



MASSHOUSING RIDER TO PARTNERSHIP AGREEMENT

This MassHousing Rider to Partnership Agreement is dated as of _____, 201_ (the “Rider”) and is attached to and made a part of the Amended and Restated Agreement of Limited Partnership, dated as of _____, 201_ (the “Partnership Agreement”), of _____ LIMITED PARTNERSHIP, a limited partnership organized under the laws of the Commonwealth of Massachusetts (the “Partnership”). The terms of this Rider are incorporated into the Partnership Agreement in order to induce the Massachusetts Housing Finance Agency (“MassHousing”) to make the following mortgage loans to the Partnership: [*MassHousing loans and loan documents*]. For purposes hereof, the [*MassHousing Loans*] are collectively referred to as the “Loan;” the [*MassHousing Notes*] are collectively referred to as the “Note;” and the [*MassHousing Mortgages*] are collectively referred to as the “Mortgage.” The Loan is further evidenced and secured by a Regulatory Agreement (the “Regulatory Agreement”), a [*Residential Compliance Agreement*][*Disposition Agreement*] and a [*Development Fund Agreement*], all by and between MassHousing and the Partnership and dated as of the date hereof, and by related contract documents, as more fully described in the Mortgage, all of which, together with the Note and Mortgage, are collectively referred to in this Rider as the “Contract Documents.”

The Loan is being made by MassHousing to the Partnership to provide [*construction*][*permanent*] financing for the development known as “_____,” located at _____, Massachusetts, as more fully described in the Mortgage (the “Development”).

The Partnership’s Partners are as specified in the Partnership Agreement. Any other capitalized terms not defined herein shall have the meanings ascribed to them in the Contract Documents.

The parties hereto agree that the following covenants, terms and conditions shall be part of and shall modify and supplement the Partnership Agreement, and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Partnership Agreement and this Rider, the following covenants, terms, and conditions of this Rider shall control and prevail.

1. The Partnership.

(a) Partnership Purpose. The sole purpose of the Partnership shall be to develop, construct, rehabilitate, own and lease the Development as affordable rental housing in accordance with the requirements of the Regulatory Agreement. The Partnership shall not engage in any other business and shall not have or acquire an ownership interest in any asset other than the Development.

(b) New Partners; Transfers of Beneficial Interest. The admission, change or substitution of any Partner, and the conveyance, assignment, transfer, surrender or relinquishment of a beneficial interest in the Partnership and/or of any right to manage or receive the rents and profits of the Development (including any action or event constituting a Transfer under MassHousing’s Transfer Policy, as described in the Regulatory Agreement), shall be subject to the requirements set forth in the Regulatory Agreement, including, if applicable, the prior written approval of MassHousing. Any new or substitute Partner must agree to acknowledge the Partnership’s obligations to MassHousing in connection with the Loan and the operation of the Development (including, without limitation, this Rider, any of the Contract Documents and/or any other instrument as requested by MassHousing). At MassHousing’s request, such acknowledgement shall be made in a written instrument in form and substance acceptable to MassHousing; provided, however, that the execution of any instrument effecting, accepting or otherwise

acknowledging the inclusion of any such new or substitute Partner into the Partnership shall be deemed and shall constitute such acknowledgment.

(c) Declaration of Bankruptcy. The Partnership shall not authorize the commencement of any voluntary bankruptcy, receivership, or insolvency proceeding without the written consent of all of the Partners.

(d) Voluntary Dissolution. The Partnership may not voluntarily be dissolved without the prior written approval of MassHousing.

(e) Continuation of the Partnership. Upon the withdrawal, termination, retirement, dissolution, bankruptcy, death or declaration of legal incompetence of any General Partner, either voluntarily or by operation of law, the remaining General Partner(s), if any (or, if none, the remaining Partner(s)), shall promptly notify MassHousing of such event and shall continue the business of the Partnership, and, if no General Partner remains, the Partner(s) shall appoint a successor General Partner acceptable to MassHousing. The retirement, death, dissolution, bankruptcy or declaration of legal incompetence of the General Partner(s) or a Partner, or any other event of dissolution or disassociation of the Partnership under the Massachusetts Uniform] Limited Partnership Act (M.G.L. Chapter 109) shall not dissolve the Partnership, and the business of the Partnership shall be continued by the remaining General Partner(s) and Partner(s).

(f) Right, Title and Control of Development. Upon any dissolution of the Partnership, no title or right to possession and control of the Development, and no right to collect the rents from the Development, shall pass to any party or person who is not bound by the Contract Documents.

2. General Partner.

(a) Engagement in Business and Activities. If the Partnership's General Partner (which term, for purposes of this Rider, shall, except where the context provides otherwise, be deemed to include each General Partner, if more than one) is a corporation, partnership or limited liability company, such General Partner shall not engage in any business or activity or have a controlling interest in any property, business or asset other than MassHousing-financed developments unless otherwise approved in writing by MassHousing.

(b) Authority. The General Partner shall be solely responsible for the management of the Partnership's business, with all the rights and powers generally conferred by law and the Partnership Agreement. Any party dealing with the Partnership may rely on a certificate signed by the General Partner (or a single General Partner, if more than one) that the General Partner has all necessary power and authority to bind the Partnership by its acts.

(c) Reliance on General Partner. The limited partners are entering into the Partnership Agreement and MassHousing is making the Loan in reliance upon the unique expertise, skills and management ability of the General Partner. The General Partner shall not assign, delegate or permit the assignment of its management rights, whether voluntarily or involuntarily, without the prior written consent of MassHousing. In the event of the involuntary assignment of the General Partner's interest in the Partnership as a result of the General Partner's death, dissolution, bankruptcy, or declaration of legal incompetence or incapacity, the General Partner's assignees or successors in interest shall be entitled only to the rights of an assignee of the General Partner's economic interest in the Partnership, if any, and shall not succeed to any of the General Partner's management rights or authority without the prior written approval of MassHousing.

(d) Execution of Documents. The General Partner (or any General Partner, if more than one), by its authorized representative, is authorized to execute and deliver the Contract Documents and any other documents required by MassHousing in connection with the Loan on behalf of the Partnership, and the delivery thereof to MassHousing shall constitute conclusive evidence that such execution and delivery have been duly authorized.

(e) Designation of Partnership Representative. The Partnership designates the General Partner (or any General Partner, if more than one) as its representative for all matters concerning the Development that require MassHousing's consent or approval, and the signature of an authorized representative of the (or, as applicable, any) General Partner shall bind the Partnership in all such matters.

[If construction loan:]

(f) Conduct of Repairs. The Partnership has hired _____ (the "Contractor") to complete certain repairs at the Development that are financed by proceeds of the Loan. The construction contract with the Contractor may not be terminated or amended without the prior written consent of MassHousing, and the Partnership may not appoint a new contractor or enter into a new construction contract to complete repairs financed by the proceeds of the Loan without the prior written consent of MassHousing.

3. Partnership Agreement.

(a) Term. The Partnership Agreement, including this Rider, shall remain in full force and effect for so long as MassHousing is the holder of the Note and Mortgage (or, if the Note or Mortgage, as applicable, comprises multiple notes or mortgages, for so long as MassHousing is the holder of any such note or mortgage). The Partnership Agreement shall not have a term that is shorter than the term of the Note (or, if the Note comprises multiple notes, the longest term of all such notes).

(b) Amendment. No amendment to the Partnership Agreement, including this Rider, that would affect the rights of MassHousing under the Contract Documents and/or under this Rider shall be made without the prior written consent of MassHousing, and any amendment purported to be made without such consent shall be void and without effect.

(c) Conflicting Provisions in Contract Documents and Partnership Agreement. Notwithstanding any other provision of the Partnership Agreement, including this Rider, in the event that any provision of the Partnership Agreement or this Rider conflicts with the Contract Documents (or any of them), the provisions of the Contract Documents shall control. Nothing in the Partnership Agreement, including this Rider, shall serve to impede or restrict MassHousing's rights under the Contract Documents.

4. Partner Loans. The terms of any loan(s) or advance(s) to the Partnership by any Partner (each, a "Partner Loan"), shall be subject to the prior written approval of MassHousing. Any payment made by the Partnership on a Partner Loan shall be subject to and must comply with the terms of the Regulatory Agreement, including, without limitation, the provisions thereof regarding "Use of Development Revenues" and "Distributions."

5. Assignment or Pledge of Partnership Interests.

(a) MassHousing Loan. Any Partner may assign or pledge its interest in the Partnership to MassHousing as security for the Loan. Upon exercise by MassHousing of its rights pursuant to such pledge or assignment, MassHousing shall succeed to all of the assignor's right, title, and interest in the Partnership, and, at MassHousing's sole election, shall be admitted to the Partnership as a Substitute

Partner having all of the rights of a Partner attributable to such interest.

(b) Partner Loan. Any assignment or pledge of a Partnership interest as security for a Partner Loan shall be subject to the prior written approval of MassHousing. Notwithstanding any provision to the contrary in the Partnership Agreement or any documentation entered into in connection with a Partner Loan, any pledge of Partnership interests to secure such Loan is and shall be subject to any and all pledges to MassHousing under the DFA and any other applicable Contract Documents.

6. Development Operations.

(a) Limitations on Distributions. Distributions to the Partners, or any of them, shall be subject to the limitations set forth in the Regulatory Agreement.

(b) Reserves and Escrows. Operating and Replacement Reserves for the Development and any other reserves and escrows for the Development described in the Contract Documents shall be maintained as set forth in the Regulatory Agreement and any other applicable Contract Documents. Unless the Partnership Agreement expressly provides otherwise, the amounts of reserves and escrows required under the Contract Documents shall be credited toward the amount of any corresponding reserves and escrows required under the Partnership Agreement. *[If applicable: If the Partnership Agreement and/or any of the Contract Documents provides for replenishment of any such reserves or escrows, MassHousing's prior written confirmation that the source of funds for replenishment contemplated by the Partnership to effect such provisions is consistent with the Development budget previously approved by MassHousing and is acceptable to MassHousing shall be required in connection with each required replenishment.]*

(c) Management Agent. The hiring of a management agent for the Development, the management contract and the management fees payable thereunder shall be subject to the prior written consent of MassHousing, and no provision in the Partnership Agreement, including this Rider, shall serve to impede or restrict MassHousing's rights under the Contract Documents to require termination of the management contract and designation of a management agent acceptable to MassHousing. No distribution or loan to the Partnership may be guaranteed by any assignment of any management fee to be received by any Partner.

(d) Development Fee. If any construction or repair work is or will be financed by proceeds of the Loan, no payment of any amount reflected in the budget approved by MassHousing in connection with its closing on the Loan that comprises all or a part of the Development Fee (as defined in the Loan Agreement) shall be paid unless and until all costs of construction of the Development approved by MassHousing in connection with its making of the Loan have been paid and all construction or bridge loan financing by MassHousing or any other lender have been repaid, except to the extent expressly authorized under the Loan Agreement (or otherwise expressly approved by MassHousing).

7. MassHousing as Third-Party Beneficiary. The provisions of this Rider are intended for the benefit of MassHousing so long as the Loan (or, if more than one loan comprises the Loan, so long as any such loan) shall remain outstanding, and MassHousing (or its assignee) shall have the right to enforce the provisions of this Rider as a third-party beneficiary. Violation of the provisions of this Rider shall constitute an event of default under the Contract Documents.

[The remainder of this page is intentionally blank. Signature page follows.]

Signature Page – Partnership Agreement

IN WITNESS WHEREOF, the undersigned, being all the General and Limited Partners of the Partnership, have executed this MassHousing Rider to Partnership Agreement as of the date set forth above.

GENERAL PARTNER:

By: _____
Name:
Title:

LIMITED PARTNER:

By: _____
Name:
Title:

SPECIAL LIMITED PARTNER:

By: _____
Name:
Title: