

BC NORTH SQUARE LLC  
OPERATING AGREEMENT  
Dated as of October 3, 2016

BC NORTH SQUARE LLC  
OPERATING AGREEMENT

THIS OPERATING AGREEMENT is entered into as of October 3, 2016, by and among the Persons identified on Schedule A hereto as Members, of which Beacon North Square LLC, a Massachusetts limited liability company, is the Managing Member.

The parties hereto, intending to form and operate a Massachusetts limited liability company in accordance with the terms and conditions hereinafter set forth, hereby agree as follows:

ARTICLE I

THE COMPANY

Section 1.1     Formation; Name

The parties hereto hereby agree to form a limited liability company to be known as “BC NORTH SQUARE LLC” in accordance with the provisions of the Act.

Section 1.2     Purpose

The Company’s purposes shall be to acquire (by purchase, lease or otherwise), own, renovate, construct, develop, hold, invest in, improve, maintain, operate, lease, sell, and otherwise deal with real estate and interests in real estate, directly or indirectly, through one or more partnerships, limited partnerships, trusts, corporations, limited liability companies or other entities, whether or not wholly- or majority-owned by the LLC. The business of the LLC shall include participation in (a) such activities as are related or incidental to the above and (b) such other businesses, trades and activities as are permitted for an LLC under the laws of The Commonwealth of Massachusetts.

Section 1.3     Places of Business

The principal place of business of the Company shall be at c/o Beacon Communities, Two Center Plaza, Suite 700, Boston, Massachusetts 02108. The Managing Member may at any time change the location of the Company’s principal place of business, and establish additional offices and places of business, as it shall deem advisable.

Section 1.4     Term

The term of the Company shall continue in full force and effect until dissolved or terminated as set forth in Section 9.1 or pursuant to the Act.

Section 1.5     Filings; Agent for Service of Process

1.5.1     The Managing Member shall cause amendments to the Certificate to be filed whenever required by the laws of the State.

1.5.2     The agent for service of process on the Company shall be Beacon Communities Corp., Two Center Plaza, Suite 700, Boston, Massachusetts 02108 or any successor appointed by the Managing Member.

1.5.3 After the dissolution of the Company, the Managing Member shall promptly execute and cause to be filed a certificate of cancellation in accordance with the Act and the laws of any other states or jurisdictions in which the Company is qualified to do business.

Section 1.6 Independent Activities

The Members may, notwithstanding this Agreement, engage in whatever activities they choose, without having or incurring any obligation to offer any interest in such activities to the Company or any other Member. Neither this Agreement nor any activity undertaken pursuant hereto shall prevent any Member from engaging in such activities, or require any Member to permit the Company or any Member to participate in any such activities, and as a material part of the consideration for the execution of this Agreement by each Member, each Member hereby waives, relinquishes and renounces any such right or claim of participation.

## ARTICLE II

### MEMBERS AND CAPITAL CONTRIBUTIONS

Section 2.1 Members

The Members of the Company on the Effective Date are the Persons identified as Members on Schedule A attached hereto on the date of execution and delivery of this Agreement. Persons may withdraw or may be admitted as Members after the Effective Date only in compliance with the provisions of this Agreement. Any Person hereinafter admitted to the Company as a Member shall sign an amendment to this Agreement, and if necessary, an amendment to the Certificate shall be filed reflecting the admission of such Person as a Member.

Section 2.2 Capital Contributions

Each of the Members has made a Capital Contribution to the Company, consisting of cash in the amount set forth opposite such Member's name on Schedule A. No Member shall have any obligation to make further Capital Contributions to the Company.

Section 2.3 Capital Accounts and Revaluations

The Company shall establish and maintain a Capital Account for each Member. A Member's Capital Account shall be (i) increased by (a) the amount of such Member's Paid-In Capital Contribution, (b) such Member's allocations of profit pursuant to Section 3.1 and (c) items of income or gain specially allocated to such Member pursuant to Section 3.3; (ii) decreased by (x) the amount of money and the fair market value of any property distributed to such Member by the Company, (y) such Member's allocations of loss pursuant to Section 3.1 and (z) items of loss, deduction or expenditure specially allocated to such Member pursuant to Section 3.3; and (iii) adjusted to reflect any liabilities that are assumed by such Member or the Company (within the meaning of Section 1.704-1(b)(2)(iv)(c) of the Treasury Regulations), all in accordance with Sections 1.704-1(b)(2)(iv) and 1.704-2 of the Treasury Regulations. Such Capital Accounts shall also be subject to such other adjustments as may be required from time to time pursuant to the Code or the Treasury Regulations. Except as otherwise provided in the Treasury

Regulations, a permitted transferee of all or a portion of a Member's Interest shall succeed to the Capital Account of his transferor to the extent agreed to be allocable to the transferred Interest.

Notwithstanding any provision of this Agreement, the Managing Member may revalue Company properties, and make corresponding adjustments to the Members' Capital Accounts, as prescribed by the Treasury Regulations in connection with any contribution to or distribution by the Company of more than a de minimis amount of money or other property in exchange for an interest in the Company unless the Managing Member reasonably determines that such revaluations and adjustments are not necessary to reflect the economic interests of the Members in the Company. In addition, the book values of Company properties shall be increased or decreased, as the case may be, to reflect any adjustments to the adjusted tax bases of such properties pursuant to Section 734(b) or Section 743(b) of the Code to the extent that such basis adjustments (i) are taken into account in determining Capital Account balances and (ii) have not been reflected in adjustments to the book values of such properties pursuant to the preceding sentence of this Section 2.3.

Section 2.4     No Right to Demand Return of Capital Contributions

No Member shall be entitled to withdraw any part of his Capital Account or Capital Contribution, to receive any distribution from the Company or to cause a partition of the assets of the Company except as expressly provided in this Agreement. No Member shall be paid interest on any Capital Contribution.

Section 2.5     Liabilities of Members

Except as otherwise expressly set forth herein or in the Act, a Member shall be liable only to make his Capital Contribution and shall have no further personal liability whatsoever in his capacity as a Member, whether to the Company, to any Member or to the creditors of the Company, for the debts, liabilities, contracts or other obligations of the Company or for any losses of the Company. No Member shall be liable to restore any deficit balance in its Capital Account.

ARTICLE III -- Profits, Losses and Distributions

Section 3.1. Profits, Losses and Distributions

A. All profits and losses arising from the normal course of business operations or otherwise and all cash available for distribution from whatever source, commencing with the date of this Agreement, shall be allocated or distributed to the Members according to their Percentage Interests.

B. All profits and losses allocated to the Members shall be credited or charged, as the case may be, to their Capital Accounts. The terms "profits" and "losses" as used in this Agreement shall mean income and losses, and each item of income, gain, loss, deduction or credit entering into the computation thereof, as determined in accordance with the accounting methods followed by the Company and computed in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(iv). Profits and losses for Federal income tax purposes shall be allocated in the same manner as profits and losses for purposes of this Article IX, except as provided in Section 3.3A.

Section 3.2. Distributions Upon Dissolution

A. Upon dissolution and termination, after payment of, or adequate provision for, the debts and obligations of the Company, the remaining assets of the Company (or the proceeds of sales or other dispositions in liquidation of the Company assets, as may be determined by the remaining or surviving

Manager(s)) shall be distributed to the Members in accordance with the positive balances in their Capital Accounts after taking into account all Capital Account adjustments for the Company taxable year.

B. With respect to assets distributed in kind to the Members in liquidation or otherwise, (i) any unrealized appreciation or unrealized depreciation in the values of such assets shall be deemed to be profits and losses realized by the Company immediately prior to the liquidation or other distribution event; and (ii) such profits and losses shall be allocated to the Members and credited or charged to their Capital Accounts, and any property so distributed shall be treated as a distribution of an amount in cash equal to the excess of such fair market value over the outstanding principal balance of and accrued interest on any debt by which the property is encumbered. For the purposes of this Section 3.2B “unrealized appreciation” or “unrealized depreciation” shall mean the difference between the fair market value of such assets, taking into account the fair market value of the associated financing but subject to Section 7701(g) of the Code, and the Company’s basis in such assets as determined under Treasury Regulation Section 1.704-1(b). This Section 3.2B is merely intended to provide a rule for allocating unrealized gains and losses upon liquidation or other distribution event, and nothing contained in this Section 3.2B or elsewhere in this Agreement is intended to treat or cause such distributions to be treated as sales for value. The fair market value of such assets shall be determined by an appraiser to be selected by the Manager with the Consent of the Members.

### Section 3.3. Special Provisions

Notwithstanding the foregoing provisions in this Article IX:

A. Income, gain, loss and deduction with respect to Company property which has a variation between its basis computed in accordance with Treasury Regulation Section 1.704-(b) and its basis computed for Federal income tax purposes shall be shared among Members so as to take account of the variation in a manner consistent with the principles of Section 704(c) of the Code and Treasury Regulation Section 1.704-3.

B. Section 704 of the Code and the Regulations issued thereunder, including but not limited to the provisions of such regulations addressing qualified income offset provisions, minimum gain chargeback requirements and allocations of deductions attributable to nonrecourse debt and partner nonrecourse debt, are hereby incorporated by reference into this Agreement.

## ARTICLE IV

### RIGHTS, POWERS AND DUTIES OF THE MANAGING MEMBER; OPERATIONS

#### Section 4.1 Management and Control of the Company

4.1.1 The Managing Member shall have primary responsibility for the business and operations of the Company. The Managing Member shall have full authority to act on behalf of the Company in all matters relating to the business and affairs of the Company, including without limitation all powers and duties conferred upon or assigned to the Managing Member under the terms of this Agreement, shall make all decisions regarding the business of the Company and shall have all of the rights, powers and obligations of a Managing Member of a limited liability company under the laws of the State.

#### Section 4.2 Authority of the Managing Member

4.2.1 In addition to any other rights and powers that the Managing Member may have hereunder, the Managing Member, in its capacity as such, shall have all of the rights and powers that are necessary for or convenient or incidental to the accomplishment of the Company's purposes and the conduct of the Company's business, which rights and powers shall include (without limitation) the following:

(1) To make expenditures of Company funds in accordance with this Agreement and the reasonable needs of the Company's business;

(2) To borrow money and issue evidences of indebtedness (and to issue guarantees of indebtedness), including borrowings from one or more of the Members, and to secure the same by mortgage, deed of trust, pledge or other lien on any assets of the Company and to pay, prepay, repay, extend and amend or otherwise modify the terms of any such borrowings or evidences of indebtedness;

(3) To negotiate, execute, deliver, perform, modify, supplement, amend and terminate any contract, instrument or other document necessary for, or convenient or incidental to, the accomplishment of the Company's purposes and the carrying on of the Company's business, including but not limited to agreements with architects, contractors, cost estimators and other real estate professionals, purchase and sale agreements, notes, security agreements and lease agreements;

(4) To employ executive, administrative and support personnel in connection with the business of the Company, to pay salaries, employee benefits, fringe benefits, bonuses and any other form of compensation or employee benefit to such Persons, at such times and in such amounts as may be determined in the reasonable discretion of the Managing Member, and to reimburse the Managing Member for expenses incurred by it (directly or indirectly) in order to provide executive, administrative and support services in connection with the business of the Company;

(5) To hire or otherwise employ and enter into employment consulting agreements in connection therewith, such agents, contractors, subcontractors, employees, accountants, attorneys, consultants and other persons necessary or appropriate to carry out the day-to-day management and operations of the Company, and enter into employment and consulting agreements in connection therewith, and to pay reasonable fees, expenses, salaries, wages and other compensation to such Persons;

(6) To pay, extend, renew, modify, adjust, submit to arbitration, prosecute, defend, contest or compromise, upon such terms as they may determine and upon such evidence as they may deem sufficient, any obligation, suit, liability, cause of action or claim, including taxes and assessments, either in favor of or against the Company;

(7) To establish and maintain reserves for such purposes and in such amounts as the Managing Member shall deem appropriate from time to time;

(8) To pay any and all fees and to make any and all expenditures which the Managing Member shall deem necessary or appropriate in connection with the organization of the Company, the management of the affairs of the Company, and the carrying out of its obligations and responsibilities under this Agreement;

(9) To cause the Company and its properties and assets to be maintained and operated in such manner as the Managing Member may determine, subject, however, to obligations imposed by applicable laws or contracts of the Company;

(10) To cause to be obtained and continued in force policies of insurance required by any agreement relating to the Company's business or any part thereof, or reasonably determined by the Managing Member to be in the best interest of the Company;

(11) To ask for, collect and receive any fees, issues, proceeds, profits and income from operations of or services rendered by the Company and sales or other dispositions of the assets of the Company, or any part or parts thereof, and to disburse Company funds for Company purposes to those Persons entitled to receive the same;

(12) To establish, maintain and supervise the deposit of any monies or securities of the Company with federally insured banking institutions, brokerage houses or other institutions as may be selected by the Managing Member, in accounts in the name of the Company, and to make expenditures from such accounts in accordance with this Agreement upon such signature or signatures as the Managing Member may determine;

(13) To establish and maintain Capital Accounts for the Members, allocate profits, losses and other items and make distributions to the Members, all as provided herein;

(14) To perform all acts and file all documents (including without limitation registrations, license applications, foreign qualifications, disclosure forms and tax returns) necessary to comply with laws, rules and regulations applicable to the Company or the conduct of its business;

(15) To undertake such obligations (including without limitation financial and/or performance guarantees) and agree to provide such services (including without limitation development and supervisory management services) as may be necessary or appropriate in connection with the syndication or financing of the Project;

(16) To make elections for the Company pursuant to Section 13.4 or otherwise; and

(17) To conduct the affairs of the Company with the general objective of financial gain.

4.2.2 Any Person dealing with the Company may rely upon a certificate signed by or on behalf of the Managing Member as to:

(1) the identity of the Members;

(2) the existence or non-existence of any fact or facts which constitute conditions precedent to acts by the Managing Member or in any other matters germane to the affairs of the Company;

(3) the Persons who are authorized to execute and deliver any instrument or document of the Company; or

(4) any act or failure to act by the Company or, as to any other matter whatsoever involving the Company or any Member.

4.2.3 Any document executed by or on behalf of the Managing Member, while acting in the name and on behalf of the Company, shall be deemed to be the action of the Company vis-a-vis any third parties (including any Member as a third party for such purpose).

#### Section 4.3 Duties and Obligations of the Managing Member

4.3.1 The Managing Member shall (and shall devote to the Company such time as is reasonably necessary and appropriate to) conduct the Company's business and affairs in accordance with the terms hereof and in a manner intended to conform to the best interests of the Company.

4.3.2 The Managing Member shall take all actions that may be necessary or appropriate for the continuation of the Company's valid existence as a limited liability company under the laws of the State.

4.3.3 The Managing Member shall prepare or cause to be prepared and shall file on or before the due date therefor (or any extension thereof) any federal, state or local tax returns required to be filed by the Company. The Managing Member shall cause the Company to pay any taxes payable by the Company; provided, however, that the Managing Member shall not be required to cause the Company to pay any tax so long as the Company shall be contesting in good faith and by appropriate legal proceedings the validity, applicability or amount thereof and such contest does not materially endanger any right or interest of the Company.

4.3.4 The Managing Member shall, from time to time, prepare and file any amendment to the Certificate or this Agreement, and other similar documents that are required by law to be filed and recorded for any reason, in such office or offices as are required under the laws of the State. The Managing Member shall do all other acts and things (including making publication or periodic filings of the Certificate or this Agreement or other similar documents, or amendments thereto) that may now or hereafter be required, or deemed by the Managing Member to be necessary, to cause the books and records of the Company and, if required by law, to cause the Certificate and this Agreement to reflect accurately the agreement of the Members, the identity of the Members and the amounts of their respective Capital Contributions.

#### Section 4.4 Indemnification

No Managing Member (or Affiliated Person of thereof) shall be liable, responsible or accountable for any loss or damage incurred by reason of any act or omission performed or omitted by such person in good faith either on behalf of the Company or in furtherance of the interests of the Company and in a manner reasonably believed by such person to be within the scope of the authority granted to such person by this Agreement or by law, provided that such person was not guilty of gross negligence, willful misconduct or breach of fiduciary duty with respect to such act or omission. To the fullest extent permitted by law, the Company, out of its assets and not out of the assets of any Member, shall indemnify and hold harmless a Managing Member (or Affiliated Person thereof) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the Company), by reason of any act or omission or alleged act or omission arising out of the activities of such person if such activities were performed in good faith either on behalf of the Company or in furtherance of the interests of the Company, and in a manner reasonably believed by such person to be within the scope of the authority conferred by this Agreement or by law, against losses, damages, or expenses for which such person has not otherwise been reimbursed (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding so long as such person was not guilty of gross negligence, willful misconduct or breach of



fiduciary duty with respect to such acts or omissions, and provided that the satisfaction of any indemnification and any holding harmless shall be from and limited to Company assets.

## ARTICLE V

### MANAGING MEMBER

#### Section 5.1 Appointment

The Managing Member and its address are as set forth on Schedule A.

#### Section 5.2 Vacancies

In the event that a Managing Member Retires, a successor shall be designated by action of a majority in Interest of the Members. Until such time as a successor is appointed, the Company shall be managed by the Members, acting by a majority in Interest.

## ARTICLE VI

### RIGHTS OF THE MEMBERS

#### Section 6.1 No Participation in Management

Except pursuant to Section 5.2, any Member who is not also a Managing Member shall not have any right to control or take any part in the management or control of the Company's business. The Members may, however, exercise the respective rights and powers granted them in their capacities as Members under this Agreement.

#### Section 6.2 No Authority to Act

Except pursuant to Section 5.2, a Member who is not also a Managing Member shall not have any power to represent, act for, sign for or bind the Company or any other Member. The Members hereby consent to the exercise by the Managing Member of the powers conferred on it by this Agreement.

## ARTICLE VII

### TRANSFERS OF MEMBERSHIP INTERESTS

#### Section 7.1 Restrictions on Transfer.

Except as permitted below or elsewhere in this Agreement: (i) no Member may withdraw or Retire voluntarily from the Company or sell, assign or encumber its Interest, without the prior written consent of the Managing Member, which consent may be withheld in the Managing Member's sole and absolute discretion and (ii) the Managing Member may not withdraw or Retire voluntarily from the Company or sell, assign or encumber its Interest, without the prior written consent of all of the Members, which consent may be withheld in such Members' sole and absolute discretion. The immediately preceding sentence of this Section shall not apply to the transfer or assignment, in trust or otherwise by a Member, whether on death or inter vivos, of all or any part of his interest in the Company:

- (i) to or for the benefit of himself, his Immediate Family; or
- (ii) to or for the benefit of any person receiving any transfer by operation of the laws of devise, descent and distribution or to the beneficiary of any trust which is a Member;
- (iii) to any other Member; or
- (iv) to the legal representatives of a deceased or incapacitated Member, or by such a legal representative to accomplish any transfer or assignment permitted by subsection (i) and (ii) above.

In no event shall all or any part of the interest of a Member be transferred, sold, or assigned to a minor or to an incompetent, except transfers, sales or assignments made in the previous sentence.

Section 7.2     Substitute Members.

No Member shall have the right to substitute an assignee as a Member in his or her place. The Managing Member, however, may, in its exclusive discretion, permit any such assignee to become a Substitute Member (except that the Managing Member may not permit an assignee of its Interest to become a Substitute Member other than in accordance with Section 7.1 above) and any such permission by the Managing Member shall be binding and conclusive without the consent or approval of any other Person. Any Substitute Member shall, as a condition of receiving any interest in the Company assets, agree to be bound (to the same extent as his assignor was bound) by the provisions of this Agreement.

Section 7.3     Death or Incapacity of Member.

In the event of the death or incapacity of any Member, his legal representative shall have the status of an assignee of the interest of such Member unless and until the Managing Member shall permit such legal representative to become a Substitute Member on the same terms and conditions as herein provided for assignees generally. The Company shall not be dissolved upon the death of a Member.

In the event that a Member shall transfer or assign his interest in the Company as provided herein and the transferee or assignee does not become a Substitute Member in accordance with Section 7.2, then such transferee or assignee shall have the right to receive the same share of the profits and losses of and distribution from the Company to which the transferor or assignor Member would have been entitled if no such transfer or assignment had occurred; provided, however, that any such transferee or assignee shall not have any of the other rights of a Member under this Agreement.

ARTICLE VIII

INTENTIONALLY OMITTED

ARTICLE IX

DISSOLUTION, LIQUIDATION AND TERMINATION OF THE COMPANY

Section 9.1     Events Causing Dissolution

The Company shall dissolve upon, and its affairs shall be wound up after, the happening of any of the following events:

9.1.1 the election to dissolve and terminate the Company by the Managing Member, with the Consent of a majority in Interest of the Members;

9.1.2 the sale or other disposition of all or substantially all of the assets of the Company; or

9.1.3 the entry of a decree of judicial dissolution with respect to the Company under the Act.

The Withdrawal of a Member shall not result in dissolution of the Company.

Section 9.2 Wind Up and Liquidation

9.2.1 The Managing Member, or an authorized liquidating trustee for the Company if one is appointed, shall be responsible for the winding up and liquidation of the Company. The Managing Member or such liquidating trustee shall have full right and unlimited discretion to determine the time, manner and terms of any sale or sales of Company assets pursuant to such liquidation for the purpose of obtaining fair value for such assets, having due regard to the activity and condition of the relevant markets and general financial and economic conditions. Prior to the distribution of all of the assets of the Company, the business of the Company and the rights, duties and relationships of and among the Managing Member, the Managing Member and Members, as such, shall continue to be governed by this Agreement.

9.2.2 Profit, loss and other items arising from sales upon liquidation shall be allocated, and the proceeds of such liquidation shall be applied, as provided in Article III.

ARTICLE X

ATTORNEY-IN-FACT

Section 10.1 Appointment of Managing Member as Attorney-in-Fact

10.1.1 Each Member (including a Substituted or additional Member) hereby irrevocably constitutes, and empowers to act alone, the Managing Member (and any officer of a corporation which is a Managing Member) as its attorney-in-fact with authority to execute, acknowledge and swear to all instruments and file all documents requisite to carrying out the intention and purposes of this Agreement, including, without limitation, (i) any amendment of this Agreement which has received the requisite consent of Members hereunder, and (ii) all business certificates and the necessary certificates and amendments thereto from time to time in accordance with all applicable laws, including without limitation the Certificate and amendments thereto providing for its admission to the Company and its obligation to make Capital Contributions, if any, as provided in this Agreement, and the filing and execution of appropriate documents with any lender.

10.1.2 Any power of attorney granted under this Agreement shall be irrevocable and shall be deemed to be a power coupled with an interest, in recognition of the fact, inter alia, that each of the

Members under this Agreement will be relying upon the power of such attorney-in-fact to act as contemplated by this Agreement in any filing and other action by him on behalf of the Company, and shall survive the bankruptcy, death, incompetence or dissolution of any Person hereby giving such power and the transfer or assignment of all or any part of the Interest of such Person; provided, however, that in the event of the transfer by a Member of all of such Member's Interest, the foregoing power of attorney of a transferor Member shall survive such transfer only until such time as the transferee shall have been admitted to the Company as a Substituted Member and all required documents and instruments shall have been duly executed and delivered to effect such substitution.

## ARTICLE XI

### AMENDMENTS

#### Section 11.1 Amendments Generally

No amendment to this Agreement shall be effective without the approval of the Managing Member; provided, however, that no amendment shall be adopted pursuant to this Section 11.1 which would (a) alter the Interest of a Member in profits, losses or other items or distributions of Distributable Funds or assets, or (b) alter, or result in the alteration of, the limited liability of the Members or the status of the Company as a partnership for federal income tax purposes, without in each case the Consent of such Members adversely affected thereby. Furthermore, no amendment shall be adopted which would reduce the percentage in interest of Members (or any class of Members) required hereunder for the taking or omission of any action or for the consent to any action proposed to be taken or omitted without the Consent of all Members.

## ARTICLE XII

### CONSENTS, VOTING AND MEETINGS

#### Section 12.1 Method of Giving Consent

Any Consent required by this Agreement

12.1.1 may be given by a written consent given by the consenting Member or Managing Member, as the case may be, and received by the Company at or prior to the doing of the act or thing for which the Consent is solicited;

12.1.2 may be given by the affirmative vote by the consenting Member or Managing Member, as the case may be, to the doing of the act or thing for which the Consent is solicited at any meeting called and held pursuant to Section 12.2 to consider the doing of such act or thing; or

12.1.3 in the case of a Member only, shall be deemed to have been given if not less than fifteen (15) days prior to the proposed date for taking an action for which such Consent is required hereunder, such Member shall have been notified in writing by the Managing Member of the proposed action and if upon the expiration of fifteen (15) days from the date of such notice such Member shall not have objected in writing to the proposed action.

#### Section 12.2 Meetings

Any matter requiring the Consents or approvals of the Members (or any class thereof) or Managing Member, as the case may be, pursuant to this Agreement may be considered at a meeting of the Members or Managing Member, as the case may be, held not less than three nor more than sixty days after Notification thereof shall have been given by the Managing Member to the Members. Any such Notification shall state briefly the purpose, time and place of the meeting. All such meetings shall be held within or outside the State at such reasonable times and places as the notifying party shall designate. Meetings may also be conducted, in whole or in part, by telephonic or comparable means. Regular meetings of the Members shall be held quarterly, insofar as reasonably possible.

## ARTICLE XIII

### BOOKS AND RECORDS; ACCOUNTING; TAX ELECTIONS; ETC.

#### Section 13.1 Books and Records

The books and records of the Company, including a list of the names and residence, business or mailing addresses, Capital Contributions of the Members, shall be maintained at the principal place of business of the Company in accordance with the Act. All of the books and records of the Company shall be available for examination at the offices of the Company in which they are maintained by any Member or by any Member's duly authorized representatives at any and all reasonable times upon reasonable notice. Each Member, or such Member's duly authorized representatives, upon Notification to the Managing Member and upon paying the costs of collection, duplication and mailing, shall be entitled for any purpose reasonably related to such Member's interest as a Member in the Company to a copy of information to which such Member is entitled under the Act. The Company may maintain such other books and records and may provide such financial or other statements as the Managing Member in its discretion deems advisable.

#### Section 13.2 Accounting; Tax Year

The Company shall report its operations for tax purposes on the cash basis and based upon the calendar year unless a different method or accounting or taxable year shall be required under the Code.

#### Section 13.3 Reports

Within 90 days after the end of each fiscal year, or as soon as practicable thereafter, the Managing Member shall send to each Person who was a Member at any time during the fiscal year then ended draft Forms K-1 and such other tax information as shall be necessary for the preparation by such Person of his federal, state and local income tax returns.

#### Section 13.4 Elections

The Managing Member shall cause the Company to make such elections under the Code and the Treasury Regulations, including those permitted by Sections 709(b) and 754 of the Code, and state tax or similar laws, as it determines advisable. Without limitation of the foregoing, nothing herein shall be construed to obligate the Managing Member to effect any election for the benefit of any Member or Members (including without limitation an election under Section 754) which shall be costly or burdensome to the Company.

## ARTICLE XIV

### DEFINITIONS

Capitalized terms used in this Agreement but not specifically defined in context shall, unless the context otherwise requires, have the meanings specified in this Article XIV. The singular shall include the plural and the masculine gender shall include the feminine, the neuter and vice versa as the context requires:

“Act” means the Massachusetts Limited Liability Company Act, as amended from time to time, and any successor to such Act.

“Affiliated Person” means any (i) Member, (ii) member of the Immediate Family of any Member, (iii) legal representative, successor or assignee of any Member or member of his Immediate Family, (iv) trustee of a trust established or maintained for the benefit of any Member or member of his Immediate Family, (v) Entity of which a majority of the voting interests is owned by any one or more of the Persons referred to in the preceding clauses, (vi) Person who is an officer, director, trustee, employee, stockholder (15% or more), manager or Member of any Entity or Person referred to in the preceding clauses or (vii) any Entity controlled by, or under common control with, any Person referred to in the preceding clauses (i) through (vi).

“Agreed Upon Value” shall mean the fair market value (net of any debt) agreed upon pursuant to a written agreement between the Members of property contributed by a Member to the capital of the Company, which shall for all purposes hereunder be deemed to be the amount of the Capital Contribution applicable to such property contributed.

“Agreement” means this Operating Agreement, as originally executed and as amended, modified, supplemented or restated from time to time, as the context requires.

“Business Day” means any day that is not a Saturday, Sunday or legal holiday in Boston, Massachusetts.

“Capital Account” means, with respect to any Member, the Capital Account maintained by the Company with respect to such Member, in accordance with Section 2.3.

“Capital Contribution” means the total value of cash or Agreed Upon Value of other consideration contributed to the Company by a Member.

“Certificate” means the Company’s Certificate of Organization filed with the Secretary of State of the State.

“Code” means the Internal Revenue Code of 1986, as amended, and, where applicable, any predecessor or successor thereto.

“Company” means the limited liability company continued by, and governed under and pursuant to, this Agreement as such company may from time to time be constituted.

“Consent” means the approval of a Person, which shall be given or shall be deemed to have been given in accordance with Section 12.1, to do the act or thing for which the approval is solicited, or the act of granting such approval, as the context may require.

“Distributable Funds” with respect to any year or other period, as applicable, shall mean an amount equal to the available cash of the Company for such year or other period, as applicable, as reduced by expenses, reserves for anticipated capital expenditures, future working capital needs and operating expenses, contingent obligations and other purposes, the amounts of which shall be reasonably determined from time to time by the Managing Member.

“Distributions” shall mean the distributions payable (or deemed payable) to a Member.

“Effective Date” means October 3, 2016.

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

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

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

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

“Immediate Family” means, with respect to any Person, his spouse, parents, parents-in-law, descendants, nephews, nieces, brothers, sisters, aunts, uncles, grandparents, brothers-in-law, sisters-in-law, children-in-law and grandchildren-in-law.

“Interest” means the interest of a Member in the Company as determined under this Agreement. Reference to a majority or a specified percentage or fraction in Interest of the Members means Members whose Capital Contributions represent over 50% or such specified percentage or fraction, respectively, of the aggregate Capital Contributions of all of the Members. Similarly, reference to a majority or a specified percentage or fraction in Interest of a particular group of Members means Members of such group whose combined Capital Contributions represent over 50% or such specified percentage or fraction, respectively, of the aggregate Capital Contributions of all of the Members of such group.

“Managing Member” means any or all of those Persons designated as Managing Member in Schedule A or any Person who becomes a Managing Member as provided herein, in each such Person’s capacity as a Managing Member of the Company. If at any time there shall be more than one Person serving as a Managing Member hereunder, the term “Managing Member” shall refer to all of such Persons in their capacities as Managing Members of the Company.

“Member” means a “Member” means any Person who is designated as a Member on Schedule A (including a Managing Member), or any Person who becomes a Substituted Member, in such Person’s capacity as a Member of the Company.

“Notification” means a writing, containing the information required by this Agreement to be communicated to any Person, sent as provided in Section 15.2.

“Paid-In Capital Contribution” means, with respect to any Member at the time of reference thereto, the amount of such Member’s Capital Contribution actually paid-in to the Company as of such date.

“Percentage Interest” means the percentage ownership interest of a Member in the Company, as set forth on Schedule A.

“Person” means an individual, corporation, partnership, trust, unincorporated organization or association, or other entity.

“Project” means the land located off of Montague Road, Amherst, Massachusetts, all as more particularly described in the Project Documents, known as North Square at the Mill District, which the Company expects to acquire and develop.

“Project Documents” means and includes all documents relating to the Project and by which the Company is bound, including without limitation, any documents relating to any financing of the Project.

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

“Securities Act” means the Securities Act of 1933, as amended.

“State” means The Commonwealth of Massachusetts.

“Substituted Member” means any Person admitted to the Company as a Member pursuant to the provisions of Section 7.2 and shown as a Member on the books and records of the Company.

“Treasury Regulations” means the Income Tax Regulations promulgated from time to time under the Code. References to specific sections of the Treasury Regulations shall be to such sections as amended, supplemented or superseded by Treasury Regulations currently in effect.

“Withdrawal” means, as to any Member, the occurrence of any event causing the cessation of such Member’s status as a Member of the Company under the Act.



## ARTICLE XV

### MISCELLANEOUS PROVISIONS

#### Section 15.1 Tax Matters Member

If the Company is subject to the rules set forth in Sections 6221 through 6233 of the Code, the Managing Member shall be the “Tax Matters Member” of the Company in accordance with Section 6231(a)(7) of the Code. To the extent permitted by the Code, the Managing Member may substitute another Member to serve in such capacity upon Notification to the Members. Each appointment of a Member to serve as Tax Matters Member shall be effective both prospectively and retroactively. The Tax Matters Member shall have all of the rights, duties, obligations and powers of a “tax matters partner” under Sections 6221 through 6233 of the Code.

#### Section 15.2 Notification

15.2.1 Any Notification to a Member or Managing Member shall be at the address of such Member or Managing Member set forth in the books and records of the Company or such other mailing address of which such Member or Managing Member shall advise the Managing Member in writing. Any Notification to the Company shall be at the principal office of the Company, as set forth in the books and records of the Company. The Managing Member may at any time change the location of their principal offices. Notification of any such change shall be given to the Members on or before the date of any such change.

15.2.2 Any Notification shall be deemed to have been duly given if personally delivered or sent by United States mail or express mail service or by telecopy, and will be deemed given, unless earlier received, (1) if sent by certified or registered mail, return receipt requested, or by first-class mail, five calendar days after being deposited in the United States mails, postage prepaid, (2) if sent by United States Express Mail or other nationally recognized express mail or overnight courier service, the day after being deposited therein, (3) if sent by telecopy, on the date sent provided confirmatory notice is sent by first-class mail, postage prepaid, and (4) if delivered by hand, on the date of receipt.

#### Section 15.3 Binding Provisions

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.

#### Section 15.4 No Waiver

The failure of any Member to seek redress for violation, or to insist on strict performance, of any covenant or condition of this Agreement shall not prevent a subsequent act which would have constituted a violation from having the effect of an original violation.

#### Section 15.5 Applicable Law

This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State, without regard to the conflict of laws principles thereof.

Section 15.6 Separability of Provisions

Each provision of this Agreement shall be considered separable, and if for any reason any provision or provisions of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid or unenforceable in any jurisdiction, such provision or provisions shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining provisions hereof, or the application of the affected provision to Persons or circumstances other than those to which it was held invalid or unenforceable, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 15.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties governing the relationship established hereby. This Agreement supersedes any prior agreement or understanding among the parties and may not be modified or amended in any manner other than as set forth herein.

Section 15.8 Section Titles

Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 15.9 Counterparts

This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto notwithstanding that all the parties have not signed the same counterpart.

Section 15.10 Variation of Pronouns

When used herein, pronouns and variations thereof shall be deemed to refer to the masculine, feminine or neuter or to the singular or plural as to the identity of the Person or Persons referenced or the context may require.

Section 15.11 Limited Dividend Organization

The Company shall be a “Limited Dividend Organization” within the meaning of Massachusetts General Laws c. 40B, § 21 and 760 C.M.R. § 56.

EXECUTION

This Operating Agreement is executed as of the date first above written by the Members whose names are set forth below.

MANAGING MEMBER:

BEACON NORTH SQUARE LLC  
By: Beacon Communities Corp.,  
its Sole Member

By:  \_\_\_\_\_  
Pamela Goodman, President

MEMBER:

BEACON COMMUNITIES REI LLC  
By: Beacon Communities Corp., its Manager

By:  \_\_\_\_\_  
Pamela Goodman, President

BC NORTH SQUARE LLC

SCHEDULE A

As of October 3, 2016

	<u>Capital Contribution</u>	<u>Percentage Interest</u>
<u>Managing Member</u>		
Beacon North Square LLC c/o Beacon Communities Two Center Plaza, Suite 700 Boston, MA 02108	\$0.01	0.01%
<u>Members</u>		
Beacon Communities REI LLC c/o Beacon Communities Two Center Plaza, Suite 700 Boston, MA 02108	\$99.00	99.99%