

UNOFFICIAL COPY 853-16386

AGREEMENT OF LIMITED PARTNERSHIP

CLARENDON-BELLE PLAINE ASSOCIATES

The undersigned, being desirous of forming an Illinois Limited Partnership, do hereby enter into this Agreement between Patrick J. Gallagher, as General Partner, and the other persons whose names appear on the signature pages hereof as Limited Partners.

The parties agree and state as follows:

ARTICLE I

DEFINITIONS

When used in this Agreement, the following terms shall have the meanings set forth below:

1.1 "ACT" means the Uniform Limited Partnership Act, as adopted and in force in the State of Illinois.

1.2 "PARTNERSHIP" means the limited partnership formed pursuant to this Agreement.

1.3 "AGREEMENT" means this Agreement of Limited Partnership.

1.4 "GENERAL PARTNER" means Patrick J. Gallagher or any successor or successors.

1.5 "LIMITED PARTNERS" means the persons who are, from time to time, admitted to the Partnership as Limited Partners, and who are then the owners of one or more Class A Units.

1.6 "PARTNERS" means collectively the General Partner and Limited Partners.

1.7 "CLASS A UNIT" means the partnership interest of a Limited Partner in the capital of the Partnership representing a capital contribution in the amount of \$64,678.00, payable in installments as follows:

\$30,943.00.....	upon subscription
\$8,215.00.....	February 15, 1986
\$7,846.00.....	February 15, 1987
\$6,800.00.....	February 15, 1988
\$5,493.00.....	February 15, 1989
\$4,317.00.....	February 15, 1990
<u>\$1,064.00.....</u>	<u>February 15, 1991</u>

\$64,678.00

Total

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1.8 "CLASS B UNIT" means the partnership interest of the General Partner in the capital of the Partnership representing a capital contribution in the amount of \$1,000.00.

1.9 "CODE" means the Internal Revenue Code of 1954, as amended.

1.10 "INVESTMENT TAX CREDITS" means tax credits under Section 48 of the Code.

1.11 "AFFILIATE" of a person shall mean: (i) any partner or officer of such person; (ii) any corporation, partnership, trust or other entity controlling, controlled by, or under common control with such person; and (iii) any officer, director, trustee, general partner, or holder of 10% or more of the outstanding voting securities of any corporation, partnership, trust, or other entity controlling, controlled by, or under common control with such person.

1.12 "NET CASH RECEIPTS" shall mean all cash receipts of the Partnership (other than capital contributions, Partnership borrowings, and proceeds of any sale or refinancing of Partnership properties) less the sum of the following to the extent made from such cash receipts by the Partnership: (i) all principal and interest payments on mortgage and other indebtedness of the Partnership and all other sums paid to lenders, (ii) all charges, expenses, and cash expenditures (including expenditures for capital improvements and the creation of working capital reserves) incurred incident to the normal operations of the Partnership's business, and (iii) all fees and expenses paid to the General Partner or any affiliate of the General Partner for property management or administrative or other services.

1.13 "NET PROCEEDS" shall mean the proceeds realized by the Partnership upon the sale or refinancing of Partnership property, whether received in cash or in the form of promissory notes from buyers or otherwise, after (i) payment of all expenses of such refinancing or sale, including real estate commissions, if applicable, and (ii) the payment of indebtedness relating to the property sold or refinanced.

1.14 "PROPERTY" means the real property commonly known as 805-11 W. Belle Plaine, Chicago, Illinois, and all improvements situated thereon and associated personal property.

ARTICLE II

ORGANIZATION

2.1 Formation. The Partnership is hereby formed pursuant to the Act.

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2.2 Name. The name of the Partnership is Clarendon-Belle Plaine Associates.

2.3 Purpose. The business of the Partnership is to invest in, acquire, hold, maintain, operate, improve, develop, lease, and sell the Property and interests therein for profit, and to engage in any and all activities related or incidental thereto.

2.4 Term. The Partnership shall be effective from and after the date set forth on the final page of this Agreement with respect to the General Partner and the Limited Partners whose names appear on the signature pages. The Partnership shall continue in existence until the close of business on December 31, 2020, unless earlier terminated as provided in the Agreement.

2.5 Principal Place of Business. The principal place of business of the Partnership shall be at 666 N. Lake Shore Drive, Suite 1600, Chicago, Illinois 60611. Other places of business may be established at such time and such places as may be determined by the General Partner.

2.6 Power of Attorney. Each Limited Partner hereby makes, constitutes, and appoints the General Partner his true and lawful attorney-in-fact for him and in his name, and for his use and benefit, to sign, execute, certify, acknowledge and file and record all instruments necessary to create the Partnership and/or from time to time to amend this Agreement. This power of attorney is a special power coupled with an interest and is irrevocable and shall survive the delivery of an assignment by a Limited Partner of the whole or a portion of his interest in the Partnership.

ARTICLE III

MANAGEMENT

3.1 Control of Affairs. Subject to the provisions below, the General Partner shall have full, exclusive and complete control of the management of the Partnership's affairs. The General Partner shall have all rights and powers of general partners provided in the Act and as otherwise provided by law. The General Partner is hereby granted the right, power, and authority to do on behalf of the Partnership all things which, in his sole judgment, are necessary, proper, or desirable to carry out the aforementioned duties and responsibilities, including but not limited to the right, power, and authority to: (i) incur all reasonable expenditures, (ii) employ and dismiss from employment any and all employees, agents, management companies, brokers, appraisers, attorneys, and accountants, (iii) borrow money and as security therefor mortgage all or part of the Property; (iv) grant easements; (v) construct, alter, improve, repair, restore or rebuild the Property; (vi) lease

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the Property or part thereof; (vii) place record title to the Property in his name or in the name of a nominee or trustee for the purpose of mortgage financing or any other convenience or benefit of the Partnership; (viii) pay, adjust, compromise, settle, or otherwise satisfy or discharge any claim, liability, judgment, or demand against the Partnership; (ix) engage one or more Affiliates as leasing agent and/or management agent for the Property; and (x) execute, acknowledge, and deliver any and all instruments necessary or required to effectuate any or all of the foregoing. Persons dealing with the Partnership are entitled to rely conclusively on the power and authority of the General Partner as set forth in this Agreement. The General Partner is expressly given the power in his sole discretion to enter into contracts with third parties chosen by the General Partner.

The General Partner shall not be liable, responsible, or accountable in damages or otherwise to the Partnership or to any of the Partners, their successors or assigns, except by reason of acts or omissions due to bad faith, willful misconduct, gross negligence, or reckless disregard of his duties, or for not having acted in good faith in the belief that his actions were in the best interest of the Partnership.

The Partnership shall pay all debts and expenses properly allocated to its organization and operation.

The General Partner shall devote himself to the business of the Partnership to the extent that he, in his sole and absolute discretion, determines to be necessary to carry on the business of the Partnership in a competent manner. Notwithstanding the existence of this Agreement, the General Partner may and will engage in whatever activities he chooses, whether the same be competitive with the Partnership or otherwise, without incurring any obligation to offer any interest in such activity to the Partnership. Nothing undertaken pursuant hereto shall prevent the General Partner from engaging in such activities, and each Limited Partner waives, relinquishes and renounces any right to prevent or restrict the General Partner from engaging in such activities and any claim of participation therein. The General Partner shall not be obligated to present any particular investment opportunity to the Partnership or to the Partners even if such opportunity is of a character is similar to the business of the Partnership, and the General Partner shall have the right to take such opportunity for his own account or to recommend such opportunity to others.

3.2 Other Interests of the General Partner. The General Partner may enter into agreements on behalf of the Partnership (including agreements for management of the Property) with Affiliates of the General Partner or other entities from which he receives compensation. The validity of any such agreement or transaction shall not be affected by the relationship between the General Partner and such other entity, the entry of such

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agreements being hereby expressly consented to by the Limited Partners.

3.3 Compensation of the General Partner. The General Partner shall receive no compensation for acting as General Partner other than a 1% share of the profits and losses.

3.4 Reimbursement. The General Partner may advance funds or incur expenses in the administration, management, and formation of the Partnership for which he shall be reimbursed out of the Partnership capital or income.

3.5 Indemnification. The Partnership shall indemnify and hold harmless the General Partner from and against any and all losses, expenses, claims, and damages asserted against or suffered by the General Partner by reason of any act or omission or alleged act or omission arising out of his activities on behalf of the Partnership or in furtherance of the interests of the Partnership, including without limitation any judgment, award, settlement, reasonable attorney's fees and other costs or expenses incurred; provided, however, that such indemnification shall be only from the assets of the Partnership.

3.6 Withdrawal of the General Partner. The General Partner may withdraw or retire from the Partnership at any time upon giving not less than thirty (30) days written notice thereof to the Limited Partners. The Partnership shall immediately proceed to notice a meeting for the election of a new General Partner or Partners, who shall be elected by a majority vote of the Class A Units. In the event of such withdrawal or retirement, the withdrawing or retiring General Partner shall surrender his Class B Unit interest to the Partnership and shall be paid by the Partnership the sum of \$1,000.00 for such interest.

3.7 Liability of the General Partner after Withdrawal. If a General Partner retires or withdraws, his liability as a General Partner shall cease effective as of the date the withdrawal is effective, and the Partnership shall promptly take all steps reasonably necessary to cause any cessation of liability, effective as of the date the withdrawal is effective.

3.8 Tax Elections. The General Partner shall make such tax elections as he, in his sole discretion, deems necessary or desirable to carry out the business of the Partnership for the purposes of this Agreement.

ARTICLE IV

LIMITED PARTNERS

4.1 Limited Liability. The Limited Partners shall not participate in the management or control of the Partnership's

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business, nor shall they transact any business for the Partnership, nor shall they have the power to act for or bind the Partnership, said powers being vested solely and exclusively in the General Partner. The Limited Partners shall have no interest in the property or assets of the General Partner, or any equity therein, or in any proceeds of any sales thereof by virtue of acquiring or owning Units.

4.2 Capital Investment. Each initial Limited Partner hereby agrees to, and shall, make a contribution equal to the total amount designated in paragraph 1.7 above for each Class A Unit of the Partnership acquired by such Limited Partner at the time of entry into this Agreement, in installments as specified in paragraph 1.7. The holder of each Class A Unit shall be entitled to 9.9% of the net profits and losses of the Partnership.

Any contribution not made by a Limited Partner when due shall bear interest at the rate of 12% per annum from and after the date due. Each Limited Partner agrees to pay any costs which may be incurred by the Partnership in collecting any contribution, including reasonable attorney's fees.

4.3 Additional Capital. Upon the affirmative vote of at least seventy-five percent (75%) of the Partners, additional contributions to capital may be required of the Limited Partners during the term of the Partnership. Such additional capital contributions shall be pro rata in accordance with the Partnership interest of each Partner.

4.4 Admission of Additional Limited Partners. The General Partner may from time to time admit additional Limited Partners. However, no additional Limited Partners may be admitted without the approval of Limited Partners representing a majority of the Class A Units of the Partnership.

4.5 Other Rights and Obligations. No Limited Partner shall have the power to sign for or to bind the Partnership, and no salary shall be paid to any Limited Partner, nor shall any Limited Partner have a drawing account. No Limited Partner shall have the right to the return of his contribution, in whole or in part, except (1) by unanimous agreement of the Partners, (2) upon dissolution of the Partnership, to the extent that funds are available, or (3) by termination of this Agreement. No Limited Partner shall have priority over any other Limited Partner either as to the return of capital contributions or as to profits, losses or distributions.

4.6 Death, Legal Disability, etc., of Limited Partner. Death, legal disability, bankruptcy, dissolution, withdrawal or expulsion of any Limited Partner shall not result in the dissolution of the Partnership. In the case of the death or legal disability of a Limited Partner, his interest in the Partnership shall pass to his legal representative(s) with full

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power in him (or them) or his heirs or legatees to become substituted as Limited Partners in his place.

4.7 Interest on Contribution. No Limited Partner shall be entitled to receive any interest on his contribution to the capital of the Partnership.

4.8 Withdrawal and Return of Capital. No Partner may withdraw any portion of the capital of the Partnership, and no Partner shall be entitled to the return of his contribution to the capital of the Partnership.

4.9 Right to Receive Property. The Limited Partners shall have no right to demand and/or receive property other than cash in return for their capital contributions hereunder.

4.10 Representations of Limited Partners. Each of the Limited Partners represents and warrants that (i) he is over 21 years of age; (ii) he is acquiring the Units for his own account for investment purposes only and not with a view to the sale or distribution of all or any part thereof, and without any present intention of selling or otherwise distributing the same at any particular time or upon the occurrence or non-occurrence of some pre-determined event; (iii) he understands that the Partnership business has not commenced and will be speculative in nature; and (iv) he is financially responsible, able to meet his obligations hereunder, has a net worth sufficient to bear the risk of losing his entire investment, and understands that his entire investment is at risk.

ARTICLE V

CAPITAL: PROFITS AND LOSSES

5.1 Initial Capital Contributions.

Class B Partner: \$1,000.00

Class A Partners: \$64,678.00 x number of Units.

5.2 Allocation of Net Profits and Net Losses. The net profits and net losses of the Partnership shall mean the net profit or loss determined in accordance with generally accepted accounting principles at the close of each fiscal year. As between the Class A Units and the Class B Units, held by the Limited Partners and the General Partner, respectively, the net profits and losses shall be divided as follows:

Class A Units: 99% of net profits and losses;

Class B Unit: 1% of net profits and losses.

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There shall be ten (10) Class A Units, each of which shall be entitled to 9.9% of the net profits and losses of the Partnership.

ARTICLE VI

TERMINATION

6.1 Dissolution. Upon a vote of a majority of the Class A Units, the Partnership shall immediately be dissolved. Upon the death, legal disability, bankruptcy, or withdrawal of the General Partner, the Partnership shall immediately be dissolved; subject, however, to reconstitution by way of continuation by the election of a new General Partner with the consent of 100% of all of the Limited Partners.

6.2 Distribution of Assets and Profits. In settling accounts after dissolution, the liabilities of the Partnership shall be paid in the following order:

- (a) payment of the Partnership debts to creditors other than the Partners, in the priority provided by law;
- (b) payments to the Limited Partners for their share of profits;
- (c) payments to Limited Partners for the credit balances in their capital accounts;
- (d) payments to the General Partner for any amounts the Partnership owes him (other than for his share of profits or his capital account);
- (e) payments to the General Partner for his share of profits;
- (f) payment to the General Partner for the credit balance in his capital account;
- (g) pro-rata distribution to the Partners as set forth in paragraph 5.2 hereof.

6.3 Liquidation. Upon the election of the Limited Partners to dissolve the Partnership or the failure of the Limited Partners to elect to continue the business of the Partnership pursuant to paragraph 6.1 hereof, the General Partner (or if there is no General Partner, a trustee elected by a majority of the Class A Units) shall take full account of the Partnership's assets and liabilities, and the Partnership shall be liquidated as promptly as is consistent with obtaining a fair market value of its assets, with the proceeds applied as set forth in paragraph 6.2 hereof.

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ARTICLE VII

TRANSFERS OF LIMITED PARTNERSHIP INTERESTS

7.1 In General. A Limited Partner may not sell, transfer, assign, or subject to a security interest all or any part of his interest in the Partnership except as permitted by this Article, and any act in violation hereof shall be null and void ab initio.

7.2 Transfer by Assignment. A Limited Partner may sell, transfer, assign, or subject to a security interest any or all of the Units owned by him, except that any purchaser, transferee, assignee, or holder of a security interest (or person who purchases such Unit upon a foreclosure of such security interest) shall not become a substituted Limited Partner within the meaning of the Act unless in full compliance with paragraph 7.3 below.

7.3 Substituted Limited Partner. A person may become a substituted Limited Partner if the assignor gives the assignee that right and the General Partner consents in writing to the admission of a person as a substituted Limited Partner. Such consent may be withheld in the sole discretion of the General Partner. No assignment shall be permitted which would violate the provisions of any state or federal securities law or which would result in the termination of the Partnership for purposes of the then applicable provisions of the Code.

ARTICLE VIII

MISCELLANEOUS

8.1 Waiver of Right to a Court Decree of Dissolution. The Partners agree that irreparable injury and damage would be done to the financial interests of the Partners if any Partner should bring an action in any court to dissolve this Partnership or to liquidate its assets. Accordingly, each of the Partners accepts the provisions under this Partnership Agreement as his sole entitlement on termination of the partnership relationship. Each Partner hereby waives and renounces his right to seek a judicial decree of dissolution or partition or to seek the appointment by any court of a receiver or liquidator for the assets of the Partnership.

8.2 Fiscal Year. The fiscal year end of the Partnership will be December 31st, unless otherwise determined by the General Partner.

8.3 Financial Reports. The books and records of the Partnership shall be kept at the principal place of business of the Partnership, and shall be kept in accordance with tax accounting practice, consistently applied, on an accrual basis.

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The books and records of the Partnership will be reviewed at least annually, at the Partnership's expense, by an independent certified accountant to be designated by the General Partner. As soon as practicable after the end of each calendar quarter, the General Partner shall issue a report to the Limited Partners which shall include a statement of receipts, expenditures, profits, and losses for the quarter. Upon two business days' notice to the General Partner by any Limited Partner, the books of the Partnership, including the list of the Limited Partners and their respective interests, shall be open for inspection during normal business hours by such Limited Partner. The General Partner will provide each Limited Partner with tax data within a reasonable time after the close of the fiscal year.

8.4 Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been given and delivered if (i) delivered personally to the party to whom addressed, or (ii) sent by first class mail, proper postage prepaid, addressed as follows:

If to the General Partner, to:

Patrick J. Gallagher
666 N. Lake Shore Drive
Suite 1000
Chicago, Illinois 60611

If to a Limited Partner, to:

the address set forth on the
final page hereof below the
name of such Limited Partner

Either the General Partner or any of the Limited Partners may from time to time specify a change of address by notice to the other, by depositing notice thereof in the United States mails, addressed and sent as stated herein.

8.5 Law Governing. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Illinois.

8.6 Headings. Paragraph or other headings contained in this Agreement are for reference only, and are not intended to describe, interpret, limit, or define the scope, extent, or the intent of this Agreement or any provision hereof.

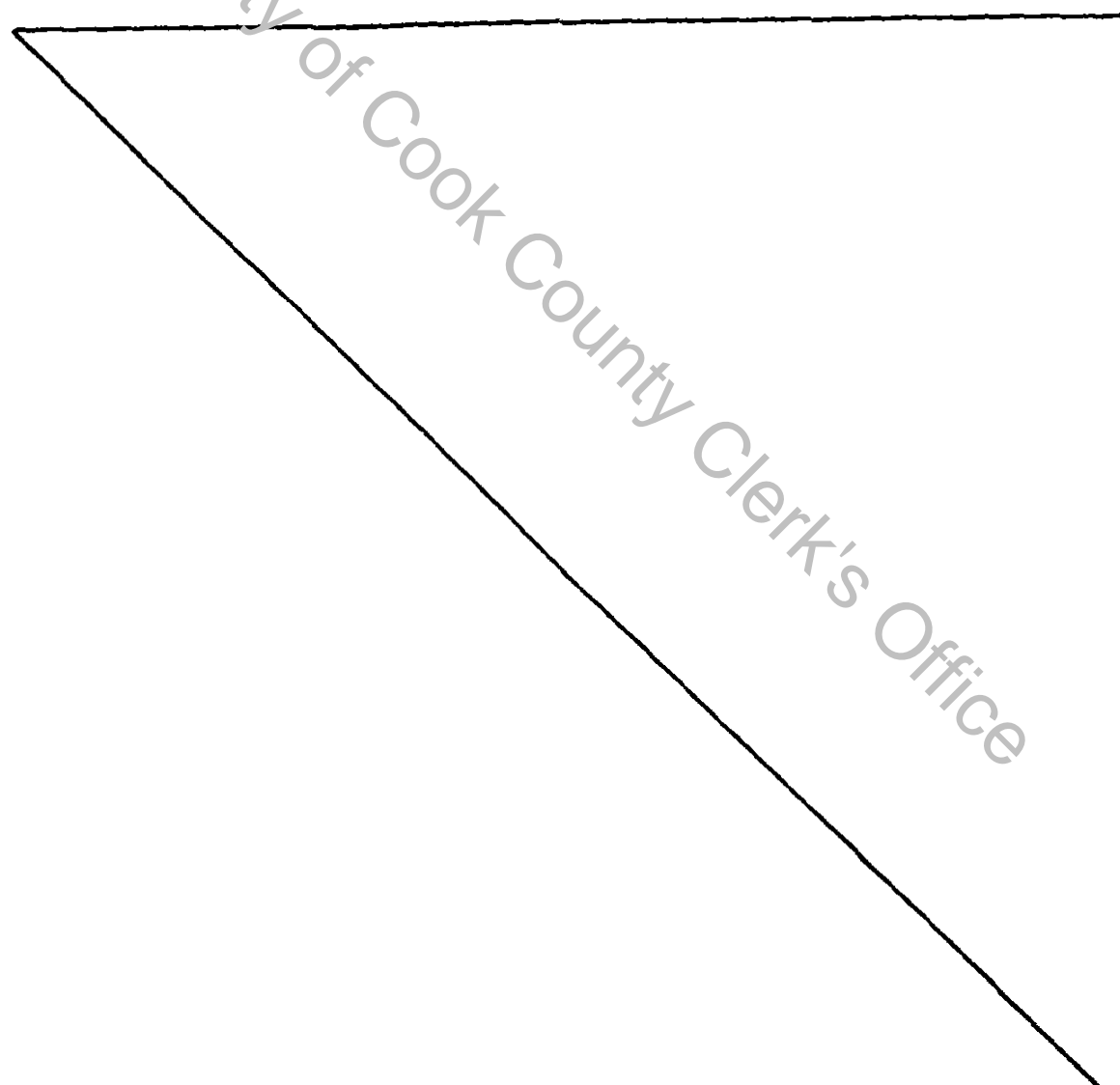
8.7 Successors and Assigns. This Agreement and each and all of the provisions hereof shall be binding upon and shall inure to the benefit of the Partners, both General and Limited, and their respective legal representatives, heirs, successors, and assigns.

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8.8 Severability. If any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or illegal for any reason, such invalidity or illegality shall not affect or impair the validity of the remaining provisions of this Agreement.

8.9 Counterparts. This Agreement may be executed in multiple counterparts (or with multiple signature pages), each of which shall be an original, but all of which shall constitute one instrument.

8.10 Entire Agreement. This Agreement constitutes the entire understanding and agreement among the parties relating to the subject matter hereof, and there are no agreements, understandings, restrictions, representations, or warranties among the parties other than those set forth in this Agreement.



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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

Dated: December 12, 1985

GENERAL PARTNER:

Patrick J. Gallagher
Patrick J. Gallagher

LIMITED PARTNER:

Robert S. Birch
Address: 333 W. WELLINGTON
CHICAGO ILL 60657

Number of Units: 3

x 64,678.00

capital contribution: \$194,034⁰⁰

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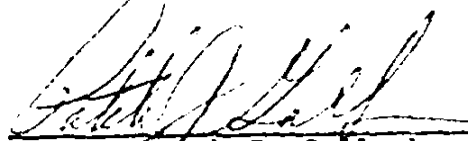
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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.


Dated: December 12, 1985

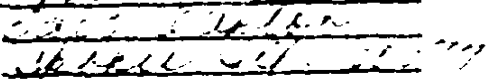
GENERAL PARTNER:



Patrick J. Gallagher

LIMITED PARTNER:



Address: 

Number of Units: 1

x 64,678.00

capital contribution: 64,678.00

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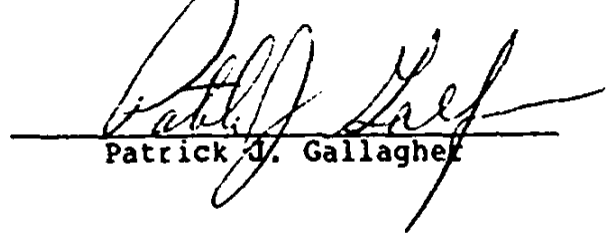
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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

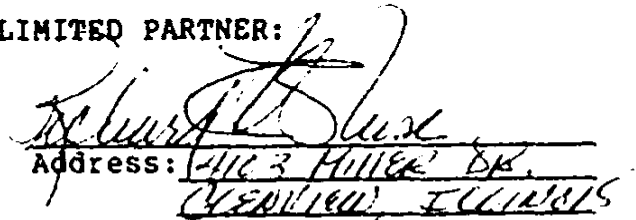
Dated: December 12, 1985

GENERAL PARTNER:



Patrick J. Gallagher

LIMITED PARTNER:



Address: 4103 MILLER DR.
CHENNAI, ILLINOIS

Number of Units: 1

x 64,678.00

capital contribution: 64,678.00

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

Dated: December 12, 1985

GENERAL PARTNER:


Patrick J. Gallagher

LIMITED PARTNER:


Address: 4833 W. O'FARRELL 
SKOKIE, ILL 60077

Number of Units: 1

x 64,678.00

capital contribution: 64,678.00

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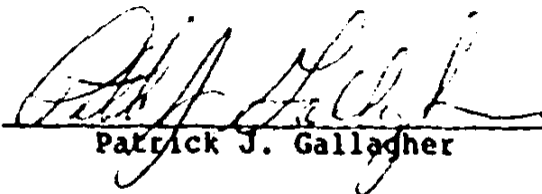
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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

Dated: December 12, 1985

GENERAL PARTNER:


Patrick J. Gallagher

LIMITED PARTNER:


Address: 475 S. ...
...

Number of Units: 100

x 64,678.00

capital contribution: 6,467,800.00

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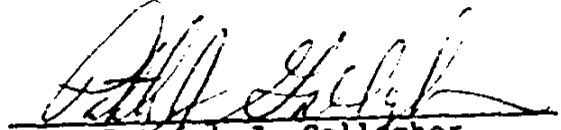
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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

Dated: December 12, 1985

GENERAL PARTNER:


Patrick J. Gallagher

LIMITED PARTNER:


Address: 1241 North Ave.
Highland Park, Ill. 60035

Number of Units: 1

x 64,678.00

capital contribution: 64,678.00

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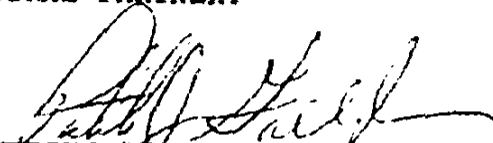
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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.


Dated: December 12, 1985

GENERAL PARTNER:



Patrick J. Gallagher

LIMITED PARTNER:


Address: 131 Fox Hill Dr.
RUFFALO GROVE, IL. 60089

Number of Units: 1

x 64,678.00

capital contribution: 64,678.00

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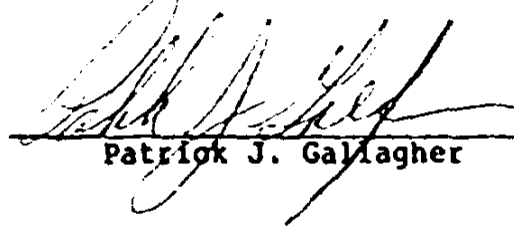
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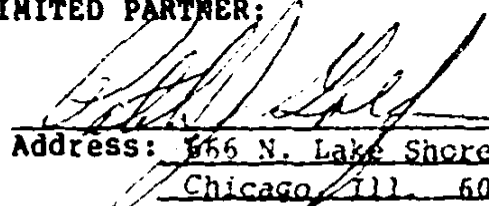
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

Dated: December 12, 1985

GENERAL PARTNER:


Patrick J. Gallagher

LIMITED PARTNER:


Address: 166 N. Lake Shore Dr. - #1000
Chicago, Ill. 60610

Number of Units: 1

x 64,678.00

capital contribution: 64,678.00

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Mail to: Gary A. Weintraub
55 East Monroe Street
Suite 4444
Chicago, Illinois 60603