

January 20, 2015

BY HAND

Civil Clerk's Office
Suffolk Superior Court
Three Pemberton Square
Boston, MA 02108

*Re: Homeowner's Rehab, Inc., et al. v. Related Corporate V SLP, L.P., et al.,
Suffolk Superior Court Civil Action No. 2014-3807 BLS2.*

Dear Sir/Madam:

Enclosed for filing and docketing in connection with the above-referenced matter please find the Defendants' Answer and Counterclaim With Prayers for Injunctive Relief.

Kindly docket and file in your usual manner. Thank you for your attention to this matter.

Very truly yours,



Dennis E. McKenna

DEM:cas/jlk
Enclosure

cc: Karen E. Friedman, Esquire

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT
CIVIL ACTION NO. 2014-3807-BLS2

HOMEOWNER'S REHAB, INC. AND
MEMORIAL DRIVE HOUSING, INC.,

Plaintiffs,

v.

RELATED CORPORATE V SPECIAL
LIMITED PARTNER, L.P. AND
CENTERLINE CORPORATE
PARTNERS V L.P.,

Defendants.

**DEFENDANTS' ANSWER AND
COUNTERCLAIM WITH PRAYERS FOR
INJUNCTIVE RELIEF**

The Defendants, Related Corporate V Special Limited Partner, L.P. ("Related") and Centerline Corporate Partners V L.P. ("Centerline") (collectively, the "Defendants" or the "Limited Partners"), hereby respond to the Plaintiffs' Complaint, paragraph by paragraph, as more fully set forth below. The Defendants also assert counterclaims against the Plaintiffs, as more fully set forth in the Counterclaim which forms a part of this pleading. The Defendants are not required to respond to the three introductory paragraphs containing unnumbered allegations which appear to be a summary of the allegations in the Complaint. The Defendants' position on the factual allegations is set forth in their Answer. To the extent a response is required, the Defendants deny the factual allegations in the introductory paragraphs of the Complaint, and refer to their Answer for its position on any specific allegation.

1. The Defendants admit the allegations contained in Paragraph 1 of the Complaint.
2. The Defendants admit the allegations contained in Paragraph 2 of the Complaint.
3. The Defendants admit it is a Delaware limited partnership and deny the remaining allegations contained in Paragraph 3 of the Complaint.
4. The Defendants admit the allegations contained in Paragraph 4 of the Complaint.

5. Paragraph 5 contains a conclusion of law to which no answer is required.
6. Paragraph 6 contains a conclusion of law to which no answer is required.
7. Paragraph 7 contains a conclusion of law to which no answer is required.
8. The Defendants admit the allegations contained in Paragraph 8 of the Complaint.
9. Paragraph 9 of the Complaint quotes from a portion of Section 2.5 of the Partnership Agreement, and the terms and conditions of the Partnership Agreement speaks for itself, and anything in the Paragraph not consistent with the Partnership Agreement is denied.
10. The Defendants admit the allegations contained in Paragraph 10 of the Complaint.
11. The Defendants admit the first sentence contained in Paragraph 11 of the Complaint, and deny the remaining allegations.
12. The Defendants admit the allegations contained in Paragraph 12 of the Complaint.
13. The Defendants are without sufficient information to admit or deny the allegations contained in Paragraph 13 of the Complaint.
14. The Defendants are without sufficient information to admit or deny the allegations contained in Paragraph 14 of the Complaint.
15. The Defendants admit the first sentence of Paragraph 15 of the Complaint. The Defendants state that the second and third sentences of Paragraph 15 are conclusions of law to which no answer is required.
16. The Defendants admit the first sentence of Paragraph 16 of the Complaint. The Defendants state that the second sentence of Paragraph 16 is a conclusions of law to which no answer is required.

17. The Defendants admit that a Right of First Refusal and Option Agreement with respect to the property (the "ROFR Agreement") was executed and a copy of which appears to be annexed to the Complaint as Exhibit B.

18. The first sentence of Paragraph 18 of the Complaint is a conclusion of law to which no answer is required. With regard to the second sentence of Paragraph 18 of the Complaint, the Defendants admit that Exhibit C to the Partnership Agreement contains the Minimum Price Methodology.

19. Paragraph 19 of the Complaint appears to quote from a portion of the ROFR Agreement, and the Defendants state that the terms and conditions of the ROFR Agreement speak for itself, and deny anything in this Paragraph inconsistent therewith.

20. Paragraph 20 of the Complaint appears to quote from a portion of the Partnership Agreement, and the Defendants state that the terms and conditions of the Partnership Agreement speak for itself, and deny anything in this Paragraph inconsistent therewith.

21. Paragraph 21 of the Complaint appears to quote from a portion of the Partnership Agreement, and the Defendants state that the terms and conditions of the Partnership Agreement speak for itself, and deny anything in this Paragraph inconsistent therewith.

22. Paragraph 22 of the Complaint appears to quote from a portion of the Partnership Agreement, and the Defendants state that the terms and conditions of the Partnership Agreement speak for itself, and deny anything in this Paragraph inconsistent therewith.

23. The Defendants are without information sufficient to form a belief as to the truth of the allegations contained in the first sentence of Paragraph 23 of the Complaint and, therefore, deny same. In the second sentence, the Plaintiff quotes from a portion of the Partnership

Agreement, and the Defendants state that the terms and conditions of the Partnership Agreement speak for itself, and deny anything in this Paragraph inconsistent therewith.

24. The Defendants admit the allegations contained in Paragraph 24 of the Complaint.

25. Paragraph 25 of the Complaint appears to paraphrase from a portion of the ROFR Agreement. Further answering, the Defendants state that the terms and conditions of the ROFR Agreement speak for itself, and deny anything in this Paragraph inconsistent therewith.

26. The Defendants admit the allegations contained in Paragraph 26 of the Complaint.

27. The Defendants are without information sufficient to form a belief as to the truth of the allegations contained in Paragraph 27 of the Complaint and, therefore, deny same.

28. The Defendants admit the allegations contained in Paragraph 28 of the Complaint.

29. The Defendants admit that HRI sent correspondence dated January 24, 2014, which is annexed to the Complaint as Exhibit C. Further answering, the Defendants state that the content of the January 24, 2014 speaks for itself. The Defendants deny the accuracy of the January 24, 2014 attached as Exhibit C to the Complaint.

30. The Defendants admit that by correspondence dated March 10, 2014, a copy of which is attached as Exhibit D to the Complaint, Related on its own behalf, and on behalf of Centerline, rejected the content of the January 24, 2014 letter.

31. Paragraph 31 of the Complaint appears to paraphrase from a June 4, 2014 letter written by HRI's counsel to HRI, and a copy of the June 4, 2014 letter is attached as Exhibit E to the Complaint. Further answering, the Defendants state that the content of the June 4, 2014 letter speaks for itself, and deny anything in this Paragraph inconsistent therewith. The Defendants deny any other allegations in this Paragraph. The Defendants deny the accuracy of the June 4, 2014 letter.

32. Paragraph 32 of the Complaint quotes from a letter dated June 16, 2014 on the letterhead of Centerline Capital Group, which responded to the June 4, 2014 letter, and a copy of the June 16, 2014 letter is attached as Exhibit F to the Complaint. Further answering, the Defendants state that the content of the June 16, 2014 letter speaks for itself, and deny anything in this Paragraph inconsistent therewith. The Defendants deny any other allegations in this Paragraph.

33. Paragraph 33 of the Complaint appears to paraphrase from a September 4, 2014 letter written by HRI's counsel, and a copy of the September 4, 2014 letter is attached as Exhibit G to the Complaint. Further answering, the Defendants state that the content of the September 4, 2014 letter speaks for itself, and deny anything in this Paragraph inconsistent therewith. The Defendants deny any other allegations in this Paragraph. The Defendants deny the accuracy of the September 4, 2014 letter.

34. Paragraph 34 of the Complaint quotes from a letter dated September 24, 2014 on the letterhead of Centerline Capital Group, which responded to the September 4, 2014 letter, and a copy of the September 24, 2014 letter is attached as Exhibit H to the Complaint. Further answering, the Defendants state that the content of the September 24, 2014 letter speaks for itself, and they deny anything in this Paragraph inconsistent therewith. The Defendants deny any other allegations in this Paragraph.

35. The Defendants deny the allegations contained in Paragraph 35 of the Complaint.

36. The Defendants admit that by correspondence dated November 21, 2014, Memorial Drive Housing sent correspondence enclosing a November 20, 2014 letter on the letterhead of Memorial Drive Housing Limited Partnership purporting to be a Disposition Notice, as well as a letter dated November 19, 2014 on the letterhead of Madison Park

Development Corporation purporting to be an offer to purchase the property of the Limited Partnership, each of which are attached as part of Exhibit I to the Complaint. The Defendants deny the validity of the so-called Disposition Notice and Offer to Purchase.

37. The Defendants admit receiving copies of the documents annexed as Exhibit I to the Complaint, but deny the validity of those documents.

38. The Defendants admit that by correspondence dated November 26, 2014, a copy of which is annexed as Exhibit J to the Complaint, Centerline Capital Group, on behalf of the Special Limited Partner, sent a Default Notice to the Plaintiffs. Further answering, the Defendants state that the terms of the November 26, 2014 letter speaks for itself, and they deny anything in this Paragraph inconsistent therewith. Any other allegations in this Paragraph are denied.

39. The Defendants admit by the letter dated December 4, 2014, HRI purported to exercise its right of first refusal, and which letter is attached as Exhibit K to the Complaint. Further answering, the Defendants state that the terms and conditions of the December 4, 2014 letter speaks for itself, and deny anything in this Paragraph inconsistent therewith. Any other allegations in this Paragraph are denied. The Defendants deny the validity of the December 4, 2014 letter.

40. The Defendants agree that there is a dispute among them which includes, but is not limited to, the interpretation of the ROFR Agreement and the Partnership Agreement.

41. The Defendants reallege herein its responses to Paragraphs 1 through 40 above.

42. The Defendants agree that there is a dispute among them which includes, but is not limited to, the interpretation of the ROFR Agreement and the Partnership Agreement.

43. The Defendants deny the allegations contained in Paragraph 43 of the Complaint.

44. The Defendants admit that the allegations in Paragraph 44 of the Complaint represent part of, but not the entirety, of their position with regard to the Partnership Agreement and the ROFR Agreement.

45. The Defendants deny the allegations contained in Paragraph 45 of the Complaint.

46. The Defendants agree that a declaratory judgment is now necessary with regard to the Partnership Agreement and the ROFR Agreement.

47. The Defendants reallege and incorporate by reference herein its responses to Paragraphs 1 through 46 above.

48. Paragraph 48 of the Complaint quotes from a portion of the Partnership Agreement. Further answering, the Defendants state that the terms of the Partnership Agreement speak for itself, and denies anything in this Paragraph inconsistent therewith. Any other allegations in this Paragraph are denied.

49. The Defendants deny the allegations contained in Paragraph 49 of the Complaint. Further answering, the Defendants state that Paragraph 49 of the Complaint quotes from one provision of a number of communications on the subject between the parties.

50. The Defendants deny the allegations contained in Paragraph 50 of the Complaint.

51. The Defendants agree that a declaratory judgment is now necessary with regard to the Partnership Agreement and the ROFR Agreement.

52. The Defendants reallege and incorporate by reference herein its responses to Paragraphs 1 through 51 above.

53. The Defendants admit that their position is that Memorial Drive has breached its fiduciary owed to the Defendants including, but not limited to, its actions with respect to the

Disposition Notice, as set forth in Paragraph 53 of the Complaint, and as more fully alleged in the attached Counterclaim.

54. The Defendants deny the allegations contained in Paragraph 54 of the Complaint.

55. Paragraph 55 of the Complaint attempts to quote from a portion of the Partnership Agreement, but which such language does not relieve the General Partner of its fiduciary obligation owed to the Defendants, both under the Partnership Agreement and at law. Further answering, the Defendants state that the terms and conditions of the Partnership Agreement speak for itself, and denies anything in this Paragraph inconsistent therewith. Any other allegations in this Paragraph are denied.

56. Paragraph 56 of the Complaint attempts to quote from a portion of the Partnership Agreement, but which does not relieve the General Partner of its fiduciary obligation owed to the Defendants, both under the Partnership Agreement and at law. Further answering, the Defendants state that the terms and conditions of the Partnership Agreement speak for itself, and denies anything in this Paragraph inconsistent therewith. Any other allegations in this Paragraph are denied.

57. The Defendants deny the allegations contained in Paragraph 57 of the Complaint.

58. The Defendants deny the allegations contained in Paragraph 58 of the Complaint.

59. The Defendants agree that a declaratory judgment is now necessary with regard to the Partnership Agreement and the ROFR Agreement.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

The Complaint fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

The Plaintiffs' claims are barred by the doctrine of estoppel.

THIRD AFFIRMATIVE DEFENSE

The Plaintiffs are barred by the doctrine of waiver.

FOURTH AFFIRMATIVE DEFENSE

The Plaintiffs are not entitled to the declaratory relief requested based upon their acts and conduct including, but not limited to, those acts and conduct described in the Defendants' Counterclaim.

WHEREFORE, the Defendants, Related Corporate V Special Limited Partner, L.P. and Centerline Corporate Partners V L.P., hereby respectfully request that this Honorable Court enter Judgment in favor of the Defendants and against the Plaintiffs on Count I, II, and III of the Complaint, award them their costs and attorneys' fees in defending this action, and for such other and further relief as this Honorable Court deems just and proper.

COUNTERCLAIM

PARTIES

1. The Plaintiff-in-Counterclaim, Related Corporate V Special Limited Partner, L.P. (“Related”), is a Delaware limited partnership with a principal place of business in Colorado.

2. The Plaintiff-in-Counterclaim, Centerline Corporate Partners V L.P. (“Centerline”) is a Delaware limited partnership with a principal place of business in Denver, Colorado.

3. The Defendant-in-Counterclaim, Homeowner’s Rehab, Inc. (“HRI”), is a Massachusetts non-profit corporation with a principal place of business in Cambridge, Massachusetts.

4. The Defendant-in-Counterclaim, Memorial Drive Housing, Inc. (“Memorial Drive”), is a Massachusetts corporation with a principal place of business in Cambridge, Massachusetts.

FACTS COMMON TO ALL COUNTS

5. Memorial Drive Housing Limited Partnership (the “Limited Partnership”), is a Massachusetts limited partnership established on or about May 23, 1997 pursuant to a Limited Partnership Agreement, as subsequently amended by a certain Amended and Restated Agreement of Limited Partnership dated July 1, 1997 (“Partnership Agreement”).

6. Memorial Drive is the General Partner of the Limited Partnership.

7. Centerline is the Limited Partner of the Limited Partnership.

8. Related is the Special Limited Partner of the Limited Partnership. (Centerline and Related may sometimes be referred to collectively as the “Limited Partners.”)

9. The Limited Partnership owns a mixed use property located on Memorial Drive, Cambridge, Massachusetts (“the Property”).

10. The General Partner's powers under the Partnership Agreement are limited to the purpose of the Partnership, and as limited by other provisions within the Partnership Agreement.

11. One restriction of the General Partner is that it may not sell or otherwise transfer the Property without the consent of the Special Limited Partner.

12. Section 5.4.A of the Partnership Agreement provides "Except as may be otherwise expressly provided in Section 4.1 hereof and elsewhere in this Agreement, the General Partners, with the approval of each Authority (if required), are hereby authorized to sell, lease, exchange, refinance or otherwise transfer, convey or encumber all or substantially all of the assets of the Partner; provided, however, that except for a sale pursuant to the Option Agreement, the terms of any such sale, exchange, refinancing or other transfer, conveyance or encumbrance must receive the Consent of the Special Limited Partner before such transaction shall be binding on the Partnership."

13. The Partnership Agreement further provides in Section 5.5.B "The General Partners shall not have authority to do any of the following acts, except with the Consent of the Special Limited Partner . . . : (iv) sell all or any portion of the Apartment Complex or modify or refinance the Mortgage or incur any indebtedness for borrowed money except as specifically provided in this Agreement and subject to the provisions contained in Section 5.4 hereof . . ."

14. The General Partner's powers under the Partnership Agreement are further limited by its fiduciary obligations.

15. The Partnership Agreement, in Section 5.2.A specifically states that "[t]he General Partner[] shall at all times exercise its responsibilities as General Partner[] in a fiduciary manner."

16. Section 5.8.A of the Partnership Agreement expressly prohibits the Limited Partners from waiving their rights with respect to the General Partner's fiduciary duties.

17. On this issue, the Partnership Agreement provides in Section 5.8 that "Nothing contained herein shall constitute a waiver by any Investor Limited Partner of any right which it may have against any party under Federal or state securities law *nor shall an Investor Limited Partner be permitted to contract away the fiduciary duty owed to it by the General Partners or their Affiliates under common law.*" (emphasis added)).

18. While the General Partner is permitted to engage in business ventures outside of the Partnership, it is not relieved "of any of its fiduciary obligations with respect to the management of the Apartment Complex", per Section 5.6 of the Partnership Agreement.

19. On or about July 10, 1997 the Limited Partnership and HRI entered into a certain Right of First Refusal and Option Agreement ("ROFR Agreement").

20. Memorial Drive was not a party to the ROFR Agreement.

21. Pursuant to the ROFR Agreement, HRI was granted a right of first refusal to acquire the Property based upon a formula identified in the ROFR Agreement.

22. The ROFR Agreement also granted HRI an option to purchase the Property at the Restricted Market Price by issuing an Option Notice per Section 6 of the ROFR Agreement.

23. On January 24, 2014, HRI offered to purchase the Limited Partners' partnership interests for the Minimum Purchase Price (which it calculated to be "debt plus \$1").

24. The Limited Partners rejected this initial offer by letter dated March 10, 2014, and confirmed to HRI that it could not exercise the ROFR Agreement because the Limited Partners did not desire to sell the Property.

25. Throughout 2014, the parties then engaged in numerous additional communications, most of which were attached to the Complaint, where the Limited Partners consistently maintained that the General Partner could not sell the Property without the consent of the Special Limited Partner and that HRI had no right to purchase Property by exercising its right of first refusal, but only by exercising its Option.

26. Notwithstanding the Limited Partners' protests, on November 21, 2014, the General Partner forwarded to the Limited Partners a Disposition Notice which Memorial Drive had sent to HRI against the express direction of the Limited Partners.

27. The Disposition Notice stated that a third party, Madison Park Development Corporation ("Madison"), had allegedly offered to purchase the Property for \$42,175,000.00 and that the Limited Partnership was "willing to accept such offer", subject to the Special Limited Partners' consent.

28. The Disposition Notice also indicated that the estimated Restricted Market Price was \$46,200,000.00.

29. In a letter to the General Partner and HRI dated November 26, 2014, the Special Limited Partner stated that it refused to consent to a sale of the Property on such terms and it also demanded that the General Partner withdraw the Disposition Notice, as the General Partner had no authority to issue it on the Limited Partnership's behalf without the Special Limited Partners' consent.

30. The Special Limited Partner confirmed to the General Partner that failure to do so would be a default under the Partnership Agreement for which the Special Limited Partner could commence an action enforcing its rights and remedies, including the removal of the General Partner.

31. On December 4, 2014, HRI sent the Limited Partnership a Purchase Notice, notifying the Limited Partnership of its intent to exercise the ROFR Agreement.

32. HRI stated that it would purchase the Property by assuming the total amount of the mortgage debt secured by the Property.

33. The General Partner has refused to withdraw the Disposition Notice.

COUNT I
(v. Memorial Drive for Breach of Fiduciary Duty)

34. The Plaintiffs-in-Counterclaim re-allege and incorporate by reference herein Paragraphs 1 through 33 above.

35. The Partnership Agreement is clear and unambiguous that the General Partner owes a fiduciary duty to the Special Limited Partner and the Limited Partner.

36. Massachusetts law has long recognized the fiduciary duty of a General Partner to its Limited Partners.

37. The fiduciary duty owed by the General Partner to its Limited Partners is a duty of the highest degree of good faith and fair dealing which encompasses a duty of loyalty which requires a General Partner to put the interest of the Limited Partnership and the Limited Partner before its own interests and the interests of others, and to avoid self-dealing.

38. A General Partner may not act out of avarice, expediency, or self-interest in derogations of its duty of loyalty.

39. Memorial Drive, as a general partner of limited partnership, is not permitted to put its own, or others', interest ahead of the interest of the Limited Partners.

40. HRI could have exercised the Option to purchase the Property for the Restricted Market Price, but HRI deemed it in its own best interest, to utilize its right of first refusal to obtain a more favorable price.

41. The Limited Partners made clear to the General Partner on multiple occasions prior to the date of the Disposition Notice that it was not in their best interest to sell the Property, and that the Limited Partners did not wish or intend to sell the Property for the terms and conditions offered by Madison.

42. Upon information and belief, Memorial Drive issued the Disposition Notice at the request of and for the benefit of HRI, which is Memorial Drive's majority shareholder, in order to allow HRI to circumvent the Option and thereby exercise its right of first refusal at the Limited Partners' expense.

43. Memorial Drive breached its fiduciary duty to the limited partners by causing the Limited Partnership to issue the Disposition Notice without the consent of the Special Limited Partner, all in an effort to allow HRI to exercise its right of first refusal.

44. By placing HRI's interest ahead of the interest of the Limited Partners, and acting against the Limited Partners' directions, Memorial Drive breached its fiduciary duties to the Limited Partners and is liable for all damages caused to the Limited Partners.

COUNT II
(v. Memorial Drive for Breach of Fiduciary Duty)

45. The Plaintiffs-in-Counterclaim re-allege and incorporate by reference herein Paragraphs 1 through 44 above.

46. The Partnership Agreement, in Section 5.8.A, expressly prohibits the Limited Partners from contracting away the fiduciary duty owed to them by Memorial Drive as the General Partner of the Limited Partnership.

47. Notwithstanding the existence of the ROFR Agreement, Memorial Drive and the Limited Partners expressly agreed to preserve the existence of Memorial Drive's fiduciary duties even when a contract, such as the ROFR Agreement, may exist.

48. Regardless of the terms of the ROFR Agreement, Memorial Drive owed the Limited Partners a fiduciary duty, which is the highest degree of good faith and fair dealing, encompassing a duty of loyalty, including that which requires Memorial Drive to put the interest of the Limited Partnership before its own or that of a third party, including HRI.

49. Neither Memorial Drive, as General Partner, nor the Special Limited Partner or the Limited Partner, were parties to the ROFR Agreement.

50. The ROFR Agreement is solely between HRI and the Limited Partnership.

51. Memorial Drive, acting in its capacity as General Partner of the Limited Partnership, may cause the Limited Partnership to comply with its contractual obligations under the ROFR Agreement, but Memorial Drive itself had no rights, duties, or obligations thereunder.

52. The Limited Partners believe and therefore aver, based upon the actions and statements of Memorial and HRI, that Memorial and/or HRI decided to solicit offers solely to “allow” Memorial Drive to cause the Limited Partnership to issue a Disposition Notice, all in an effort to trigger the right of first refusal in favor of HRI, and to the detriment of the Limited Partners.

53. Upon information and belief, Memorial Drive breached its fiduciary duties to the Limited Partners by using confidential information about the Property to garner an offer solely in order to trigger the right of first refusal.

54. Memorial Drive’s solicitation of offers including, but not limited to, offers which were designed not to be accepted, but rather to trigger a Disposition Notice, and the use of confidential information for the benefit of a third party, HRI, constitute additional breaches of the fiduciary duty which Memorial Drive owed to the Limited Partners.

55. By each and all of the aforesaid actions, Memorial Drive breached its fiduciary duties to the Limited Partners under the Partnership Agreement and is liable for all damages caused to the Limited Partners.

COUNT III
(v. Memorial Drive for Breach of Fiduciary Duty)

56. The Plaintiffs-in-Counterclaim re-allege and incorporate by reference herein Paragraphs 1 through 55 above.

57. The General Partner owes a fiduciary duty of disclosure, pursuant to which the fiduciary must fully disclose all known and material information to the person to whom it owes the duty.

58. In addition to its duty of full disclosure, the Partnership Agreement in Section 2.2 provides that the “Partnership’s books and records will be made available to the Investor Limited Partner or their representative at its principal office at all times and for any purpose.”

59. On December 23, 2014, Centerline, as the authorized representative of the Limited Partners, made written demand upon Memorial Drive in order to obtain the books and records of the Limited Partnership, including all communications with HRI concerning the ROFR Agreement, the marketing and/or sale of the Property, as well as all communications with any third party about the ROFR Agreement, and/or the marketing and sale of the Property.

60. On January 6, 2015, and again on January 15, 2015, Memorial Drive responded to the Limited Partners’ demand for access to the Limited Partnership’s books and records related to the ROFR Agreement, and rejected the Limited Partners’ request, notwithstanding its duty of full disclosure and the terms of the Partnership Agreement.

61. Memorial Drive breached its duty of full disclosure and again placed its interests and that of HRI ahead of the Limited Partners.

62. By its actions, Memorial Drive has breached its fiduciary duty to the Limited Partners, including its duty of full disclosure, and is liable for all damages caused by its breach of fiduciary duty.

COUNT IV
(v. Memorial Drive for Declaratory Relief)

63. The Plaintiffs-in-Counterclaim re-allege and incorporate by reference herein Paragraphs 1 through 62 above.

64. There is an actual controversy between Memorial Drive, on the one hand, and the Limited Partners, on the other, as to whether Memorial Drive breached its fiduciary duty to the Limited Partners, as more fully alleged in Counts I, II, and III of the Counterclaim.

65. It is the Limited Partners' position that Memorial Drive has materially violated its fiduciary responsibilities as General Partner of the Limited Partnership, and should be removed pursuant to Section 11.4 of the Partnership Agreement.

66. On November 26, 2014, Centerline, on behalf of the Limited Partners, provided notice to Memorial Drive pursuant to Section 11.4 of the Partnership Agreement demanding that the Disposition Notice be withdrawn.

67. As General Partner, Memorial Drive refused to withdraw the Disposition Notice as demanded by the Limited Partners, and has refused the demand of the Limited Partner that it be removed as General Partner of the Limited Partnership.

68. Centerline and Related request a declaratory judgment that Memorial Drive is removed as the General Partner of the Limited Partnership.

COUNT V
(v. HRI for Aiding and Abetting a Breach of Fiduciary Duty)

69. The Plaintiffs-in-Counterclaim re-allege and incorporate by reference herein Paragraphs 1 through 68 above.

70. Memorial Drive has breached one or more of its fiduciary duties to the Limited Partners, as more fully alleged in Counts I, II, and III of the Counterclaim.

71. HRI and Memorial Drive share the same officers and employees and, thus, the officers and employees of HRI had the same knowledge as did the officers and employees of Memorial Drive.

72. HRI is the majority owner of Memorial Drive and share the same President.

73. Additionally, the Vice President of HRI is a Director of Memorial Drive.

74. Further, Peter Daly, the Executive Director of HRI, acts as one of the Managers of Memorial Drive.

75. Upon information and belief, HRI caused or encouraged Memorial Drive to issue the Disposition Notice in derogation of Memorial Drive's fiduciary duties to the Limited Partners.

76. Upon information and belief, HRI solicited offers for the Property, and caused Memorial Drive, as General Partner, to misappropriate confidential information of the Limited Partnership for the benefit of HRI.

77. The Limited Partners believe, and therefore aver, that HRI aided and abetted Memorial Drive's breach of its fiduciary duty because HRI knew of the breach and actively participated in the breach.

78. By each and all of the aforesaid acts and conduct, HRI has aided and abetted a breach of fiduciary duty to the detriment of the Limited Partners, and is liable to the Limited Partner for all of their damages.

COUNT VI
**(v. Memorial Drive and HRI for Breach of the Implied Covenant
of Good Faith and Fair Dealing)**

79. The Plaintiffs-in-Counterclaim re-allege and incorporate by reference herein Paragraphs 1 through 78 above.

80. There is an implied covenant of good faith and fair dealing in the ROFR Agreement.

81. There is an implied covenant of good faith and fair dealing in the Partnership Agreement.

82. In its conduct leading up to the issuance of the Disposition Notice, Memorial Drive failed to act in accordance with the purpose of the Limited Partnership, and its powers and duties thereunder.

83. The Special Limited Partner never agreed to consent to a sale of the Property pursuant to the ROFR Agreement if the right of first refusal could be triggered by any offer.

84. Rather, the Special Limited Partner is able to consent to a sale of the Property prior to the ROFR Agreement being exercised.

85. HRI's actions were designed to avoid having to exercise the Option and thereby pay the higher Restricted Market Price.

86. The General Partner's issuance of the Disposition Notice prior to the Special Limited Partner consenting to the sale of the Property to Madison was not made in good faith.

87. The General Partner was aware that the Special Limited Partner did not desire to sell the Property, but regardless of whether the Special Limited Partner consented to Madison's sale, HRI still intended to use Madison's offer to exercise the ROFR Agreement.

88. Such unilateral action by the General Partner violated the Limited Partners' reasonable expectations under the Partnership Agreement and was a breach of the implied covenant of good faith and fair dealing.

89. HRI's exercise of the ROFR Agreement was similarly made in bad faith and constitutes a breach of the implied covenant of good faith and fair dealing.

90. The Defendants-in-Counterclaim are liable for all damages caused by their actions to the Limited Partners.

COUNT VII
(for Injunctive Relief)

91. The Plaintiffs-in-Counterclaim re-allege and incorporate by reference herein Paragraphs 1 through 90 above.

92. The Property is the sole asset of the Limited Partnership.

93. As real property with improvements thereon, the Property is unique.

94. If the Property is sold as stated in the Disposition Notice, the Limited Partners will be permanently deprived of their beneficial interest in the Limited Partnership's sole asset.

95. The General Partner has materially breached its fiduciary duties to the Limited Partnership, and HRI has aided and abetted in that breach.

96. The Limited Partners have never consented to the sale of the Property, nor do they wish the Property to be sold.

97. Pursuant to the Disposition Notice, HRI advised the Limited Partnership that the closing on the Property will occur on April 2, 2015.

98. The Limited Partners' request that the sale of the Property be enjoined pending a determination by this Court as to whether the General Partner breached its fiduciary duties to the Limited Partners, whether HRI aided and abetted that breach of fiduciary, whether the right of first refusal has been properly exercised, and whether the General Partner shall be removed as the General Partner of the Limited Partnership.

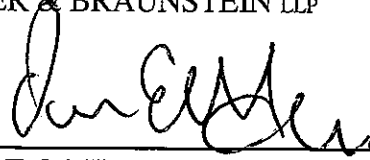
PRAYERS FOR RELIEF

The Plaintiffs-in-Counterclaim, Related Corporate V Special Limited Partner, L.P. and Centerline Corporate Partners V L.P., hereby pray as follows:

1. That this Honorable Court enter Judgment in favor of the Plaintiffs-in-Counterclaim and against the Defendant-in-Counterclaim, Memorial Drive Housing, Inc., pursuant to Counts I, II, and III of the Counterclaim, plus interest, costs, and attorneys' fees;
2. That this Honorable Court enter Judgment in favor of the Plaintiffs-in-Counterclaim and against the Defendant-in-Counterclaim, Memorial Drive Housing, Inc., pursuant to Count IV of the Counterclaim, declaring that it be removed as General Partner of the Limited Partnership;
3. That this Honorable Court enter Judgment in favor of the Plaintiffs-in-Counterclaim and against the Defendant-in-Counterclaim, Homeowner's Rehab, Inc., pursuant to Count V of the Counterclaim, plus interest, costs, and attorneys' fees;
4. That this Honorable Court enter Judgment in favor of the Plaintiffs-in-Counterclaim and against the Defendants-in-Counterclaim, Homeowner's Rehab, Inc. and Memorial Drive Housing, Inc., pursuant to Count VI of the Counterclaim, plus interest, costs, and attorneys' fees;
5. That this Honorable Court enter temporary, preliminary, and permanent relief as prayed for in Count VII of the Counterclaim;
6. For such other and further relief as this Honorable Court deems just and proper.

RELATED CORPORATE V SLP, L.P. AND
CENTERLINE CORPORATE PARTNERS V
L.P.

By Their Attorneys,
RIEMER & BRAUNSTEIN LLP

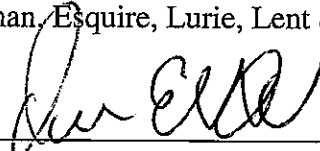


Dated: January 20, 2015

Dennis E. McKenna, BBO #556428
Rierner & Braunstein LLP
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Boston, Massachusetts 02108
(617) 880-3454
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CERTIFICATE OF SERVICE

I, Dennis E. McKenna, Esquire, hereby certify that on this 20th day of January, 2015, I caused a true and accurate copy of the foregoing document to be served by first class mail, postage prepaid, upon the following: Karen E. Friedman, Esquire, Lurie, Lent & Friedman LLP, One McKinley Square, Boston, MA 02109.



Dennis E. McKenna

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