

(3) For all purposes of this agreement, the term "net cash" shall mean: the taxable income for federal income tax purposes as shown on the books of the Partnership "increased" by (i) the amount of all depreciation and any and all other amortization deductions taken in computing such taxable income, and (ii) any nontaxable income of the Partnership; and "reduced" by (i) payments upon the principal of any notes and mortgages secured by Partnership property or of any other Partnership obligations or loans, (ii) expenditures for the acquisition of Partnership property and for capital improvements and/or replacements (except to the extent financed through capital contributions, mortgages on Partnership property or any other Partnership obligations or loans, or reserves previously set aside by the Partnership for such purposes), (iii) such reserves for capital improvements and/or replacements and for repairs and to meet such anticipated expenses as a majority of all of the Partners shall deem to be reasonably necessary or appropriate in the efficient conduct of the Partnership business. The term "net cash" shall also include any other funds (including amounts previously set aside as reserves by the Partners, where and to the extent a majority of all of the Partners no longer regard such reserves as reasonably necessary in the efficient conduct of the Partnership business) properly deemed available for distribution and designated as net cash by a majority of all of the Partners, which for instance could include excess proceeds obtained by the Partnership upon a refinancing of the project.

(4) Upon the termination of the Partnership, as provided in paragraphs 3 and 14, after distributing the net profits, if any, as provided in this paragraph 5, or after charging the capital account of each Partner with the Partner's share of net losses, if any, all distributions to Partners out of Partnership net capital remaining after the payment of or provision for debts and obligations of the Partnership shall be made (i) pro rata to repay the then outstanding capital