of occupancy, including all governmental approvals required to permit occupancy of all of the apartment units in the Apartment Complex, (iii) Final Closing, (iv) execution and delivery of the RAP Contract and of all annual amendments thereof throughout the term of the RAP Contract, and (v) compliance with all provisions of the Project Documents;

(b) while conducting the business of the Partnership, they shall not act in any manner which they know or should have known after due inquiry will (i) cause the termination of the Partnership for federal income tax purposes without the Consent of the Investment Partnership, or (ii) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation;

(c) the Apartment Complex shall be managed upon Substantial Completion so that (i) no less than eighty per cent (80%) of the gross income from the Apartment Complex in every year is rental income from dwelling units in the Apartment Complex used to provide living accommodations not on a transient basis and (ii) the rental of all units in the Apartment Complex comply with the tenant income limitations and other restrictions under the Rent Restriction Test and as set forth in the Regulatory Agreement and the Loan Agreement;

(d) they shall exercise good faith in all activities relating to the conduct of the business of the Partnership, including the development, operation and maintenance of the Apartment Complex, and they shall take no action with respect to the business and property of the Partnership which is not reasonably related to the achievement of the purpose of the Partnership;

(e) all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Apartment Complex, as well as (ii) the rents, revenues and profits earned from the operation of the Apartment Complex, will be free and clear of all security interests and encumbrances except for the Mortgage Loan, the Mortgage, the Second Mortgage Loan, the Second Mortgage, and any additional security agreements executed in connection therewith;

(f) they will execute on behalf of the Partnership all documents necessary to elect, pursuant to Sections 732, 743 and 754 of the Internal Revenue Code of 1954, as amended, to adjust the basis of the Partnership's property upon the request of the Investment Partnership, if, in the sole opinion of the Investment Partnership, such election would be advantageous to the Investment Partnership;

(g) they, jointly and severally, guaranty the repayment by the Partnership of any Credit Recovery Loan from the Investment Partnership to the Partnership made pursuant to Section 5.01(d)(iii), and payment by the Partnership of the Development Fee pursuant to the terms of Section 8.10(a), to the extent that any Installment(s) are insufficient therefor;

(h) they and each of them, shall, during and after the period in which they or any of them is a Partner, provide the Partnership with such information and sign such documents as are necessary for the Partnership to make timely, accurate and complete submissions of federal and state income tax returns; and

(i) they and each of them shall use their best efforts to obtain the CDBG Grant as promptly as practicable and, in any event, at such time as the proceeds thereof shall be available to the Partnership at or prior to the Final Closing.

ARTICLE V
PARTNERS, PARTNERSHIP INTERESTS
AND OBLIGATIONS OF THE PARTNERSHIP

5.01. Partners, Capital Contributions and Partnership Interests.

(a) The General Partners, their principal addresses or places of business, their Capital Contributions and their Percentage Interests are as follows:

BCP Westside, Inc. c/o Boston Capital Properties, Inc. 313 Congress Street Boston, MA 02210	\$ 1.00	0.50%
Interfaith I, Inc. 734 Hope Street Providence, Rhode Island 02906	\$ 1.00	0.50%

(b) The Limited Partner, its principal office or place of business, its Capital Contribution and its Percentage Interest is as follows:

Boston Capital Tax Credit Fund II Limited Partnership c/o Boston Capital Associates II Limited Partnership 313 Congress Street Boston, MA 02210	\$1,777,738, as more specifically set forth in subparagraph (c) immediately below	99.00%
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(c) Subject to the provisions of this Agreement, including without limitation, the provisions of Sections 5.01(d), 5.01(e) and 5.03, the Investment Partnership shall be obligated to make Capital Contributions to the Partnership in the aggregate amount of \$1,777,738 in two installments (the "Installments"), which Installments shall be due and payable in cash by the Investment Partnership, solely from Capital Contributions of its investor limited partners to the Investment Partnership, as follows:

(i) \$1,422,490 upon the latest to occur of (A) the Initial Closing, or (B) Tax Credit Set-Aside, or (C) the Admission Date (the "First Installment"); and

(ii) \$355,248 upon the latest to occur of (A) the date upon which RIHMFC approves disbursement of the Development Fee, or (B) the

Final Closing, or (C) the delivery of the Operating Deficit Letter of Credit pursuant to Section 8.18(b) (the "Second Installment").

As a condition precedent to payment of the Second Installment as set forth above, the General Partners shall, not less than twenty (20) days nor more than thirty (30) days prior to the time such Installment is due, give the Investment Partnership Notice in the form of a written certification that: (A) the representations, warranties and covenants given by the General Partners in Section 4.01(a) are valid and accurate in all material respects, where still applicable, with respect to the General Partners, the Partnership and/or the Apartment Complex, as of the date of such certificate, and (B) to the best of their knowledge, after due inquiry, no condition exists which would, pursuant to Section 5.03, entitle the Investment Partnership to withhold the payment of such Installment. Based upon the giving of such Notice, such Installment shall be made on the due date therefor, or if such Notice is not timely given, then within twenty (20) days after receipt of such Notice.

The Investment Partnership hereby Consents to the pledge by the Partnership of its rights to the Second Installment to a financial institution or other Person, subject to the terms and conditions of this Agreement, as collateral security for a borrowing by the Partnership, subject only to the giving by the Partnership of Notice to the Investment Partnership of such proposed borrowing.

(d) (i) Upon the occurrence of State Designation, if the aggregate amount of Tax Credits allocated by the Agency with respect to the Apartment Complex is less than the aggregate amount of the Projected Credits (the "Allocation Differential"), then the Capital Contribution of the Investment Partnership shall be reduced by the "Adjustment Amount". The Adjustment Amount shall be equal to the Allocation Differential multiplied by a fraction the numerator of which is the amount of the Capital Contributions of the Investment Partnership pursuant to Section 5.01(c) above, and the denominator of which is ninety-nine per cent (99%) of the aggregate amount of the Projected Credits. Any such reduction in Capital Contribution shall be applied to reduce the Second Installment; provided, however, that if the Second Installment shall have been paid, such reduction in Capital Contribution shall be implemented by the payment by the General Partners to the Partnership of the entire amount of such reduction, and the immediate payment of such amount by the Partnership to the Investment Partnership, promptly after demand is made therefor. In the event that there is a reduction in Capital Contributions equal to the Adjustment Amount, then the amount of the Projected Credits shall be reduced to reflect the Allocation Differential, and thereafter shall be referred to as the "Revised Projected Credits".

(ii) If at any time the Accountants determine that, for any fiscal year or portion thereof during the Partnership's operation, ending on the date five (5) years from and after the later of the date upon which the first building in the Apartment Complex is placed in service for the purposes of Section 42 of the Code, or the Admission Date (the "Reduction Period"), the Actual Credit for such fiscal year or portion thereof is less than the Projected Credit, or the Revised Projected Credit, if applicable, applicable to such fiscal year or portion thereof, then the Capital Contribution of the Investment Partnership shall be reduced by the Reduction Amount. The "Reduction Amount" shall be equal to the difference between the Projected Credit, or the Revised Projected Credit, if applicable, and the Actual Credit, multiplied by a fraction the numerator of which is the amount of the Capital Contributions of the Investment Partnership pursuant to Section 5.01(c) above (as modified pursuant to Section 5.01(d)(i) above, if applicable), and the denominator of which is ninety-nine per cent (99%) of the aggregate amount of the Projected Credits, or the Revised Projected Credits, if applicable. The entire amount of any such reduction of Capital Contributions of the Investment Partnership shall be paid by the General Partners to the Partnership, and such amount shall immediately thereafter be paid by the Partnership to the Investment Partnership, promptly after demand is made therefor.

(iii) In the event that, for any reason, at any time after the Reduction Period, the amount of the Actual Credit shall be less than the Projected Credit (or the Revised Projected Credit, if applicable) with respect to any fiscal year during the Partnership's operation (such difference being hereinafter referred to as a "Credit Shortfall"), the Investment Partnership shall be treated as having made a constructive advance to the Partnership with respect to such year (a "Credit Recovery Loan"), which shall be deemed to have been made on January 1 of such year, in an amount equal to the sum of (A) the Credit Shortfall for such year plus (B) the amount of any recapture, interest or penalty payable by the limited partners of the Investment Partnership (assuming pass-through of all such liability in the year incurred and a tax rate equal to the maximum individual rate applicable in such year) as a result of the Credit Shortfall for such year. Credit Recovery Loans shall be deemed to bear simple (not compounded) interest, from the respective dates on which such principal advances are deemed to have been made under this Section 5.01(d)(iii) at 6% per annum. Credit Recovery Loans shall be repayable by the Partnership as provided in Section 11.04(c).

(e) Without the Consent of all of the Partners, no additional Persons may be admitted as additional Limited Partners and Capital Contributions may be accepted only as and to the extent expressly provided for in this Article V.

5.02. Return of Capital Contribution. Except as provided in this Agreement, no Partner shall be entitled to demand or receive the return of his Capital Contribution.

5.03. Withholding of Capital Contribution Upon Default. In the event that: (a) the General Partners, or either of them, or any successor General Partner shall not have substantially complied with any material provisions under this Agreement, or (b) any financing commitment of RIHMFC or any other lender, or any agreement entered into by the Partnership for financing or for rental assistance payments related to the Apartment Complex shall have terminated prior to their respective termination date(s), or (c) foreclosure proceedings shall have been commenced against the Apartment Complex, then the Partnership and the General Partners shall be in default of this Agreement, and the Investment Partnership, at its sole election, may withhold payment of any Installment otherwise payable to the Partnership.

All amounts so withheld by the Investment Partnership under this Section 5.03 shall be promptly released to the Partnership only after the General Partners or the Partnership have cured the default giving rise to the withholding, as demonstrated by evidence reasonably acceptable to the Investment Partnership.

5.04. Legal Opinions. As a condition precedent to payment of the First Installment, the Investment Partnership shall have received the opinions of Partridge, Snow and Hahn, of Providence, Rhode Island, counsel to the Partnership and to Interfaith (as to items (a), (b), (d), (e - as to Interfaith), (f) and (g - as to the Partnership and Interfaith)), and of Peabody & Brown, of Boston, Massachusetts, counsel to BCP Westside (as to items (c), (e - as to BCP Westside) and (g - as to BCP Westside)), which opinions shall explicitly state that Kelley Drye & Warren, of Washington, D.C., counsel to the Investment Partnership, may explicitly rely upon them, that:

(a) the Partnership is a duly formed and validly existing limited partnership under the Act, and the Partnership has full power and authority to own and operate the Apartment Complex and to conduct its business hereunder; the Investment Partnership has been validly admitted as a Limited Partner of the Partnership entitled to all the benefits of a Limited Partner under this Agreement, and the Interest of the Investment Partnership in the Partnership is the Interest of a limited partner with no personal liability for the obligations of the Partnership;

(b) there is no direct or indirect personal liability of the Partnership or of any of the Partners for the repayment of the principal of and payment of interest on the Mortgage Loan, or for the repayment of the principal of the Second Mortgage Loan, and the sole recourse of RIHMFC under the Mortgage Loan, with respect to the principal thereof and

interest thereon, and under the Second Mortgage Loan, with respect to the principal thereof, shall be to the property securing the indebtedness;

(c) BCP Westside is duly and validly organized and is validly existing in good standing as a corporation under the laws of the Commonwealth of Massachusetts, and is validly authorized to transact business in the State and is in good standing in the State, with full power and authority to enter into and perform its obligations hereunder;

(d) Interfaith is duly and validly organized and is validly existing in good standing as a corporation under the laws of the State, with full power and authority to enter into and perform its obligations hereunder;

(e) execution of this Agreement by the General Partners has been duly and validly authorized by or on behalf of each of them and, having been executed and delivered in accordance with its terms, this Agreement constitutes the valid and binding agreement of each of the General Partners, enforceable in accordance with its terms;

(f) there are no defaults existing with respect to those of the Project Documents identified by counsel in its opinion (which schedule of Project Documents is reasonably acceptable to counsel for the Investment Partnership); and

(g) no event of Bankruptcy has occurred with respect to the Partnership or either of the General Partners.

5.05. Repurchase Obligation.

(a) If (i) the Apartment Complex is not placed in service, and/or all requirements of the RAP Agreement with respect to acceptable completion of construction of the Apartment Complex have not been fulfilled, by December 21, 1990, or such other date, not later than December 31, 1990, as shall be approved by RIHMFC and the Investment Partnership; (ii) 100% of the dwelling units in the Apartment Complex have not been occupied by December 31, 1990 or such later date as may be approved by the Investment Partnership; (iii) the Partnership has not received State Designation in the year that the Apartment Complex is placed in service or such later date as may be approved by the Investment Partnership; (iv) Final Closing and execution and delivery of the RAP Contract both have not occurred by December 31, 1990 (or such later date as may be consented to by the Investment Partnership); (v) the Partnership fails to meet the Minimum Set-Aside Test and the Rent Restriction Test within 12 months of the date that the Apartment Complex is placed in service or at any time during the Reduction Period; or (vi) an event of default described in Section 5.03(a), (b) and/or (c) shall exist and shall not have been cured within 30 days after

the occurrence thereof, then the General Partners shall, within 15 days of the occurrence thereof, send to the Investment Partnership Notice of such event and of their obligation to purchase the Interest of the Investment Partnership hereunder and return to the Investment Partnership its Net Capital Contributions in the event the Investment Partnership in its sole discretion requires such purchase of its Interest. Thereafter, the General Partners, jointly and severally, within 30 days of the mailing date of Notice by the Investment Partnership of such election, shall acquire the entire Interest of the Investment Partnership in the Partnership by making payment to the Investment Partnership, in cash, of an amount equal to its Net Capital Contribution.

(b) If RIHMFC shall disapprove the Investment Partnership as a Partner hereunder within 180 days of its admission to the Partnership, then the Investment Partnership shall, effective as of such time (or such other time as may be specified by RIHMFC in its disapproval), cease to be a Limited Partner. The General Partners, jointly and severally, shall, within 10 days of the effective date of such termination, purchase the Interest of the Investment Partnership in the Partnership and pay to the Investment Partnership an amount equal to its Net Capital Contribution.

(c) Upon receipt by the Investment Partnership of any such payment of its Net Capital Contribution, the Interest of the Investment Partnership shall terminate, and the General Partners, jointly and severally, shall indemnify and hold harmless the Investment Partnership from any losses, damages, and/or liabilities to which the Investment Partnership (as a result of its participation hereunder) may be subject, except for any loss, damage and/or liability arising from securities law violations as to the offering by the Investment Partnership of beneficial assignee certificates of the Investment Partnership.

5.06. Reporting Fee. The Partnership shall pay to Boston Capital a Reporting Fee in the amount of \$5,000 per annum commencing in 1990 for its services in assisting with the preparation of the reports required pursuant to Section 13.04. The Reporting Fee shall be payable solely from first available Cash Flow, after payment of any required debt service with respect to the Second Mortgage Loan, and as provided in Section 11.01(a); provided, however, that if in any fiscal year commencing with 1990, available Cash Flow is insufficient to pay the full amount of the Reporting Fee, the unpaid portion thereof shall accrue and be payable on a cumulative basis in the first year in which there is sufficient Cash Flow or from the proceeds of a Capital Transaction as provided in Article XI.

ARTICLE VI
CHANGES IN PARTNERS

6.01. Withdrawal of a General Partner.

(a) A General Partner may withdraw from the Partnership or sell, transfer or assign his or its Interest as General Partner only with the prior Consent of the other General Partner(s) (except as and to the extent provided in Section 8.17 below), of the Investment Partnership, and of RIHMFC to the extent required, and only after being given written approval by the necessary parties as provided in Section 6.02, and by RIHMFC to the extent required, of the General Partner(s) to be substituted for him or it or to receive all or part of his or its Interest as General Partner.

(b) In the event that a General Partner withdraws from the Partnership or sells, transfers or assigns his or its entire Interest pursuant to Section 6.01(a), he or it shall be and shall remain liable for all obligations and liabilities incurred by him or it as General Partner before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

6.02. Admission of a Successor or Additional General Partner. A Person shall be admitted as a General Partner of the Partnership only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the General Partners or their successors and the Investment Partnership, which Consent(s) shall not be unreasonably withheld, and consented to by RIHMFC to the extent required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement, by executing a counterpart thereof, and (ii) all the terms and provisions of the Regulatory Agreement, by executing a counterpart thereof, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner, and this Agreement evidencing the admission of such Person as a General Partner shall have been filed and all other actions required by Section 1.05 in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, it shall have provided the Partnership with evidence satisfactory to counsel for the Partnership of its

authority to become a General Partner, to do business in the State and to be bound by the terms and provisions of this Agreement; and

(d) counsel for the Partnership shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a partnership for federal income tax purposes.

6.03. Effect of Bankruptcy, Death, Withdrawal, Dissolution or Incompetence of a General Partner.

(a) In the event of the Bankruptcy of a General Partner or the withdrawal, death or dissolution of a General Partner or an adjudication that a General Partner is incompetent (which term shall include, but not be limited to, insanity) the business of the Partnership shall be continued by the other General Partner(s) (and the other General Partners, by execution of this Agreement, expressly so agree to continue the business of the Partnership); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent General Partner is then the sole General Partner, unless the Investment Partnership within ninety (90) days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence elects to designate a successor General Partner(s) and continue the Partnership upon the admission of such successor General Partner(s) to the Partnership, the Partnership shall be terminated.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, such General Partner shall immediately cease to be a General Partner and his Interest shall without further action be converted to a Limited Partner Interest; provided, however, that if such Bankrupt, dissolved, incompetent or deceased General Partner is the sole remaining General Partner, such General Partner shall cease to be a General Partner only upon the expiration of ninety (90) after Notice to the Investment Partnership of the Bankruptcy, death, dissolution or declaration of incompetence of such General Partner; and provided further that if such Bankrupt, dissolved, incompetent or deceased General Partner is the sole remaining General Partner and is meeting the obligations set forth in Section 8.08, the converted Partnership Interest of such replaced General Partner shall be ratably reduced to the extent necessary to insure that the substitute General Partner(s) holds a 1% Percentage Interest (as set forth in Section 5.01) and will receive a 5% distribution pursuant to Section 11.04(h).

Except as set forth above, such conversion of a General Partner Interest to a Limited Partner Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the General Partners' obligations under Section 8.09 herein) of the Bankrupt, deceased, dissolved or incompetent General Partner existing prior to the Bankruptcy, death, dissolution or incompetence of such person as a General Partner (whether or not such rights, obligations or liabilities were known or had matured).

(c) If, at the time of the withdrawal, Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, the Bankrupt, deceased, dissolved or incompetent General Partner was not the sole General Partner of the Partnership, the remaining General Partner or General Partners shall immediately (i) give Notice to the Limited Partners of such Bankruptcy, death, dissolution or adjudication of incompetence, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved or incompetent General Partner and his having ceased to be a General Partner. The remaining General Partner or General Partners are hereby granted an irrevocable power of attorney to execute any or all documents on behalf of the Partners and the Partnership and to file such documents as may be required to effectuate the provisions of this Section 6.03.

ARTICLE VII
ASSIGNMENT TO THE PARTNERSHIP

The General Partners hereby transfer and assign to the Partnership all of their right, title and interest in and to the Apartment Complex, including the following:

(i) all contracts with architects, contractors and supervising architects with respect to the development of the Apartment Complex;

(ii) all plans, specifications and working drawings, heretofore prepared or obtained in connection with the Apartment Complex and all governmental approvals obtained, including planning, zoning and building permits;

(iii) the RAP Agreement and any and all rights in commitments with respect to the RAP Contract and the CDBG Grant;

(iv) any and all commitments with respect to the Mortgage Loan and the Second Mortgage Loan; and

(v) any other work product related to the Apartment Complex.

ARTICLE VIII
RIGHTS, OBLIGATIONS AND POWERS
OF THE GENERAL PARTNERS

8.01. Management of the Partnership.

(a) Except as otherwise set forth in this Agreement, the General Partners, within the authority granted to them under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article III, shall make all decisions affecting the business of the Partnership and shall manage and control the affairs of the Partnership to the best of their ability and use their best efforts to carry out the purpose of the Partnership. In so doing, the General Partners shall take all actions necessary or appropriate to protect the interests of the Limited Partners and of the Partnership. The General Partners shall devote such of their time as is necessary to the affairs of the Partnership.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Agency rules and regulations and the provisions of the Loan Agreement and of the Regulatory Agreement, the General Partners (acting for and on behalf of the Partnership), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in their sole discretion, have the full and entire right, power and authority in the management of the Partnership business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Partnership. In furtherance and not in limitation of the foregoing provisions, the General Partners are specifically authorized and empowered to execute and deliver, on behalf of the Partnership, the Loan Agreement, the Regulatory Agreement, the Mortgage, the Second Mortgage, the RAP Agreement, the RAP Contract and the CDBG Grant, and to execute any and all other instruments and documents, and amendments thereto, as shall be required in connection with the Mortgage Loan, the Second Mortgage Loan, the RAP Contract and the CDBG Grant, including, but not limited to, executing any mortgage, note, contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith. All decisions made for and on behalf of the Partnership by the General Partners shall be binding upon the Partnership. No person dealing with the General Partners shall be required to determine their authority to make any undertaking on behalf of the Partnership, nor to determine any facts or circumstances bearing upon the existence of such authority.

(c) Notwithstanding the provisions of Section 8.01(b) immediately above, BCP Westside shall be the Managing General Partner and shall have the right, power and authority to manage

the day-to-day operations of the Partnership and the Apartment Complex and, acting for and on behalf of the Partnership, to execute on behalf of the Partnership all documents and instruments necessary or desirable to effect the purposes of the Partnership in connection with such day-to-day operations as aforesaid; provided, however, that the making of any major decisions affecting the Partnership (the "Major Decisions") shall require the approval of both the Managing General Partner and Interfaith; and provided further, that all documents of any nature required to be signed on behalf of the Partnership which involve or relate to any of the Major Decisions shall be executed by both the Managing General Partner and Interfaith, except that any documents which involve or relate to an action described in the proviso contained in Section 8.01(c)(viii) below may be executed on behalf of the Partnership by the Managing General Partner alone. The Major Decisions shall be the following:

(i) all actions described in Section 8.02(b) below (which actions shall also require such additional Consent(s) thereto as are set forth in such Section 8.02(b));

(ii) the selection of the Management Agent for the Apartment Complex pursuant to the provisions of Section 8.14 below (which action shall also require such additional approval(s) thereto as are set forth in such Section 8.14);

(iii) the terms of any mortgage loan, including any construction loan and/or targeted loan from RIHMFC;

(iv) any change in the design, plans, and specifications for the Apartment Complex which would materially change the nature, purpose or aesthetics of the Apartment Complex or would materially affect the quality of life or the quality of construction for the dwelling units in the Apartment Complex;

(v) the lease of the Apartment Complex as an entirety, or the lease of any portion of the Apartment Complex other than in the normal course of business;

(vi) the approval of an annual budget for the operation of the Apartment Complex and the Partnership, and the determination of whether or not distributions, from Cash Flow remaining after payment of all debt service payments due with respect to the Second Mortgage Loan and payment of amounts due with respect to the Reporting Fee, should be made from the Partnership to the Partners, subject to the right of the Managing General Partner to vary line items in the

annual operating budget (other than with respect to any compensation to the Managing General Partner or any of its affiliates) by up to ten per cent (10%), provided that there is no material deficit in such budget;

(vii) the institution or defense or compromise of any claim or the confession to judgment against the Partnership in any litigation which is not in the ordinary course of business of the Partnership; and

(viii) any other decision or action which by any provision(s) of this Agreement is required to be approved by the General Partners, or which if considered prior to the making of such decision or the taking of such action would be reasonably expected to have a material effect on the Partnership, or the assets or operations thereof. To the extent that a decision or action involves a Major Decision pursuant to this subsection (viii), the decision or action shall be deemed approved if (A) the Managing General Partner informs Interfaith at a meeting of the board of directors of Interfaith within three (3) weeks of the making of such decision or the taking of such action, and (B) there is no objection made by Interfaith at such meeting; provided, however, that if a decision or action which otherwise would involve a Major Decision pursuant to this subsection (viii) is necessitated by emergency circumstances affecting the health or safety of residents of the Apartment Complex and/or is directed to be taken by a governmental agency or authority having jurisdiction, such decision or action may be taken by the Managing General Partner without the approval of Interfaith.

(d) The General Partners further agree between themselves, with respect to the operation and management of the Partnership, as follows:

(i) the Managing General Partner shall submit to Interfaith all requisitions for funds prepared for RIHMFC, which must be Consented to and initialled by a duly authorized officer of Interfaith prior to the submission thereof to RIHMFC; provided that Interfaith shall not unreasonably withhold or delay such Consent. The Managing General Partner shall use its best efforts to encourage the recruitment and employment of local and minority contractors and suppliers for the purposes of the construction, maintenance and management of the

Apartment Complex, and shall periodically report to the board of directors of Interfaith on the status of local and minority hiring for the Apartment Complex;

(ii) the Managing General Partner shall inform Interfaith and the Investment Partnership of the status of the Apartment Complex and, upon reasonable notice, shall meet with the boards of directors of Interfaith and of Interfaith Housing;

(iii) Interfaith shall have the duty and obligation to assist in the tenant selection process for the Apartment Complex; and

(iv) it is understood and agreed among the General Partners and Interfaith Housing that neither Interfaith nor Interfaith Housing shall have any obligation for any cost or expense relating to those duties and obligations which, pursuant to the provisions of this Agreement, are assigned to, and assumed and agreed to be performed by, the Managing General Partner, other than to the extent of the Capital Contribution of Interfaith and the obligation to deliver the Operating Deficit Letter of Credit pursuant to Section 8.18(b) of this Agreement.

(e) Any controversy, claim or dispute between BCP Westside and Interfaith arising out of or relating to the management of the Partnership, pursuant to the foregoing terms and conditions of this Section 8.01, if not resolved within thirty (30) days, or within the thirty (30) day period if the General Partners so desire, shall be settled by arbitration. Arbitration shall be conducted in accordance with the then-prevailing commercial arbitration rules of the American Arbitration Association, with the following exceptions if in conflict:

(i) one arbitrator may be agreed upon; otherwise there shall be three, one named in writing by each party within twenty (20) days after demand for arbitration is given, and a third chosen by the two appointed. Should either party refuse or neglect to appoint said arbitrator or to furnish the arbitrators with any papers or information demanded, he or they are empowered by both parties to proceed ex parte. If there is one arbitrator his decision shall be binding; if there are three the decision of any two shall be binding;

(ii) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator(s), together with other expenses of the

arbitration incurred or approved by arbitrator(s), not including counsel fees or other expenses incurred by a party for its own benefit; and

(iii) arbitration may proceed in the absence of any party if written notice (pursuant to the American Arbitration Association's rules and regulations) of the proceedings has been given to such party.

The General Partners agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive and may be entered in any court having jurisdiction thereof as a basis of judgment. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity. The General Partners shall keep confidential the existence of the claim, controversy or disputes from third parties (other than arbitrator(s)), and the determination thereof, unless otherwise required by law.

8.02. Limitations Upon the Authority of the General Partners.

(a) The General Partners shall not have any authority to:

(i) perform any act in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreement, the Loan Agreement, the RAP Contract or any other Project Documents;

(iii) do any act required to be approved or ratified in writing by all Limited Partners under the Act unless the right to do so is expressly otherwise given in this Agreement;

(iv) rent apartments in the Apartment Complex such that the Apartment Complex would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test; or

(v) borrow from the Partnership or commingle Partnership funds with funds of any other Person.

(b) The General Partners shall not, without the Consent of the Investment Partnership, have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Partnership without the consent of RIHMFC, if required;

(ii) make application(s) for an increase or increases in the Mortgage Loan or the Second Mortgage Loan if such increase would require an increase in the rental income of the Apartment Complex;

(iii) borrow in excess of \$50,000 in the aggregate at any one time outstanding on the general credit of the Partnership, except a borrowing in accordance with Section 5.01(c) and borrowings constituting Subordinated Loans or Credit Recovery Loans;

(iv) following Final Closing, construct any new or replacement capital improvements on the Apartment Complex which substantially alter the Apartment Complex or its use (including any material, adverse change in the nature, purpose or aesthetics of the Apartment Complex) or which are at a cost in excess of \$25,000 in a single Partnership fiscal year, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions or (b) construction paid for from insurance proceeds;

(v) acquire any real property in addition to the Apartment Complex;

(vi) following Final Closing, refinance the Mortgage Loan and/or the Second Mortgage Loan.

8.03. Management Purposes. In conducting the business of the Partnership, the General Partners shall be bound by the Partnership's purpose(s) set forth in Article III.

8.04. Delegation of Authority. The General Partners may delegate all or any of their powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Partnership, which Person may, under supervision of the General Partners, perform any acts or services for the Partnership as the General Partners may approve.

8.05. General Partners or Affiliates Dealing with Partnership.

(a) The General Partners or any Affiliate may act as Management Agent on such terms and conditions permitted by applicable RIHMFC regulations, and may receive compensation at the highest rates approved and permitted by RIHMFC at any time.

(b) The General Partners or any Affiliates thereof shall have the right to contract or otherwise deal with the Partnership for the sale of goods or services to the Partnership in addition to those set forth herein, if (A) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services

actually furnished to the Partnership, (B) the goods or services to be furnished shall be reasonable for and necessary to the Partnership, (C) the fees, terms and conditions of such transaction are at least as favorable to the Partnership as would be obtainable in an arm's-length transaction, (D) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the General Partners or any Affiliate shall be compensated by the Partnership for his services.

Any contract covering such transactions shall be in writing and shall be terminable without penalty on sixty (60) days Notice. Any payment made to the General Partners or any Affiliate for such goods or services shall be fully disclosed to all Limited Partners in the reports required under Section 13.04. Neither the General Partners nor any Affiliate shall, by the making of lump-sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.05(b).

8.06. Other Activities. The General Partners and any Affiliates thereof may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as general partner of other partnerships which own, either directly or through interests in other partnerships, government-assisted housing projects similar to the Apartment Complex. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.07. Liability for Acts and Omissions. No General Partner shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, except for negligence, misconduct, fraud or any breach of his or its or their fiduciary duty as General Partner with respect to such acts or omissions. Any loss or damage incurred by any General Partner by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by any General Partner by reason of negligence, misconduct, fraud or any breach of his or its or their fiduciary duty as General Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but the Limited Partners shall not have any

personal liability to the General Partners under any circumstances on account of any such loss or damage incurred by the General Partners or on account of the payment thereof).

8.08. Net Worth of General Partners.

(a) During the period from and after the Admission Date until the date which is the later of (i) the date upon which all of the events contemplated in Sections 5.05(a)(i) through 5.05(a)(iv) shall have occurred, or (ii) the date one (1) year from and after the date upon which the Apartment Complex is placed in service, the Managing General Partner shall maintain a net worth in an amount not less than the Net Capital Contribution of the Investment Partnership; from and after the end of the aforesaid period, BCP Westside shall maintain a net worth of not less than Two Hundred Fifty Thousand Dollars (\$250,000).

(b) In the event that the sole General Partner is a corporation, such General Partner shall maintain a net worth that satisfies the requirements set forth in Internal Revenue Service Procedure 89-12, as may be modified from time to time, which are prerequisites to the issuance by the Internal Revenue Service of an advance ruling that the Partnership will be taxed as a partnership, and not as an association taxable as a corporation, for federal income tax purposes.

8.09. Construction of the Apartment Complex, Construction Cost Overruns, Operating Deficits.

(a) (i) The Partnership has entered into the Construction Contract, the Manufactured Housing Unit Contract and the Construction Management Agreement. The General Partners, jointly and severally, shall be responsible for:

(A) achieving completion of construction of the Apartment Complex in accordance with the Project Documents;

(B) meeting all requirements for obtaining all necessary certificates of occupancy for all the apartment units in the Apartment Complex;

(C) fulfilling all actions required of the Partnership to assure that the Apartment Complex satisfies the Minimum Set-Aside Test and the Rent Restriction Test; and

(D) causing the occurrence of the Final Closing.

(ii) BCP Westside hereby is obligated to provide such funds to the Partnership as shall be necessary to pay all Excess Development Costs, in the form of a loan(s) to the

Partnership (the "Excess Development Costs Loan(s)"). An Excess Development Costs Loan shall be a Subordinated Loan in accordance with the provisions of Section 8.17; provided, however, that an Excess Development Costs Loan shall bear no interest and shall be subject to repayment only pursuant to the provisions of Section 11.04(e). Subject to the approval of RIHMFC, if required, the Managing General Partner shall have the right to utilize any net rental income of the Partnership for the period prior to Final Closing, to pay or reimburse BCP Westside for any Excess Development Costs, and the obligation of BCP Westside to provide funds to pay such Excess Development Costs shall be satisfied to the extent of any such amounts so available and utilized. If BCP Westside has already advanced funds to meet any Excess Development Costs, the Managing General Partner may cause the Partnership to apply such net rental income (or unused proceeds of the Mortgage Loan and/or the Second Mortgage Loan, subject to the approval of RIHMFC) to the reimbursement of such advances. The obligations of BCP Westside pursuant to this Section 8.09(a)(ii) shall be limited to those Excess Development Costs which arise and/or exist at or prior to the Final Closing.

(b) In the event that, at any time during the period from and after the Final Closing until December 31, 2000, an Operating Deficit shall exist, BCP Westside shall provide such funds to the Partnership as shall be necessary to pay such Operating Deficit(s), in the form of a loan to the Partnership (the "Operating Deficit Loan(s)"); provided, however, that such Operating Deficit Loan(s) shall be made if and to the extent that funds to pay any such Operating Deficit(s) are not available from (i) the Operating Reserve Fund described in Section 8.18(a) of this Agreement (or if and to the extent that RIHMFC declines to approve the use of funds in the Operating Reserve Fund for such purpose), or (ii) proceeds of the Operating Deficit Letter of Credit described in Section 8.18(b) of this Agreement, in that order of priority. Any draws made upon the Operating Deficit Letter of Credit pursuant to the preceding sentence also shall be deemed to be a loan(s) to the Partnership by Interfaith (the "Operating Deficit Letter of Credit Loan(s)"). Both Operating Deficit Loans and Operating Deficit Letter of Credit Loans shall be Subordinated Loans in accordance with the provisions of Section 8.17; provided, however, that neither Operating Deficit Loans nor Operating Deficit Letter of Credit Loans shall bear any interest. The obligations of BCP Westside with respect to Operating Deficit Loans pursuant to this Section 8.09(b) shall be limited to those Operating Deficits which arise and/or exist at or prior to December 31, 2000. For the purpose of this Section 8.09(b), all expenses shall be calculated on a sixty (60) day current basis.

8.10. Development Fee and Developer Overhead Allowance.

(a) The Partnership has entered into a Development Agreement of even date herewith with the General Partners for their services in connection with the development and construction of the Apartment Complex. In consideration for such services and for the assignments to the Partnership pursuant to Article VII above, a fee in the total amount of \$355,248 (of which eighty-five per cent (85%) shall be payable to BCP Westside and fifteen per cent (15%) shall be payable to Interfaith) shall be payable by the Partnership to the General Partners solely from, and upon receipt of, the Second Installment of the Capital Contributions of the Investment Partnership.

The Investment Partnership hereby Consents to the pledge by the General Partners of their rights to the Development Fee to a financial institution or other Person, subject to the terms and conditions of this Agreement, as collateral security for a borrowing by the General Partners, subject only to the giving by the General Partners of Notice to the Investment Partnership of such proposed borrowing.

(b) Pursuant to the Development Agreement referred to in Section 8.10(a) above, a developer overhead allowance in the total amount of \$144,731 shall be payable by the Partnership to the General Partners solely from, and upon receipt of, the First Installment of the Capital Contributions of the Investment Partnership.

8.11. Sales Preparation Fee. Upon any sale of the Apartment Complex, the General Partners shall receive a Sales Preparation Fee, for preparing the Apartment Complex for sale, in an aggregate amount equal to two per cent (2%) of the amount of the proceeds of sale of the Apartment Complex remaining after the payment of all costs of such sale, as provided in Section 11.04 of this Agreement. However, notwithstanding the foregoing, the total compensation to all Persons with respect to the sale of the Apartment Complex shall not exceed six per cent (6%) of the contract price for the sale of the Apartment Complex.

8.12. Withholding of Fee Payments. In the event that (a) the General Partners, or either of them, or any successor General Partner shall not have substantially complied with any material provisions under this Agreement, or (b) any financing commitment of RIHMFC or any other lender, or any agreement entered into by the Partnership for financing or rental assistance payments related to the Apartment Complex shall have terminated prior to their respective termination date(s), or (c) foreclosure proceedings shall have been commenced against the Apartment Complex, then (i) the General Partners shall be in default of this Agreement, and the Partnership shall withhold payment of the Development Fee payable to the General Partners pursuant to Section 8.10(a), and (ii) the General Partners shall be jointly

and severally liable for the Partnership's payment of the Development Fee payable pursuant to Section 8.10(a), to the extent that the Investment Partnership has withheld any Installment(s) pursuant to Section 5.03 as a result of the above-described default.

All amounts so withheld by the Partnership under this Section 8.12 shall be promptly released to the General Partners only after the General Partners have cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investment Partnership.

8.13. Removal of the General Partners.

(a) The Investment Partnership, so long as it is a Partner, shall have the right to remove any General Partner (i) for any intentional misconduct or failure to exercise reasonable care with respect to any material matter in the discharge of its duties and obligations as General Partner(s) (provided that such violation results in, or is likely to result in, a material detriment to or a material impairment of the Apartment Complex or assets of the Partnership), or (ii) upon the occurrence of any of the following:

(A) the General Partners, or either of them, shall have violated any provisions of the Regulatory Agreement and/or the Loan Agreement and/or the RAP Contract, or any provisions of any other Project Document or other document required in connection with the Mortgage Loan or the Second Mortgage Loan, or any provisions of RIHMFC regulations applicable to the Apartment Complex (provided that such violation results in, or is likely to result in, a material detriment to or a material impairment of the Apartment Complex or the assets of the Partnership);

(B) the General Partners, or either of them, shall have violated any provision of this Agreement, or violated any provision of applicable law (provided that such violation results in, or is likely to result in, a material detriment to or a material impairment of the Apartment Complex or the assets of the Partnership);

(C) the General Partners, or either of them, shall have caused the Mortgage Loan or the Second Mortgage Loan to go into default; or

(D) the General Partners, or either of them, shall have conducted their own affairs or the affairs of the Partnership in such manner as would:

(1) cause the termination of the Partnership for federal income tax purposes; or

(2) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation.

(b) The Investment Partnership shall give Notice to all Partners of its determination that the General Partner(s) shall be removed. The General Partner(s) shall have thirty (30) days after receipt of such Notice to cure any default or other reason for such removal, or, if such default or other reason for removal cannot be cured within thirty (30) days, such longer period of time as shall be reasonably necessary to effect such cure so long as the General Partner(s) is(are) actively pursuing such cure, in which event it(they) shall remain as General Partners. If, at the end of thirty (30) days or such longer cure period as aforesaid, the Person(s) in default has not cured any default or other reason for such removal, he, it, they or either of them shall cease to be a General Partner and the powers and authorities conferred on him, it or them as General Partner under this Agreement shall cease and the Interest(s) of such General Partner(s) shall be transferred to the designee of the Investment Partnership. Upon its admission to the Partnership, such Person or organization shall become a General Partner.

(c) (i) In the event that the General Partners, or either of them, is(are) removed as aforesaid prior to Substantial Completion, they shall be and shall remain liable for all obligations and liabilities incurred by them as General Partners of the Partnership before such removal shall become effective, including but not limited to the obligations and liabilities of BCP Westside with respect to its obligations set forth in Section 8.09 of this Agreement with regard to Excess Development Costs. If the General Partners, or either of them, is(are) removed as Partner(s) of the Partnership prior to Substantial Completion as aforesaid, the removed General Partner(s) shall not be entitled to payment of any further installments of the Development Fee which otherwise would have been due and payable to such removed General Partner under Section 8.10(a).

(ii) In the event that the General Partners, or either of them, is(are) removed as aforesaid after Substantial Completion, they shall be and shall remain liable for all obligations and liabilities incurred by them as General Partners of the Partnership before such removal shall become effective, including but not limited to the obligations and liabilities of BCP Westside under Section 8.09(b) of this Agreement.

(d) The Investment Partnership hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Partners and the Partnership as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 8.13. The election by the Investment Partnership to remove the General Partner(s) under this Section shall not limit or restrict the

availability and use of any other remedy which the Investment Partnership or any other Partner might have with respect to the General Partners in connection with their undertakings and responsibilities under this Agreement.

8.14. Selection of Management Agent. The Partnership, with the approval of RIHMFC, shall engage such person, firm or company as the General Partners may select, and as the Investment Partnership may approve, which approval shall not be unreasonably withheld (hereinafter referred to as "Management Agent") to manage the operation of the Apartment Complex during the rent-up period and following Final Closing. The Management Agent shall be paid a management fee subject to the approval of RIHMFC. The contract between the Partnership and the Management Agent and the management plan for the Apartment Complex shall be in a form acceptable to RIHMFC. The Gatehouse Group, Inc. hereby is approved by the parties hereto as the initial Management Agent. The management contract between the Partnership and the Management Agent shall be subject to renewal only upon the Consent of both of the General Partners, which Consent shall not be unreasonably denied. Any denial of Consent by Interfaith shall be deemed unreasonable unless either (a) the Management Agent fails to be approved as the management agent by RIHMFC, or (b) the Management Agent's proposed fees exceed the average fees for housing management agents for scattered site projects located in Rhode Island of similar size to the Apartment Complex.

8.15. Removal of the Management Agent. The General Partners (i) may, upon receiving any required approval of RIHMFC, dismiss the Management Agent as the entity responsible for the Apartment Complex under the terms of the contract between the Partnership and the Management Agent, and (ii) at the request of the Investment Partnership, shall remove the Management Agent in the event that the Management Agent is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Management Agent or failure to exercise reasonable care in the discharge of its duties and obligations as Management Agent, including, without limitation, for any action or failure to take any action which:

(a) violates in any material respect any provision of the Management Agreement entered into with the Partnership and approved by RIHMFC, and/or any provision of the Regulatory Agreement and/or the Loan Agreement and/or the RAP Contract applicable to the Apartment Complex, or the RIHMFC-approved management plan for the Apartment Complex, or

(b) violates in any material respect any provision of this Agreement or provision of applicable law.

8.16. Replacement of the Management Agent. Upon the removal of the Management Agent as the entity responsible for the management of the Apartment Complex, a substitute Management Agent which is not an Affiliate of any of the General Partners shall be named by the General Partners, subject to the approval of RIHMFC, and the approval of the Investment Partnership.

8.17. Loans to the Partnership. In the event that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Partnership may borrow such funds as are needed from any Partner or other Person or organization, including the General Partners, for such period of time and on such terms as the General Partners, the Investment Partnership and RIHMFC, if so required, may agree and at the rate of interest then prevailing for comparable loans (except for Excess Development Costs Loans made pursuant to Section 8.09(a)(ii) and Operating Deficit Loans and Operating Deficit Letter of Credit Loans made pursuant to Section 8.09(b), which shall bear no interest); provided however, that no such additional loans shall be secured by any mortgage or other encumbrance on the property of the Partnership without the prior approval of the Investment Partnership and the approval of RIHMFC; except that such approvals shall not be required in the case of the hypothecation of personal property purchased by the Partnership and not included in the security agreements executed by the Partnership at the time of Initial Closing. Loans made under this Section (other than Excess Development Costs Loans) shall be repaid as set forth in Section 11.01(a) of this Agreement, but any amount of any such loan, and any amount of any Excess Development Costs Loans, that is outstanding at the time of the occurrence of any of the events described in Sections 11.04 or 12.01 shall be repaid as provided in Section 11.04.

8.18. Operating Reserve Fund; Operating Deficit Letter of Credit.

(a) Pursuant to the provisions of the Regulatory Agreement, the Partnership shall establish and maintain the Operating Reserve Fund as an account designated by and under the control of RIHMFC. The Partnership shall deposit in the Operating Reserve Fund funds in such amount as shall be required by RIHMFC (estimated to be \$192,500) and at such time or times, not later than the Final Closing, as shall be directed by RIHMFC. The General Partners, jointly and severally, agree to maintain the Operating Reserve Fund in accordance with the requirements of RIHMFC and Section 4(b) of the Regulatory Agreement.

(b) As a condition precedent to the payment by the Investment Partnership of the Second Installment of its Capital Contribution to the Partnership, Interfaith shall obtain and deliver the Operating Deficit Letter of Credit to the Investment Partnership. The Operating Deficit Letter of Credit shall be unconditional and irrevocable, shall permit partial draws thereunder, and shall be issued to and in favor of the Investment Partnership by a financial institution acceptable to the Investment Partnership. The Operating Deficit Letter of Credit shall be in the initial amount of \$96,250, and the amount thereof shall increase at the rate of eight per cent (8%) per year upon the annual renewal thereof, until such time, after the fifth (5th) anniversary of the Final Closing, as Cash Flow, prior to payment of debt service on the Mortgage Loan, equals or exceeds one hundred ten per cent (110%) of all required debt service payments with respect to the Mortgage Loan for a period of twenty-four (24) consecutive calendar months, as determined by the Investment Partnership; at such time the principal amount of the Operating Deficit Letter of Credit shall be reduced by fifty per cent (50%). Notwithstanding the foregoing, at such time(s) as RIHMFC authorizes the release of funds from the Operating Reserve Fund for the payment of Operating Deficits, the Operating Deficit Letter of Credit may be reduced by an equivalent amount. The Operating Deficit Letter of Credit shall permit the Investment Partnership to make draws thereunder provided that: (i) the Investment Partnership certifies that the Partnership has requested of RIHMFC (which request of RIHMFC shall be made by the Partnership at any time upon request of the Investment Partnership) that funds in the Operating Reserve Fund be applied to pay an Operating Deficit(s), and that RIHMFC has rejected such request, and (ii) that the draw by the Investment Partnership under the Operating Deficit Letter of Credit shall be used solely for the purpose of providing funds to pay an Operating Deficit(s). Upon the occurrence of the fifteenth (15th) anniversary of the Final Closing, the Operating Deficit Letter of Credit (if not sooner exhausted) shall be released by the Investment Partnership and returned to Interfaith.

8.19. Options to Purchase.

(a) Option to Purchase Interest of BCP Westside; Right of BCP Westside to Withdraw as General Partner.

(i) Upon the expiration of the period specified in Section 42(i)(1) of the Code, restricting the use of the Apartment Complex to low-income housing in order to maintain eligibility for the Low-Income Housing Tax Credit (the "Compliance Period"), Interfaith and Interfaith Housing have the option, exercisable at any time during the period of sixty (60) days from and after the end of the Compliance Period (the "Option Period"), for either of them, as they shall designate jointly, to acquire the Interest of BCP Westside for its fair market value as

of the date such option is exercised, subject to the approval of RIHMFC, if and to the extent required. The fair market value of the Interest of BCP Westside shall be determined by two independent appraisers, one selected by BCP Westside and one selected jointly by Interfaith and Interfaith Housing. If such appraisers are unable to agree on the value of the Interest of BCP Westside, they shall jointly appoint a third independent appraiser, whose determination of the value of the Interest of BCP Westside shall be final and binding. In the event the aforesaid option is exercised, the closing of the purchase of the Interest of BCP Westside shall occur within ninety (90) days of the exercise of the aforesaid option. In the event that such option is exercised and the Interest of BCP Westside purchased, then: (A) if the purchaser is Interfaith, Interfaith shall agree, as a condition to the closing of the purchase of the Interest of BCP Westside (by means of an amendment to this Agreement) to assume and agree to perform all duties and obligations of the General Partners, or either of them (including BCP Westside) under and pursuant to this Agreement, including the obligations pursuant to Section 8.03 hereof, and in addition thereto, shall establish and maintain, to the reasonable satisfaction of the Investment Partnership, net worth and liquidity sufficient to assure that Interfaith is capable of performing all duties and obligations of the General Partners hereunder as aforesaid; or (B) if the purchaser is Interfaith Housing, Interfaith and Interfaith Housing shall agree, jointly and severally, as a condition to the closing of the purchase of the Interest of BCP Westside (by means of an amendment to this Agreement) to assume and agree to perform all duties and obligations of the General Partners, or either of them (including BCP Westside) under and pursuant to this Agreement, and to establish and maintain a collective net worth and liquidity reasonably acceptable to the Investment Partnership as sufficient both to maintain the classification of the Partnership as a partnership for federal income tax purposes and to assure that Interfaith and Interfaith Housing, collectively, are capable of performing all duties and obligations of the General Partners hereunder as aforesaid; and (C) subsequent to the purchase of the Interest of BCP Westside, BCP Westside shall continue to be bound by the provisions of Section 6.01(b) of this Agreement.

(ii) In the event that Interfaith and Interfaith Housing decline or fail to exercise the option to purchase granted by Section 8.19(a)(i) above within the Option Period, for a period of ninety (90) days from and after the end of the Option Period, BCP Westside shall have the right to elect to withdraw as a General Partner and convert its Interest to that of a Limited Partner, subject only to the following: (A) the approval of RIHMFC, if and to the extent required; (B) the agreement of Interfaith as the sole General Partner (by means of an amendment to this Agreement) to assume and agree to perform all duties and obligations of the General Partners, or either of them (including BCP Westside) under and pursuant to this Agreement, including the

obligations pursuant to Section 8.08 hereof; (C) the reasonable approval of the Investment Partnership, based upon an evaluation of the financial and other resources of Interfaith as the sole General Partner to perform all duties and obligations of the General Partners hereunder as aforesaid; (D) the reallocation of Interests so that Interfaith has an Interest of 1.00% and BCP Westside has an Interest of 0% pursuant to Section 5.01 hereof and BCP Westside retains all of its rights under and pursuant to Section 11.04(g) hereof; and (E) BCP Westside shall continue to be bound by the provisions of Section 6.01(b) hereof.

(b) Option to Purchase Apartment Complex or Interest of the Investment Partnership.

(i) Interfaith and Interfaith Housing have the option, exercisable at any time during the period of five (5) years from and after the end of the Compliance Period, for either of them, as they shall designate jointly, to acquire either the Apartment Complex or the Interest of the Investment Partnership for an amount determined in the manner described below, subject only to the approval of RIHMFC, if and to the extent required. The purchase price to be paid by Interfaith and/or Interfaith Housing for the Apartment Complex or the Interest of the Investment Partnership, as applicable, shall be: (A) if the purchase is of the Apartment Complex, the purchase price shall be the fair market value of the Apartment Complex as of the date the aforesaid option is exercised; or (B) if the purchase is of the Interest of the Investment Partnership, the purchase price shall be an amount equal to the aggregate amount which would be payable and/or distributable to the Investment Partnership pursuant to Section 11.04 of this Agreement assuming a sale of the Apartment Complex at its then fair market value as described in (A) immediately above and the application of the proceeds of such assumed sale pursuant to such Section 11.04; provided, however, that in no event shall the purchase price for the Interest of the Investment Partnership be less than the aggregate of the amounts payable and/or distributable to the Investment Partnership pursuant to Sections 11.04(c) and 11.04(d) of this Agreement in accordance with the terms thereof. For purposes of a purchase of either the Apartment Complex or the Interest of the Investment Partnership pursuant to the foregoing provisions of this Section 8.17(b)(i), the fair market value of the Apartment Complex shall be determined by two independent appraisers, one selected by the Investment Partnership and one selected jointly by Interfaith and Interfaith Housing. Such fair market value shall be the lesser of the values determined by such appraisers employing (1) the replacement cost valuation method, and (2) the market comparable valuation method. If such appraisers are unable to agree on the value of the Apartment Complex, they shall jointly appoint a third independent appraiser, whose determination of the value of the Apartment Complex, employing the aforesaid appraisal methodology, shall be final and binding. In the event the

aforesaid option is exercised, the closing of the purchase of the Apartment Complex or the Interest of the Investment Partnership, as applicable, shall occur within sixty (60) days after the date upon which the fair market value of the Apartment Complex is determined as set forth above; if the purchase is of the Interest of the Investment Partnership, at such closing the Investment Partnership shall withdraw from the Partnership and thereafter shall have no further rights, duties, obligations or liabilities hereunder or with respect to the Partnership.

(ii) In the event that the option granted by Section 8.19(b)(i) hereof is not exercised by Interfaith and Interfaith Housing within six (6) months from and after the end of the Compliance Period, then notwithstanding any other provisions of this Agreement, the General Partners collectively agree that, promptly after the aforesaid date, they shall consult with the Investment Partnership concerning, and employ all reasonable efforts to achieve, a mutually-agreeable business plan pursuant to which (A) Interfaith and/or Interfaith Housing and/or their designee(s), with or without the participation of BCP Westside, shall acquire the Interest of the Investment Partnership for an amount equal to the Invested Amount or such other amount as shall be acceptable to the Investment Partnership, or (B) the Investment Partnership shall receive a distribution pursuant to Section 11.04 of this Agreement in an aggregate amount equal to the Invested Amount or such other amount as shall be acceptable to the Investment Partnership, all as promptly after the aforesaid date as shall be practicable.

ARTICLE IX
TRANSFERS OF, AND RESTRICTIONS ON TRANSFERS
OF INTERESTS OF LIMITED PARTNERS

9.01. Purchase for Investment.

(a) The Limited Partner hereby represents and warrants to the General Partners and to the Partnership that the acquisition of its Interest is made as principal for its account for investment purposes only and not with a view to the resale or distribution of such Interest, except insofar as the Securities Act of 1933 and any applicable securities law of any state or other jurisdiction permit such acquisitions to be made for the account of others or with a view to the resale or distribution of such Interest without requiring that such Interest, or the acquisition, resale or distribution thereof, be registered under the Securities Act of 1933 or any applicable securities law of any state or other jurisdiction.

(b) The Limited Partner agrees that it will not sell, assign or otherwise transfer its Interest or any fraction thereof to any Person who does not similarly represent and warrant and similarly agree not to sell, assign or transfer such Interest or fraction thereof to any Person who does not similarly represent and warrant and agree.

9.02. Restrictions on Transfer of Limited Partners' Interests.

(a) Under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of any Limited Partner Interest be permitted unless the General Partners, in their reasonable discretion, shall have Consented.

(b) The Limited Partner whose interest is being transferred shall pay such reasonable expenses as may be incurred by the Partnership in connection with such transfer.

9.03. Admission of Substitute Limited Partners.

(a) Subject to the other provisions of this Article IX, an assignee of the Interest of a Limited Partner (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Limited Partner of the Partnership only upon the satisfactory completion of the following:

(i) Consent of the General Partners (which may be withheld in their reasonable discretion) and the consent of RIHMFC, if required, shall have been given, which consent may be evidenced by the execution by

the General Partners of an amended Certificate evidencing the admission of such Person as a Limited Partner pursuant to the requirements to the Act;

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the General Partners may require in order to effect the admission of such Person as a Limited Partner;

(iii) an amended Agreement and/or Certificate evidencing the admission of such Person as a Limited Partner shall have been filed for recording pursuant to the requirements to the Act;

(iv) the assignee shall have represented and agreed in writing as required by Section 9.01;

(v) if the assignee is a corporation, the assignee shall have provided the General Partners with evidence satisfactory to counsel for the Partnership of its authority to become a Limited Partner under the terms and provisions of this Agreement; and

(vi) the assignee or the assignor shall have reimbursed the Partnership for all reasonable expenses, including all reasonable legal fees and recording charges, incurred by the Partnership in connection with such assignment.

(b) For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Partnership, a Substitute Limited Partner shall be treated as having become, and as appearing in, the records of the Partnership as a Partner upon his signing of an amendment to this Agreement, agreeing to be bound hereby.

(c) The General Partners shall cooperate with the Person seeking to become a Substitute Limited Partner by preparing the documentation required by this Section and making all official filings and publications. The Partnership shall take all such action, including the filing of any amended Agreement and/or Certificate evidencing the admission of any Person as a Limited Partner, and the making of any other official

filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of a Limited Partner of the conditions contained in this Article IX to the admission of such Person as a Limited Partner of the Partnership. Any cost or expense incurred in connection with such admission shall be borne by the Partnership to the extent of available Partnership assets.

9.04. Rights of Assignee of Partnership Interest.

(a) Except as provided in this Article and as required by operation of law, the Partnership shall not be obligated for any purpose whatsoever to recognize the assignment by any Limited Partner of his (its) Interest until the Partnership has received actual Notice thereof.

(b) Any Person who is the assignee of all or any portion of a Limited Partner's Interest, but does not become a Substitute Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his (its) Interest.

ARTICLE X
RIGHTS AND OBLIGATIONS
OF LIMITED PARTNERS

10.01. Management of the Partnership. No Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, no Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. No Limited Partner shall have any power or authority with respect to the Partnership except insofar as the consent of any Limited Partner shall be expressly required and except as otherwise expressly provided in this Agreement.

10.02. Limitation on Liability of Limited Partners. The liability of each Limited Partner shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement, except as and to the extent otherwise provided in the Act. No Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership. No Limited Partner shall be obligated to make loans to the Partnership.

10.03. Other Activities. Any Limited Partner may engage in or possess interests in other business ventures of every kind and description for their own accounts, including without limitation, serving as general or limited partner of other partnerships which own, either directly or through interests in other partnerships, government-assisted housing projects similar to the Apartment Complex. Neither the Partnership nor any of the Partners shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

10.04. Ownership by Limited Partner of Corporate General Partner or Affiliate. No Limited Partner shall, at any time, either directly or indirectly, own any stock or other interest in any corporate General Partner if such ownership by itself or in conjunction with other stock or other interests owned by other Limited Partners would, in the opinion of Kelley Drye & Warren or other tax counsel to the Partnership, jeopardize the classification of the Partnership as a partnership for federal income tax purposes. In the event of any violation of the provisions of this Section by any one or more Limited Partners, such Limited Partner or Limited Partners shall either dispose of their Interests in the Partnership (subject to and in compliance with the provisions of Article IX) or of their stock or other interest in the corporate General Partners or Affiliates to the extent necessary so that, in the opinion of counsel for the Partnership, the classification of the Partnership as a partnership for federal income tax purposes is no longer in

jeopardy. The obligation of any such disposition required of more than one Limited Partner shall be shared among them on an equitable basis. Notwithstanding the foregoing, neither the General Partners nor any Limited Partner shall be liable in damages to the Partnership or to any Partner by reason of any violation of this Section, except for damages arising out of any material misrepresentation by any Limited Partner relating to the ownership of stock or other interest in a corporate General Partner or any affiliate by him or by any member of his family (within the meaning of the attribution rules set forth in Section 318 of the Code) or out of any failure by any Limited Partner to dispose of his Interest in the Partnership or of his stock or other interest in a corporate General Partner or Affiliate within a reasonable time after Notice to such Limited Partner by the Partnership of the obligations to make such disposition.

ARTICLE XI
PROFITS, LOSSES AND DISTRIBUTIONS

11.01. Allocation of Profits, Losses, Credits and Cash Distributions.

(a) All profits, losses and credits, except those gains and losses referred to in Section 11.03, shall be allocated to the Partners in accordance with their Percentage Interests. Subject to RIHMFC approval, if required, Cash Flow shall be applied and/or distributed in the following priority: (i) the making of all debt service payments due with respect to the Second Mortgage Loan; (ii) payment of the Reporting Fee currently due, together with any accrued but unpaid Reporting Fees; (iii) repayment of any amounts due with respect to any Subordinated Loans other than Excess Development Costs Loans; and (iv) to the Partners as follows: fifty per cent (50%) thereof in the aggregate to the General Partners and fifty per cent (50%) thereof to the Investment Partnership; provided, however, that during such time as RIHMFC regulations are applicable to the Apartment Complex, the total amount of Cash Flow which may be so distributed to the Partners with respect to any fiscal year shall not exceed such amounts as RIHMFC regulations permit to be distributed.

(b) In any year in which a Partner sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Partner, the share of all profits and losses allocated to, and of all Cash Flow and of all cash proceeds distributable under Section 11.04 distributed to, all Partners which is attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee using any one of the following methods as determined by agreement between the assignor and assignee: (i) ratably on the basis of the number of days in such year before, and the number of days on and after, the execution by the assignee of this Agreement, or (ii) by dividing the Partnership fiscal year into two segments, the first segment being the time period in such year before the execution by the assignee of this Agreement and the second segment being the time period in such year beginning on the date of execution of this Agreement, and allocating profits and losses, Cash Flow, and all cash proceeds distributable in each such segment among the persons who were Partners during that segment, or (iii) such other method as provided by the Code or regulations thereunder.

(c) The Partnership shall, subject to any applicable limitation on the distribution of Cash Flow and any required approval by RIHMFC, distribute Cash Flow not less frequently than annually in the manner provided in Section 11.01(a).

(d) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Partner, or any loan between a Partner and the Partnership, any income or deduction of the Partnership attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Partner.

(e) In the event that the deduction of all or a portion of any fee paid or incurred by the Partnership to a Partner or an Affiliate of a Partner is disallowed for federal income tax purposes by the Internal Revenue Service with respect to a taxable year of the Partnership, the Partnership shall then allocate to such Partner an amount of gross income of the Partnership for such year equal to the amount of such fee as to which the deduction is disallowed.

(f) If any Partner's Interest in the Partnership is reduced but not eliminated because of the admission of new Partners or otherwise, or if any Partner is treated as receiving any items of property described in Section 751(a) of the Code, the Partner's Interest in such items of Section 751(a) property that was property of the Partnership while such Person was a Partner shall not be reduced, but shall be retained by the Partner so long as the Partner has an Interest in the Partnership and so long as the Partnership has an Interest in such property.

11.02. Determination of Profits, Losses and Credits. Profits, losses and credits for all purposes of this Agreement shall be determined in accordance with the accrual accounting method, except that any adjustments made pursuant to Section 754 of the Code, other than the adjustments made with respect to the admission of the Investment Partnership to the Partnership, shall not be taken into account. Every item of income, gain, loss, deduction, credit or tax preference entering into the computation of such profits or losses, or applicable to the period during which such profits and losses were realized, shall be considered allocated to each Partner in the same proportion as profits and losses are allocated to such Partner.

11.03. Allocation of Gains and Losses. Gains and losses recognized by the Partnership upon the sale, exchange or other disposition of all or substantially all of the property owned by the Partnership shall be allocated in the following manner:

(a) gains shall be allocated (i) first, to the Partners with negative Capital Account balances, in proportion to such balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to such Partners' negative Capital Accounts in the Partnership; (ii) second, gain in excess of the amount allocated under (i) shall be allocated to the Investment Partnership in the amount of its Capital Contributions paid to

the Partnership reduced (but not below zero) by the sum of (A) the total amount of all prior cash distributions made to it pursuant to Section 11.04 plus (B) the positive balance in such Partner's Capital Account prior to the allocation made pursuant to this subsection (ii); (iii) third, gain in excess of the amounts allocated under (i) and (ii) shall be allocated to the General Partners in the amounts of their respective Capital Contributions to the Partnership reduced (but not below zero) by the total sum of (A) all prior cash distributions made to them pursuant to Section 11.04 plus (B) the positive balance in the Partners' respective Capital Accounts prior to the allocations made pursuant to this subsection (iii); and (iv) fourth, gain in excess of the amounts allocated under (i), (ii) and (iii) shall be allocated fifty per cent (50%) in the aggregate to the General Partners and fifty per cent (50%) to the Investment Partnership.

(b) Losses shall be allocated (i) first, to the extent and in such proportions as shall be necessary such that, after giving effect thereto, the respective balances in all Partners' Capital Accounts are proportionate to the Partners' Interests in the Partnership; (ii) second, to the Partners until each Partner's Capital Account equals his Capital Contribution to the Partnership; (iii) third, to the Partners to the extent of and in proportion to such Partners' Capital Accounts (after the adjustment in subsection (ii)); and (iv) fourth, any remaining loss to the Partners in accordance with the manner in which they bear the economic risk of loss associated with such loss. In the event that no Partner bears an economic risk of loss, then all Partners shall be allocated loss in excess of the amounts allocated under (i), (ii) and (iii) in accordance with their Partnership Interests.

(c) Any portion of the gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Recapture Amount") shall be allocated on a dollar for dollar basis to those Partners to whom the items of Partnership deduction or loss giving rise to the Recapture Amount had been previously allocated.

11.04. Distribution of Proceeds from Sale and Liquidation of Partnership Property. Except as may be required under Section 12.02(b), the proceeds resulting from the liquidation of the Partnership assets pursuant to Section 12.02, and the net proceeds resulting from any sale of the property of the Partnership or refinancing of the Apartment Complex or a Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Partnership (including amounts due pursuant to the Mortgage Loan and the Second Mortgage Loan, and all expenses of the Partnership incident to any such sale or refinancing), excluding (1) debts and liabilities of

the Partnership to Partners or any Affiliates, and (2) all unpaid fees owing to the General Partners under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the Managing General Partner if the distribution is not pursuant to the liquidation of the Partnership) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(c) to the repayment of any unrepaid debts and liabilities (including unpaid fees) owed to the Partners or any Affiliates by the Partnership for Partnership obligations, including any accrued but unpaid Reporting Fees pursuant to Section 5.05 and any loans made pursuant to Sections 5.01(d)(iii), 8.09(b) or 8.17 and excluding any Subordinated Loans which constitute Excess Development Costs Loans; provided, however, that the foregoing debts and liabilities owed to Limited Partners and their Affiliates shall be repaid prior to the repayment of any Subordinated Loans;

(d) to the payment of the Sales Preparation Fee, if and to the extent then due and payable;

(e) to the Investment Partnership in an amount equal to the Invested Amount, reduced (but not below zero) by all cash distributions previously distributed to the Investment Partnership pursuant to this Section 11.04;

(f) to the General Partners in an amount equal to the aggregate of (i) the outstanding amount of any Subordinated Loans which constitute Excess Development Costs Loans pursuant to Section 8.09(a)(ii), and (ii) the total amount of their Capital Contributions paid to or on behalf of the Partnership, reduced by all cash distributions previously distributed to them pursuant to this Section 11.04;

(g) except in the case of any refinancing of the Apartment Complex, to each Partner in an amount equal to the positive balance in his Capital Account as of the date of the liquidation or sale, adjusted for operations and distributions to that date, and after allocation of any gain under Section 11.03 realized from such event giving rise to the proceeds distributable under this Section 11.04; and

(h) the balance of such remaining sum 50% thereof in the aggregate to the General Partners and 50% thereof to the Investment Partnership.

11.05. Capital Accounts. A separate Capital Account shall be maintained and adjusted for each Partner. There shall be credited to each Partner's Capital Account the amount of his Capital Contribution, the fair market value of any property contributed to the Partnership (net of any liabilities secured by such property) and such Partner's distributive share of the profits for tax purposes of the Partnership; and there shall be charged against each Partner's Capital Account the amount of all Cash Flow distributed to such Partner, the fair market value of any property distributed to such Partner (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Partnership's assets or from any sale or refinancing of the Apartment Complex distributed to such Partner, and such Partner's distributive share of the losses for tax purposes of the Partnership. Each Partner's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treas. Reg. §1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Partners that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treas. Reg. §1.704-1(b)(2)(iv).

11.06. Authority of General Partners to Vary Allocations to Preserve and Protect Partners' Intent.

(a) It is the intent of the Partners that each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article XI and Section 5.01 to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article XI and Section 5.01, the General Partners hereby are authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article XI and Section 5.01 to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Article XI and Section 5.01 would cause the determinations and allocations of each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 11.06 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article XI and Section 5.01 and no amendment of this Agreement or approval of any Partner shall be required.

(b) In making any allocation (the "new allocation") under Section 11.06(a), the General Partners are authorized to act only after having been advised by the Accountants that, under Section 704(b) of the Code and the Treasury Regulations thereunder, (i) the new allocation is necessary, and (ii) the new allocation is the minimum modification of the allocations otherwise provided for in this Article XI and Section 5.01 necessary in order to assure that, either in the then current year or in any preceding year, each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Article XI and Section 5.01 to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations thereunder.

(c) If the General Partners are required by Section 11.06(a) to make any new allocation in a manner less favorable to the Limited Partners than is otherwise provided for in this Article XI and Section 5.01, then the General Partners are authorized and directed, only after having been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Limited Partners as nearly as possible to the allocations thereof otherwise contemplated by this Article XI and Section 5.01.

(d) New allocations made by the General Partners under Section 11.06(a) and Section 11.06(c) in reliance upon the advice of the Accountants shall be deemed to be made pursuant to the fiduciary obligation of the General Partners to the Partnership and the Limited Partners, and no such allocation shall give rise to any claim or cause of action by any Limited Partner.

11.07. Designation of Tax Matters Partner. BCP Westside hereby is designated as Tax Matters Partner of the Partnership, and shall engage in such undertakings as are required of the Tax Matters Partner of the Partnership, as provided in regulations pursuant to Section 6231 of the Code. Each Partner, by its execution of this Agreement, Consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

11.08. Authority of Tax Matters Partner. The Tax Matters Partner is hereby authorized, but not required:

(a) to enter into any settlement with the Internal Revenue Service or the Secretary with respect to any tax audit or judicial review, in which agreement the Tax Matters Partner may expressly state that such agreement shall bind the other Partners, except that such settlement agreement shall not bind

any Partner who (within the time prescribed pursuant to the Code and regulations thereunder) files a statement with the Secretary providing that the Tax Matters Partner shall not have the authority to enter into a settlement agreement on behalf of such Partner;

(b) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed to the Tax Matters Partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court, the District Court of the United States for the district in which the Partnership's principal place of business is located, or the United States Claims Court;

(c) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(d) to file a request for an administrative adjustment with the Internal Revenue Service at any time and, if any part of such request is not allowed by the Internal Revenue Service, to file a petition for judicial review with respect to such request;

(e) to enter into an agreement with the Internal Revenue Service to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(f) to take any other action on behalf of the Partners or the Partnership in connection with any administrative or judicial tax proceeding to the extent permitted by applicable law or regulations.

11.09. Expenses of Tax Matters Partner. The Partnership shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Partners. The payment of all such expenses shall be made before any distributions are made from Cash Flow or any discretionary reserves are set aside by the General Partners. The General Partners shall have the obligation to provide funds for such purpose. The taking of any action and the incurring of any expense by the Tax Matters Partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Tax Matters Partner and the provisions on limitations of liability of General Partners and indemnification set forth in Section 8.07 of this Agreement shall be fully applicable to the Tax Matters Partner in its capacity as such.

11.10. Minimum Gain Provisions.

(a) Notwithstanding any other provision of this Agreement, no allocation of loss or deduction (or item thereof) attributable to any nonrecourse debt of the Partnership shall be made by the Partnership to a Partner if such allocation would cause the sum of the deficit capital account balances of the Partner or Partners otherwise receiving such allocation (excluding the portion of such deficit balances that must be restored to the Partnership upon liquidation, if any) to exceed the "Minimum Gain" (as defined in Treas. Reg. § 1.704-1(b)(4)(iv)(f) and determined at the end of the Partnership taxable year to which the allocation relates).

(b) Notwithstanding any other provision of this Agreement, if there is a net decrease in Partnership Minimum Gain during a Partnership taxable year, all Partners with deficit Capital Account balances at the end of such year (reduced by the portion of such deficit balances (i) that must be restored upon liquidation, if any, and (ii) that portion of such deficit balances that would be eliminated under Treas. Reg. § 1.704-1(b)(4)(iv)(f) if the Partnership were liquidated at such time, and increased by the items described in Treas. Reg. §§ 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) shall be allocated, before any other allocation is made under this Agreement, items of income and gain for such year (and, if necessary, for subsequent taxable years) in amounts equal to the greater of (A) the amounts needed to eliminate such deficits as quickly as possible, or (B) the portion of each such Partner's share of the net decrease in Partnership Minimum Gain during such year (as specified in Treas. Reg. § 1.704-IT (b)(4)(iv)(f)) that is allocable to the disposition of Partnership property subject to one or more nonrecourse liabilities of the Partnership.

(c) Except as provided in Section 11.10(b) hereof, in the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treas. Reg. §§ 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate (to the extent required by the Regulations under Code Section 704(b)) the deficit balance in each such Partner's Capital Account as quickly as possible.

ARTICLE XII
SALE, DISSOLUTION AND LIQUIDATION

12.01. Dissolution of the Partnership. The Partnership shall be dissolved upon the earlier of the expiration of the term of the Partnership, or upon:

(a) the withdrawal, Bankruptcy, death, dissolution or adjudication of incompetency of a General Partner who is at that time the sole General Partner;

(b) the sale or other disposition of all or substantially all of the assets of the Partnership;

(c) the election by the General Partners, with the Consent of the Investment Partnership; or

(d) any other event causing the dissolution of the Partnership under the laws of the State.

12.02. Winding Up and Distribution.

(a) Upon the dissolution of the Partnership pursuant to Section 12.01, (i) a Certificate of Cancellation shall be filed in such offices within the State as may be required or appropriate, and (ii) the Partnership business shall be wound up and its assets liquidated as provided in this Section 12.02 and the net proceeds of such liquidation, except as provided in Section 12.02(b) below, shall be distributed in accordance with Section 11.04.

(b) It is the intent of the Partners that, upon liquidation of the Partnership, any liquidation proceeds available for distribution to the Partners be distributed in accordance with the Partners' respective Capital Account balances and the Partners believe that distributions under Section 11.04 will effectuate such intent. In the event that, upon liquidation, there is any conflict between a distribution pursuant to the Partners' respective Capital Account balances and the intent of the Partners with respect to distribution of proceeds as provided in Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02 and 11.03, allocate the Partnership's gains, profits and losses in a manner that will cause the distribution of liquidation proceeds to the Partners to be in accordance with the Partners' respective Capital Account balances.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Partnership required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Partnership's property and assets; provided, however, that if the Liquidator shall determine

that an immediate sale of part or all of the Partnership property would cause undue loss to the Partners, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Partnership to Persons other than the Partners. Upon the complete liquidation and distribution of the Partnership assets, the Partners shall cease to be Partners of the Partnership, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Partnership.

(d) Upon the dissolution of the Partnership pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership upon its dissolution. Promptly following the complete liquidation and distribution of the Partnership property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Partner, a statement showing the manner in which the Partnership assets were liquidated and distributed.

ARTICLE XIII
BOOKS AND RECORDS, ACCOUNTING
TAX ELECTIONS, ETC.

13.01. Books and Records. The books and records of the Partnership shall be maintained on an accrual basis in accordance with sound federal income tax accounting principles. These and all other records of the Partnership, including information relating to the status of the Apartment Complex and information with respect to the sale by the General Partners or any Affiliate of goods or services to the Partnership, shall be kept at the principal office of the Partnership and shall be available for examination there by any Partner, or his duly authorized representative, at any and all reasonable times. Any Partner, or his duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Limited Partners.

13.02. Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the Managing General Partner shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the Managing General Partner may, from time to time, determine. No funds of the Partnership shall be deposited in any financial institution in which any Partner is an officer, director or holder of any proprietary interest.

13.03. Accountants. The Accountants shall annually prepare for execution by the Managing General Partner all tax returns of the Partnership, shall annually audit the books of the Partnership, and shall certify, in accordance with generally accepted accounting principles, a balance sheet, a profit and loss statement, and a cash flow statement. With respect to each fiscal year during the Partnership's operations, at such time as the Accountants shall have prepared the proposed tax return for such year, the Accountants shall provide copies of such proposed tax return to the Investment Partnership and to its accountants, Reznick, Fedder & Silverman, of Bethesda, Maryland, for their review and comment. Any changes in such proposed tax return recommended by the Investment Partnership's accountants shall be made by the Accountants prior to the completion of such tax return for execution by the Managing General Partner. The Partnership shall reimburse Boston Capital Communications Limited Partnership, an affiliate of the Investment Partnership, for its expenses incurred in causing the Partnership's proposed tax return to be reviewed by the Investment Partnership's accountants if and to the extent that such review results in material, significant revisions to such proposed tax return and/or such proposed tax return is significantly revised by the Investment Partnership's accountants. A full detailed statement shall be furnished to all Partners, showing such assets, properties, and net worth and the profits and losses of the Partnership for the

preceding fiscal year. All Partners shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Partnership.

13.04. Reports to Partners.

(a) The Managing General Partner shall cause to be prepared and distributed to all persons who were Partners at any time during a fiscal year of the Partnership:

(i) Within sixty (60) days after the end of each fiscal year of the Partnership, (A) a balance sheet as of the end of such fiscal year and statements of income, Partners' equity, and changes in financial position and a Cash Flow statement, for the year then ended, all of which, except the Cash Flow statement, shall be prepared in accordance with generally accepted accounting principles and accompanied by an auditor's report containing an opinion of the Accountants, and (B) a report of the activities of the Partnership during the period covered by the report. Such report shall set forth distributions to Limited Partners for the period covered thereby and shall separately identify distributions from: (1) Cash Flow from operations during the period, (2) Cash Flow from operations during a prior period which had been held as reserves, (3) proceeds from disposition of the Apartment Complex or any other investments of the Partnership, (4) lease payments on net leases with builders and sellers, and (5) reserves. With respect to any distribution to the Investment Partnership, the report called for shall separately identify distributions from (A) Cash Flow from operations during the period, (B) Cash Flow from operations during a prior period which had been held as reserves, (C) proceeds from disposition of property and investments, (D) lease payments on net leases with builders and sellers, (E) reserves from the gross proceeds of the offering originally obtained from the Investment Partnership, (F) borrowed monies, (G) loans or contributions from the Investment Partnership, and (H) transactions outside of the ordinary course of business with a description thereof.

(ii) Within forty-five (45) days after the end of each fiscal year of the Partnership, all information necessary for the preparation of the Limited Partners' federal income tax returns.

(iii) Within thirty (30) days after the end of each quarter of a fiscal year of the Partnership, a report containing:

(A) A balance sheet, which may be unaudited; and

(B) a statement of income for the quarter then ended, which may be unaudited; and

(C) other pertinent information regarding the Partnership and its activities during the quarter covered by the report.

(b) Within ninety (90) days after the end of each fiscal year of the Partnership the Managing General Partner shall provide to the Investment Partnership:

(i) A certification by the Managing General Partner that (A) all Mortgage Loan and Second Mortgage Loan payments and taxes and insurance payments with respect to the Apartment Complex are current as of the date of the year-end report, (B) there is no default under the Project Documents or this Agreement, or if there is any default, a description thereof, and (C) there is no building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Apartment Complex or, if there is any violation, a description thereof;

(ii) the information specified in Section 13.04(c);

(iii) a descriptive statement of all transactions during the fiscal year between the Partnership and the General Partners and/or any Affiliate, including the nature of the transaction and the payments involved (including accrued cash or other payments);

(iv) a Cash Flow statement; and

(v) a copy of the annual report to be filed with the United States Treasury concerning the status of the Apartment Complex as low-income housing and, if required, a certificate to the appropriate state agency concerning the same.

(c) Upon the written request of the Investment Partnership for further information with respect to any matter covered in items (a) or (b) above, the Managing General Partner shall furnish such information within 30 days of receipt of such request.

(d) The Managing General Partner, on behalf of the Partnership, shall send to the Investment Partnership, on or before July 31 in each year, a report which shall state:

(i) the then occupancy level of the Apartment Complex;

(ii) if there are any Operating Deficits or anticipated Operating Deficits, the manner in which such deficits will be funded; and

(iii) such other matters as shall be material to the operation of the Partnership, including, without limitation, any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation by the Apartment Complex of which the General Partners, or either of them, is (are) aware.

(e) Prior to October 1 of each year, the Managing General Partner, on behalf of the Partnership, shall send to the Investment Partnership an estimate of the Investment Partnership's share of the Tax Credits, profits and losses of the Partnership for federal income tax purposes for the current fiscal year. Such estimate shall be prepared by the Managing General Partner and the Accountants.

(f) Within 15 days after the end of any calendar quarter during which

(i) there is a material default by the Partnership under the Project Documents or in payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt,

(ii) any reserve has been reduced or terminated by application of funds therein for purposes materially different from those for which such reserve was established,

(iii) the General Partners, or either of them, has (have) received any notice of a material fact which may substantially affect further distributions, or

(iv) any Partner has pledged or collateralized his Interest in the Partnership,

the Managing General Partner shall send the Investment Partnership a detailed report of such event.

(g) Within forty-five (45) days after the end of each quarter of the fiscal year of the Partnership during which there have been real property acquisitions by the Partnership, a "Special Report" (which may be part of the quarterly report) shall be sent to all Limited Partners until the entire proceeds of the Capital Contribution of the Investment Partnership are either used, committed to use or returned to the Investment Partnership. The "Special Report" shall contain the following information:

(i) The location and description of the general character of all materially important real properties acquired or presently intended to be acquired by or leased to the Partnership during such fiscal quarter;

(ii) The present or proposed uses of such properties and their suitability and adequacy for such use;

(iii) The terms of any material lease affecting the property;

(iv) The proposed method of financing, including estimated down payment, leverage ratio, prepaid interest, balloon payment(s), prepayment penalties, due-on-sale or encumbrance clauses and possible adverse effects thereof and similar details of the proposed financing plan; and

(v) A statement that title insurance and any required construction, permanent or other financing and performance bonds or other assurances with respect to builders have been or will be obtained on all properties so acquired.

(h) The Managing General Partner, on behalf of the Partnership, shall within 60 days after the end of the first six-month period following the Admission Date send to the Investment Partnership a balance sheet, income statement and Cash Flow statement covering such six-month period, each of which may be unaudited.

(i) After the Admission Date, the Managing General Partner, on behalf of the Partnership, shall send to the Investment Partnership, on or before the tenth day of each month, a copy of all applicable periodic reports covering the status of project operations from the previous period, as may be required by the Agency.

13.05. Section 754 Elections. In the event of a transfer of all or any part of the Interest of a General Partner or of a Limited Partner, the Partnership may elect, pursuant to Sections

743 and 754 of the Internal Revenue Code of 1954 (or any corresponding provision of succeeding law), to adjust the basis of the Partnership property if, in the opinion of the Investment Partnership, based upon the advice of the Accountants, such election would be most advantageous to the Investment Partnership. Each Partner agrees to furnish the Partnership with all information necessary to give effect to such election.

13.06. Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. All Partnership accounts shall be determined on the accrual basis.

ARTICLE XIV AMENDMENTS

14.01. Proposal and Adoption of Amendments. This Agreement may be amended by the General Partners with the Consent of the Investment Partnership.

ARTICLE XV CONSENTS, VOTING AND MEETINGS

15.01. Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Partner and received by the General Partners at or prior to the doing of the act or thing for which the Consent is solicited.

15.02. Submissions to Limited Partners. The Managing General Partner shall give the Limited Partners Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of the Limited Partners. Such Notice shall include any information required by the relevant provision or by law.

15.03. Meetings; Submission of Matter for Voting. Subject to the provisions of Section 10.01, a majority in Interest of the Limited Partners shall have the authority to convene meetings of the Partnership and to submit matters to a vote of the Partners.

ARTICLE XVI GENERAL PROVISIONS

16.01. Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

16.02. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

16.03. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

16.04. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

16.05. Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Partnership, the Partnership business and the property of the Partnership, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

16.06. Liability of the Investment Partnership. Notwithstanding anything to the contrary contained herein, neither the Investment Partnership nor any of its partners, general or limited, shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investment Partnership under this Agreement. In the event that the Investment Partnership shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investment Partnership, shall be against the capital contributions of the investor limited partners of the Investment Partnership allocated to, and remaining for investment in, the Partnership; provided however, that under no circumstances shall the liability of the Investment Partnership for any such default be in excess of the amount of Capital Contribution payable by the Investment Partnership to the Partnership, under the terms of this Agreement, at the time of such default.

16.07. Environmental Protection.

(a) The General Partners represent and warrant, jointly and severally, that (i) neither of them has any knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Substances at, upon, under or within the Land or any contiguous real estate, and (ii) neither of them has caused or permitted to

occur, and neither of them shall permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Land or on any contiguous real estate.

(b) The General Partners further represent and warrant, jointly and severally, that (i) neither they nor any other party has been, is or will be involved in operations at or, pursuant to their best efforts, near the Land, which operations could lead to (A) the imposition of liability under the Hazardous Waste Laws on the Partnership or on any other subsequent or former owner of the Land or (B) the creation of a lien on the Land under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) the General Partners have not permitted, and will not permit, any tenant or occupant of the Apartment Complex to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on the Land or on any other owner of the Apartment Complex.

(c) The General Partners shall comply strictly and in all respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations.

(d) The General Partners, jointly and severally, shall at all times indemnify and hold harmless the Investment Partnership against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments, and expenses, of any nature whatsoever, suffered or incurred by the Investment Partnership, under or on account of the Hazardous Waste Laws or any similar laws or regulations, including the assertion of any lien thereunder.

(e) For purposes of this Section 16.07, "Hazardous Substances" means oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances, as those terms are used in the Hazardous Waste Laws; and "Hazardous Waste Laws" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and any other federal, state or local law governing Hazardous Substances, as such laws may be amended from time to time.

16.08. Performance of Obligations of BCP Westside. By the execution of this Agreement by or on behalf of each of them, Christopher W. Collins and Marc S. Plonskier, each an individual resident of the Commonwealth of Massachusetts and a principal of BCP Westside, jointly and severally guarantee the performance by BCP Westside of all of its duties and obligations under and pursuant to Section 8.08 of this Agreement in a full and timely manner in accordance with the provisions thereof.

16.09. Notices to the Investment Partnership. Any Notice required by the provisions of this Agreement to be given to the Investment Partnership shall be addressed as follows:

Boston Capital Associates II Limited Partnership,
General Partner of Boston Capital Tax Credit
Fund II Limited Partnership
c/o Boston Capital Partners, Inc.
313 Congress Street
Boston, Massachusetts 02210
Attention: Linda Cargill
Executive Vice President

And a copy to: Kelley Drye & Warren
2300 M Street, NW
Washington, D.C. 20037
Attention: Kenneth G. Hance, Jr.

COUNTY OF SUFFOLK)
: SS
COMMONWEALTH OF MASSACHUSETTS)

*attorney-in-fact for
John P. Manning, a*

Before me, the undersigned Notary Public in and for the aforesaid County and State, personally appeared Linda Corsill in ~~his~~ her capacity as general partner of Boston Capital Associates, as general partner of Boston Capital Associates Limited II Partnership, as general partner of Boston Capital Tax Credit Fund II Limited Partnership, as a Limited Partner of Westside Associates Limited Partnership, and being duly sworn, acknowledged the execution of the foregoing Amended and Restated Agreement and Certificate of Limited Partnership.

Witness my hand and notarial seal this 21st day of June, 1990.

Diana L. Rice
Notary Public

My Commission Expires: _____, 199_

My Commission Expires Sept. 28, 1995

COUNTY OF SUFFOLK)
: BB
COMMONWEALTH OF MASSACHUSETTS)

Before me, the undersigned Notary Public in and for the aforesaid County and State, personally appeared Marc S. Plonskier, in (i) his capacity as the Executive Vice President of BCP Westside, Inc., as a General Partner and as a Withdrawing Initial Limited Partner of Westside Associates Limited Partnership, and (ii) his individual capacity as a consenting party with respect to the provisions of Section 16.08 of the foregoing Amended and Restated Agreement and Certificate of Limited Partnership, and being duly sworn, acknowledged the execution of the foregoing Amended and Restated Agreement and Certificate of Limited Partnership.

Witness my hand and notarial seal this 22nd day of June, 1990.

Patricia J. Kirby
Notary Public

My Commission Expires: July 6, 1990

COUNTY OF PROVIDENCE)
: ss
STATE OF RHODE ISLAND)

Before me, the undersigned Notary Public in and for the aforesaid County and State, personally appeared H. Daehler in his capacity as President of Rhode Island Interfaith Housing, Incorporated, as a Withdrawing Initial Limited Partner of Westside Associates Limited Partnership, and being duly sworn, acknowledged the execution of the foregoing Amended and Restated Agreement and Certificate of Limited Partnership.

Witness my hand and notarial seal this 22nd day of June, 1990.

Eugene J. Gessner
Notary Public

My Commission Expires: 6/30/91

COUNTY OF SUFFOLK)
 : ss
COMMONWEALTH OF MASSACHUSETTS)

Before me, the undersigned Notary Public in and for the aforesaid County and Commonwealth, personally appeared Christopher W. Collins, in his individual capacity as a consenting party with respect to the provisions of Section 16.08 of the foregoing Amended and Restated Agreement and Certificate of Limited Partnership, and being duly sworn, acknowledged the execution of the foregoing Amended and Restated Agreement and Certificate of Limited Partnership.

Witness my hand and notarial seal this 22nd day of June, 1990.

Patricia L. Kirby

Notary Public

My Commission Expires: *July 6, 1990*

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Agreement and Certificate of Limited Partnership of Westside Associates Limited Partnership as of the date first written above.

GENERAL PARTNERS:

ATTEST:

BCP WESTSIDE, INC.

By:

Marc S. Plonskier
Executive Vice President

ATTEST:

INTERFAITH I, INC.

By:

H. Daehler Hayes, Pres.
H. Daehler Hayes
President

Eugene Gessen

LIMITED PARTNER:

BOSTON CAPITAL TAX CREDIT FUND II
LIMITED PARTNERSHIP

WITNESS:

By: Boston Capital Associates II
Limited Partnership, its
general partner

By: Boston Capital Associates,
its general partner

By: _____

WITHDRAWING INITIAL LIMITED PARTNERS:

ATTEST:

BCP WESTSIDE, INC.

By:

Marc S. Plonskier
Executive Vice President

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Agreement and Certificate of Limited Partnership of Westside Associates Limited Partnership as of the date first written above.

ATTEST:

Susan B. Shepard

GENERAL PARTNERS:

BCP WESTSIDE, INC.

By:

Marc S. Plonskier
Executive Vice President

ATTEST:

INTERFAITH I, INC.

By:

H. Daehler Hayes
President

LIMITED PARTNER:

BOSTON CAPITAL TAX CREDIT FUND II
LIMITED PARTNERSHIP

WITNESS:

By: Boston Capital Associates II
Limited Partnership, its
general partner

By: Boston Capital Associates,
its general partner

John P. Manning

By: Linda Carjil as
attorney-in-fact for John
P. Manning, a partner

WITHDRAWING/INITIAL LIMITED PARTNERS:

ATTEST:

Susan B. Shepard

BCP WESTSIDE, INC.

By:

Marc S. Plonskier
Executive Vice President

ATTEST:

RHODE ISLAND INTERFAITH HOUSING,
INCORPORATED

Eileen Gassan

By: *H. Deble Hayes, Pres*

AS CONSENTING PARTIES WITH RESPECT
TO SECTION 16.08 OF THE FOREGOING:

WITNESS:

CHRISTOPHER W. COLLINS

WITNESS:

MARC S. PLONSKIER

ATTEST:

RHODE ISLAND INTERFAITH HOUSING,
INCORPORATED

By: _____

AS CONSENTING PARTIES WITH RESPECT
TO SECTION 16.08 OF THE FOREGOING:

WITNESS:

Susan B. Shepard



CHRISTOPHER W. COLLINS

WITNESS:

Susan B. Shepard



MARC S. PLONSKY