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SACHS & PHELPS
Suite 500 - Watt Plaza
1925 Century Park East
Los Angeles, California 90067
Attention: David Goldberg, Esq.

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DUPLICATE ORIGINAL

**AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
PS PARTNERS V, LTD., a California Limited Partnership**

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This Amended and Restated Agreement of Limited Partnership (the "Agreement") is made and entered into as of the 12th day of July, 1985 by and among PSI Associates II, Inc., a California corporation ("Corporate General Partner") and B. Wayne Hughes ("Hughes") as General Partners and the undersigned Limited Partners. Certain capitalized terms used herein are defined in Article V.

**I
FORMATION AND RESTATEMENT OF AGREEMENT OF LIMITED PARTNERSHIP**

On June 29, 1984 the General Partners and the original Limited Partner formed a limited partnership (the "Partnership") pursuant to a Certificate and Agreement dated June 25, 1984. Upon execution of this Agreement, the parties hereto amend and restate in its entirety the Certificate and Agreement of Limited Partnership and the parties hereby elect (in accordance with Section 15712(a) of the Code) to be governed by all of the provisions of the California Revised Limited Partnership Act as set forth in Title 2, Chapter 3 of the Code upon the terms and conditions set forth therein.

**II
CERTIFICATE OF LIMITED PARTNERSHIP**

The General Partners have prepared, executed and acknowledged a "Certificate of Limited Partnership" pursuant to Section 15621 of the Code and have filed such Certificate with the California Secretary of State. The General Partners will record or file such Certificate in those public offices as is required under applicable law or deemed appropriate by the General Partners. Further, the Partnership will be qualified as a foreign limited partnership in those jurisdictions where required by law or where deemed advisable by the General Partners.

**III
NAME AND PRINCIPAL PLACE OF BUSINESS**

The name of the Partnership is "PS Partners V, Ltd., a California Limited Partnership" and its office and principal place of business shall be 990 South Fair Oaks Avenue, P.O. Box 6000, Pasadena, California 91102-8000, and thereafter such other place or places as the General Partners may from time to time determine. The General Partners shall promptly notify the Limited Partners of any change in the Partnership's principal place of business.

**IV
TERM OF PARTNERSHIP**

The Partnership shall commence as of June 25, 1984 and shall continue for a period ending the earlier of:

- a. December 31, 2038.
- b. The date on which the Partnership is dissolved by the parties in accordance with the terms of this Agreement; or
- c. The date on which the Partnership is dissolved by operation of law or judicial decree.

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DEFINITIONS

As used in this Agreement, the following definitions shall be used, and it is the intent of the parties that these definitions shall control over the same or similar definitions set forth in Section 15611 of the Code.

5.1 "Acquisition Expenses" shall mean all expenses incurred by the Partnership in acquiring properties (other than Acquisition Fees) including, but not limited to, legal fees and expenses, travel and communication expenses, costs of appraisals, non-refundable option payments on property not acquired, accounting fees and expenses, title insurance, and miscellaneous expenses related to the selection and acquisition of properties whether or not acquired.

5.2 "Acquisition Fee" shall mean the total of all fees and commissions paid by any party in connection with the purchase or development of property by the Partnership, except a development fee paid to a person who is not an affiliate of the General Partners in connection with the actual development of a project after acquisition of the property by the Partnership. Included in the computation of such fees or commissions shall be any real estate commission, acquisition fee, finder's fee, selection fee, development fee, nonrecurring management fee, or any fee of a similar nature, however designated.

5.3 "Adjusted Capital Investment" shall mean the "Capital Contribution" attributable to a Limited Partner's Units reduced by the aggregate of any distributions in respect of such Units other than distributions from Cash Flow from Operations.

5.4 "Affiliate" of a person shall mean (a) any person directly or indirectly controlling, controlled by or under common control with such person, (b) any person owning or controlling 10% or more of the outstanding voting securities of such person, (c) any officer, director, general partner, trustee or anyone acting in a substantially similar capacity as to such person, or (d) any person who is an officer, director, general partner, trustee or holder of 10% or more of the voting securities or beneficial interests of any of the foregoing.

5.5 "Assignee" shall mean a person who has acquired a Limited Partner's beneficial interest in one or more Limited Partnership Units and has not become a substituted Limited Partner.

5.6 "Capital Contribution" shall mean \$500 per Unit, notwithstanding that, as provided in Section 8.1 hereof, the actual amount contributed for certain Units may be less than \$500 per Unit, and shall not include amounts paid to any such person with respect to any assignment of one or more Units or any interest therein or to any substitution of a Limited Partner.

5.7 "Cash Flow from Operations" shall mean cash funds provided to the Partnership from its operations, without deduction for depreciation, but after deducting cash funds used to pay or establish a reserve for all other expenses (other than Incentive Distributions), debt payments, capital improvements, tenant improvements and replacements.

5.8 "Cash from Sales or Refinancing" shall mean net proceeds to the Partnership of all sales, exchanges and refinancings of its properties, less payment of indebtedness relating to such properties and adequate cash reserves from such net proceeds for other obligations of the Partnership for which there is no provision; however, Cash from Sales or Refinancing shall not include any proceeds reinvested in properties.

5.9 "Code" shall mean the California Corporations Code in effect on January 1, 1985.

5.10 "Development Fee" shall mean a fee for the packaging of a property, including negotiating and approving plans, and undertaking to assist in obtaining zoning and necessary variances and necessary financing for the specific property, either initially or at a later date.

5.11 "Front-End Fees" shall mean the total of all fees and expenses paid by any party for any services rendered during the Partnership's organizational or acquisition phase relating to the organization of the Partnership or the acquisition of its properties or investments, including all organizational and offering expenses (including but not limited to selling commissions and due diligence expenses, Acquisition Fees, Acquisition Expenses and any other similar fees).

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5.12 "General Partners" shall mean the Corporate General Partner and Hughes or any other person or persons who succeeds either or both of them in that capacity.

5.13 "Incentive Distributions" shall mean that portion of "Cash Flow from Operations" which is payable to the General Partners.

5.14 "Investment in Properties" shall mean the amount of aggregate "Capital Contributions" expended for the purchase, development, construction or improvement of properties acquired by the Partnership (including the purchase of properties, working capital reserves allocable thereto, except that working capital reserves in excess of 5% of the gross offering proceeds shall not be included), and other cash payments such as interest and taxes paid upon the purchase of a property but excluding "Front-End Fees."

5.15 "Limited Partners" shall mean the persons signing this Agreement as limited partners, and to any other persons who are admitted to the Partnership as additional or substituted Limited Partners. All Limited Partners shall be of the same class and have the same rights.

5.16 "Majority Vote" shall mean the affirmative vote or written consent of Limited Partners (or those deemed to have the interest of Limited Partners) then owning of record more than 50% of the outstanding Units of the Partnership. This definition shall control over the definition of "Majority-in-interest of the limited partners" found in Section 15611(1) of the Code.

5.17 "Net Income" or "Net Loss" shall mean the net income or net loss of the Partnership, as determined on the basis utilized in preparing the Partnership's federal income tax return incorporating the cash method of accounting, applied on a consistent basis throughout the period for which net income or net loss is determined.

5.18 "Organization and Offering Expenses" shall mean those expenses incurred in connection with and in preparing the Partnership for registration and subsequently offering and distributing it to the public, including sales commissions paid to broker-dealers in connection with the distribution of the Partnership's Units and all advertising expenses.

5.19 "Partners" shall mean collectively the General Partners and the Limited Partners, and reference to a "Partner" shall be to any one of the Partners.

5.20 "Partnership" shall mean the Limited Partnership created under this Agreement.

5.21 "Person" shall mean any natural person, partnership, corporation, association or other legal entity, including without limitation qualified pension and profit sharing trusts.

5.22 "Program" shall mean a limited or general partnership, joint venture, unincorporated association or similar organization other than a corporation formed and operated for the primary purpose of investment in and the operation of or gain from an interest or interests in real property.

5.23 "Purchase Price" shall mean the price paid for a property or investment whether consisting of cash, secured or unsecured promissory notes, other property, the outstanding balance of mortgage loans to which the property is subject at the date of acquisition or other consideration (including payments in respect of Acquisition Fees, but excluding points and prepaid interest).

5.24 "Subordinated Incentive Distributions" shall mean that portion of "Cash from Sales or Refinancing" which is payable to the General Partners.

5.25 "Subordinated Real Estate Resale Commission" shall mean the commission payable to an Affiliate of the General Partners in connection with the sale of Partnership properties.

5.26 "Substituted Limited Partner" shall mean a person admitted to all of the rights of a Limited Partner who has deceded or assigned his interest in the Partnership.

5.27 "Unit" shall mean the interest entitling the holder thereof to all the rights and benefits under this Agreement including, but not limited to, an interest in the income, loss and distributions of the Partnership, without regard to the capital accounts of the Partners (computed in accordance with Section 8.6a hereof). Each Unit shall be deemed to represent a Capital Contribution of \$500.

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VI

PURPOSE OF PARTNERSHIP AND INVESTMENT OBJECTIVES

6.1 Purpose and Investment Objectives. The Partnership has been organized primarily to invest in mini-warehouse facilities offering storage space for personal and business use and also in certain types of office, commercial and industrial properties (sometimes referred to as "business parks") within the United States provided that no more than 40% of the net proceeds of the offering may be invested in business parks. The Partnership will operate such properties with the objectives of distributing among the Partners (to the extent allowed by sound business judgment) cash distributions which may be treated as a return of capital and providing capital growth. The properties referred to in this Section 6.1 are sometimes referred to as the Partnership's "real estate properties." This specification of a particular business shall not be deemed a limitation upon the general powers of the Partnership.

6.2 Restrictions on Investment Objectives. The following restrictions on investment objectives shall be observed:

a. Pending initial investment of its funds, or to provide a source from which to meet contingencies, the Partnership may temporarily invest its funds in short-term, highly liquid investments where there is appropriate safety of principal, such as government obligations, certificates of deposit, short-term debt obligations and interest bearing accounts.

b. In connection with the acquisition of assets, the Partnership shall not (i) acquire any asset on a leveraged basis unless the asset is generating net cash flow at a level at least equal to 125% of the equal periodic payments due on any debt unless it expects such a level to be achieved within a reasonable time after acquisition or (ii) subject any asset to one or more mortgages, deeds of trust or other security interest, so that the indebtedness with respect to any individual property is in excess of 80% of the Purchase Price of such property, except that in connection with the refinancing of assets, the Partnership may incur indebtedness up to the sum of (i) eighty percent (80%) of the aggregate purchase price of Partnership assets not being refinanced and (ii) eighty percent (80%) of the aggregate value (as determined by the lender at the date of refinancing) of the assets which have been, or are being, refinanced.

c. The Partnership shall not invest in non-income producing property, except that the Partnership may contract to acquire, when completed, a property which is under development or the development of which is imminent.

d. The Partnership shall not engage in any material trading activities with respect to Partnership properties.

e. Unless the investment is a lease of the type referred to in subparagraph f. below, the Partnership shall not invest in investment partnerships or joint ventures unless (i) it acquires a controlling interest in such partnerships or joint ventures, it being understood that for such purpose, "control" need not represent an interest in excess of 50% in capital or profits, but may result from provisions in the governing partnership agreement or related documents giving the Partnership certain basic rights which are tantamount to control or which preclude control by any other person, including without limitation, the right to compel or veto the sale, lease, refinancing, expansion or major capital expenditure of such partnerships or joint ventures (although after a period of time, the other party may also have the right to compel the sale of a property), and (ii) duplicate property management or other fees which would cause a total of all such fees to exceed the limits contained in this Agreement are avoided. Unless permitted under subparagraph f. below, if the Partnership invests jointly with an Affiliate (including the General Partners), any such joint investment shall be subject to the following additional limitations: (i) the Partnership and such Affiliate have investment objectives that are identical in all material respects, (ii) the Partnership's investment is on the same terms as the investment of such Affiliate (other than the size of their respective interests), (iii) the compensation to the General Partners is substantially identical to the compensation received by the general partners of such affiliates and (iv) each of the Partnership and such Affiliate has a right of first refusal to acquire the other's interest in the event of a sale.

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f. The Partnership may finance the purchase by the Partnership of real property by use of a "wrap-around" or "all-inclusive" note and mortgage or deed of trust under which the General Partners or any Affiliate is the obligee or secured party if (i) neither the General Partners nor any Affiliate receives interest on the amount of the underlying obligation in excess of that payable to the lender on such underlying obligation; (ii) the Partnership receives credit on its obligation under the all-inclusive note for payments made directly on the underlying obligation; (iii) all payments on the underlying obligation shall be made directly by the Partnership or, in the alternative, payments by the Partnership on the all-inclusive note are made to a third party collecting agent which in turn disburses such payments, first to the holder of such underlying obligation, and thereafter to the holder of the all-inclusive note; and (iv) no prepayment charge or penalty shall be included therein except to the extent of any prepayment charge or penalty in the note, mortgage or deed of trust evidencing and securing the underlying obligation.

g. The Partnership shall not reinvest Cash Flow from Operations, or after December 31, 1987, any proceeds from the sale or refinancing of a property, except that if (i) prior to December 31, 1988, the Partnership sells or disposes of any of its properties by virtue of casualty, condemnation or other extraordinary event which, in the judgment of the General Partners, make a sale in the best interests of the Partnership, or (ii) the Partnership requires funds to exercise an option to acquire property under lease or to purchase from any co-venturer an interest in a property that the Partnership owns jointly with such person, the Partnership may either distribute the net proceeds of such sale to the Partners or may reinvest such proceeds, provided, however, that in any event a portion of the proceeds sufficient to cover any increase in the Limited Partners' Federal and state income taxes attributable to the sale (assuming a 35% combined Federal and state maximum tax bracket) and not covered by other tax shelter distributions from the Partnership relating to the year of sale shall be distributed in time to pay such increase.

h. The Partnership shall not invest the gross offering proceeds in junior mortgages or deeds of trust, except that the Partnership may provide secondary financing to purchasers of Partnership assets.

i. The Partnership shall not invest in limited partnership interests in other programs.

j. The Partnership's investments may include leases and sub-leases.

k. The Partnership will not incur unsecured indebtedness or purchase a property with financing, including existing financing, all-inclusive and wrap-around loans and interest-only loans that does not meet the following criteria, unless the prior approval of the California Department of Corporations has been obtained: (i) any balloon payment will not become due and payable prior to the earlier of (a) ten years from the date the Partnership acquires the property, or (b) ~~ten~~ years beyond the anticipated holding period of the property, provided that in no event may the balloon payment become due sooner than seven years from the date the Partnership acquires the property, and (ii) during the term of all financing (other than in the case of financing containing a balloon payment due earlier than ten years from the date the Partnership acquires the property and that provides for payments in amounts sufficient to pay interest currently), such financing will provide for equal payments in an amount which would be sufficient to self-liquidate the loan over not more than 30 years. The foregoing restrictions shall not apply (i) to financing representing 25% or less of the aggregate purchase prices of all of the properties acquired by the Partnership, (ii) to interim financing, including construction financing (provided that the Partnership has received a commitment for permanent financing), (iii) if the Partnership establishes a reserve sufficient to make a balloon payment and holds such reserve for the purpose of making such balloon payment or (iv) to funds borrowed on a short-term basis pending the release of funds to the Partnership from the escrow described in Section 7.2c hereof.

l. The Partnership has entered into the Participation Agreement with Storage Equities, Inc. ("SEI") dated June 20, 1985 under which SEI will be offered the opportunity to participate with it in each acquisition of property. SEI may issue convertible notes, convertible preferred stock or other securities to the owners of properties or pay cash or other consideration for the separate interest in the property that it will acquire. After acquisition, SEI and the Partnership will contribute their separately acquired

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interests to a general partnership or similar arrangement with SEI. The terms of the Participation Agreement are described in the Prospectus used in the public offering of Units.

m. The Partnership may enter into equity participation arrangements with sellers for the purpose of acquiring some Partnership properties, provided that the Partnership controls the management of any such properties. In such instances, the seller may retain an interest in the property in the form of a share of cash from operations and/or cash from a sale or refinancing, often on a subordinated basis. The seller will make no cash contribution, but its retention of an interest in the property will be taken into account in determining the purchase price of the Partnership's interest.

VII

PARTNERS

7.1 General Partners.

a. Corporate General Partner and Hughes shall be the General Partners. The address of each is 990 South Fair Oaks Avenue, Pasadena, California 91102-6000. As to Units, if any, acquired by Corporate General Partner or Hughes, whether pursuant to Article XVII hereof or otherwise, their interests in the Partnership shall be deemed to have been acquired as Limited Partners.

b. Corporate General Partner agrees that it will have at all times at least \$2,500,000 of unencumbered net assets.

7.2 Limited Partners.

a. *Limited Partner at Formation.* Obren B. Gerich, as original Limited Partner, has acquired one Unit and has made a Capital Contribution of \$500. Upon the admission of Limited Partners pursuant to subparagraph c. below, the Partnership shall return to such initial Limited Partner his Capital Contribution and shall reacquire his Unit and such initial Limited Partner shall cease to be a Limited Partner in the Partnership.

b. *Public Offering of Limited Partnership Interests.* The Partnership intends to make a public offering of not to exceed 148,000 additional Units for cash and may admit as Limited Partners the persons whose subscriptions for such Units are accepted by the General Partners (who may refuse to admit any person or persons as Limited Partners for any reason whatsoever). Each such person shall become a Limited Partner in the Partnership when:

(1) Such person has contributed to the capital of the Partnership \$500, or such lesser sum as is permitted in certain cases by Section 8.1 hereof, for each Unit, each Limited Partner being required to make an initial minimum purchase of five Units;

(2) Such person has executed and filed with the Partnership the subscription form specified in the Prospectus used in connection with the public offering (the "Prospectus"), together with such other documents and instruments as the General Partners may deem necessary or desirable to effect such admission, including, but not limited to, the written acceptance and adoption by such person of the provisions of this Agreement and the execution, acknowledgment and delivery to the General Partners of a power of attorney in form and substance as described in Section 20.1 hereof; and

(3) The General Partners have accepted such person and have caused this Agreement to be amended to show the admission of such person as a Limited Partner. No amendment to the Partnership's Certificate of Partnership need be made to reflect the admission of such Limited Partners.

c. *Admission of Limited Partners.* No action or consent by the Limited Partners shall be required for the admission of additional Limited Partners pursuant to this Article VII, provided that the aggregate number of Units held by all Limited Partners shall not exceed 148,000. All subscribers' funds shall be held by an independent escrow holder and shall not be released to the Partnership, and no subscribers in the public offering shall be admitted as Limited Partners, unless and until subscriptions for not less than 2,600 Units have been received and accepted. At any time thereafter, the Capital Contributions of the subscribers whose

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subscriptions have been accepted may be released to the Partnership, provided that such subscribers shall be admitted to the Partnership within 15 days after such release. Subsequent subscribers shall be admitted as Limited Partners of the Partnership not later than the last day of the calendar month following the month in which the subscriptions of such persons are accepted by the Partnership. Subscriptions shall be accepted or rejected by the Partnership within 30 days of their receipt. All subscription monies deposited by persons whose subscriptions are rejected shall be returned to such subscribers forthwith after such rejection.

d. *Minimum Capitalization and Duration of Public Offering.* The public offering of Units shall be terminated not later than the earlier of (i) one year from the time of its commencement or (ii) at such time as subscriptions for a total of 148,000 Units shall have been received and accepted. The public offering may be terminated earlier at the option of the General Partners. If at the time of termination, subscriptions for fewer than 2,600 Units have been received and accepted, all monies deposited by subscribers shall be returned to them with the interest earned thereon from the date such monies were deposited in escrow through the date of refund.

VIII

CAPITAL CONTRIBUTIONS AND WITHDRAWALS

8.1 *Capital Contributions.* The capital of the Partnership shall consist of contributions made by the Partners for the Units which they acquire. There shall be 148,000 Units authorized for issuance. Each Partner shall contribute \$500 in cash for each Unit which such Partner acquires, payable as set forth in Section 8.2, provided, however, that the amount required to be contributed to the capital of the Partnership by a Limited Partner who acquires more than 400 Units shall be reduced by the amount by which the underwriting commission paid by the Partnership with respect to the issuance of such Units is less than \$40.00 per Unit. Upon such payment, such Unit shall be fully paid and non-assessable. Each Limited Partner must acquire a minimum of five Units. In no event shall any Limited Partner be required to make additional contributions to capital in excess of that made to purchase the Units provided for by this Section 8.1. The General Partners shall make contributions to the Partnership's capital of at least \$100,000 plus such additional amounts, if any, as are from time to time necessary to cause the General Partners at all times while constituting the General Partners to have contributed at least one percent of the Partnership's total Capital Contributions. The Corporate General Partner shall contribute 80% and Hughes shall contribute 20% of the General Partners' Capital Contributions. Such contributions by the General Partners shall constitute a general partner interest, but for all purposes of distributing non-utilized capital as provided in Section 8.3 hereof, allocating Net Income and Loss as provided in Article IX hereof, allocating and distributing Cash Flow from Operations and Cash from Sales or Refinancing as provided in Article X hereof, and making liquidation distributions as provided in Section 22.1 hereof, the General Partners shall be entitled to share in such allocations and/or distributions on a pro rata basis with the Limited Partners (each \$500 contributed by the General Partner being deemed to represent one Unit for purposes of allocation and distribution), and the term "Limited Partner" in each of such articles and sections shall be deemed to include the General Partners with respect to their general partner interest. In the event of termination of a General Partner as provided in Article XXI hereof, the Capital Contribution of such General Partner shall be converted immediately and without further action by such General Partner, any other General Partner, the Limited Partners or the Partnership (other than for any required amendment of this Agreement and recording of an amended Certificate of Limited Partnership) into Units at the conversion rate of one Unit for each \$500 of capital previously contributed by the terminated General Partner pursuant to this Section 8.1, and thereafter shall be held as a Limited Partner interest by such terminated General Partner. Except as otherwise provided herein, the General Partners shall not be required to contribute to the capital of the Partnership or to purchase any Units as a Limited Partner. The Partnership will not issue Units in exchange for interests in real estate.

8.2 *Time for Payment.* The payment of the entire subscription contribution by each subscriber shall be made to the independent escrow holder at the time the subscription is submitted.

8.3 *Return of Non-utilized Capital.* From time to time the Partnership may have cash in excess of the amount required for the conduct of the affairs of the Partnership, and the General Partners may, at their sole discretion, determine that such cash should, in whole or in part, be distributed to the Partners in reduction of

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their Capital Contributions, according to the number of Units each holds. Any proceeds of the public offering of the Units provided for in Section 7.2 hereof not committed by June 20, 1987 (except for necessary operating capital and reserves required under Section 10.6 of this Agreement) shall be distributed pro rata to the Limited Partners as a return of capital. For purposes of the foregoing, funds will be deemed to have been committed and will not be distributed to the extent such funds would be required to acquire and develop property with respect to which contracts, agreements in principle or letters of understanding have been executed, regardless of whether such property is actually acquired. No such return shall be made:

a. Until the Agreement has been amended as required by the Code to reflect such reduction of capital; and

b. Unless all liabilities of the Partnership (except those to Partners on account of amounts credited to them pursuant to this Agreement) have been paid or there remains property of the Partnership sufficient, at the sole discretion of the General Partner, to pay such liabilities. Any distribution pursuant to this Section 8.3 shall be deemed to have been consented to by the Limited Partners.

As used in this Section 8.3, the term "Limited Partners" shall include the General Partners in respect of their Capital Contributions as provided in Section 8.1.

8.4 Liability for Returned Capital. Any return of capital pursuant to Section 8.3 or distributions pursuant to Article X shall be subject to return by the Limited Partner to the Partnership, in accordance with Section 15868 of the Code, to the extent that the sum of the Partnership's full recourse obligations (unless those obligations are owed to Partners) immediately after such return of capital or distribution exceeds the fair value of the Partnership's assets, provided that the fair value of any asset that is subject to a liability as to which recourse of creditors is limited to such asset shall be included in the Partnership's assets only to the extent that the fair value of such asset exceeds the amount of the liability encumbering such asset.

8.5 Withdrawal of Capital. No Partner shall have the right to withdraw or to make a demand for withdrawal of any of such Partner's Capital Contribution (or the capital interest reflected in such Partner's capital account) until the full and complete winding up and liquidation of the business of the Partnership.

8.6 Capital Account.

a. An individual capital account shall be maintained for each Partner. It initially shall consist of the amount contributed (including any amount designated for underwriting commission) by that Partner to the capital of the Partnership, as:

(i) Increased by:

(A) Any additional contributions to Partnership capital;

(B) That Partner's share of any gross income, profit or gain allocated to it under Article IX; and

(C) That Partner's share of the Partnership's nontaxable income, if any.

(ii) Decreased by:

(A) Any distributions made to it;

(B) That Partner's share of losses allocated to it under Article IX; and

(C) That Partner's share of the Partnership's nontaxable losses, if any.

b. In the event that, immediately prior to the dissolution and final termination of the Partnership, and after crediting any gain or charging any loss pursuant to Article IX of this Agreement, either of the General Partners shall have a deficiency in its capital account, then such General Partner shall contribute in cash to the capital of the Partnership an amount which is equal to the deficiency in its capital account created by its Incentive Distributions provided for by Sections 10.2 and 10.3 hereof. The Limited Partners shall not be required to reimburse the Partnership for deficiencies in their capital accounts.

c. The term "capital account" as defined and applied in this Section 8.6 shall be deemed in control over and be used in place of the term "capital account" as provided for in Section 15811(b) of the Code.

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8.7 Interest on Capital Contributions. No interest shall be paid on a Capital Contribution.

IX

ALLOCATION OF INCOME AND LOSSES TO PARTNERS

9.1 Allocation of Profits and Losses Other than Gain from Sale or Other Disposition. The Partnership will allocate Partnership credits, profits and losses other than any gain from the sale or other disposition of Partnership assets among the Partners as follows: (a) A special allocation of gross income in the amount of the Incentive Distributions to the General Partners, and (b) the remaining profits and losses shall be allocated among those who were Limited Partners on the last day of each quarter according to the ratio which the number of Units owned by each of them at such time bears to the number of Units owned by all Limited Partners at such time. As used in this Article IX, the term "Limited Partners" shall include the General Partners in respect of their Capital Contributions as provided in Section 8.1.

9.2 Allocation of Gain from Sale of Assets of the Partnership. Any gain from the sale or other disposition of any asset of the Partnership shall be allocated among the Partners as follows:

(a) First, to the General Partners to the extent of the sum of (i) any Subordinated Incentive Distribution to which the General Partners are entitled under Section 10.3b with respect to said sale or disposition and (ii) the amount of any prior Subordinated Incentive Distribution to the extent not previously included in an allocation of gain to the General Partners pursuant to this Section 9.2a.

(b) Second, to the extent said gain is not allocated to the General Partners under Section 9.2a it shall be allocated among those who were Limited Partners as of the last day of the fiscal quarter on a pro rata basis according to the Units held on the last day of such fiscal quarter.

All allocations to the General Partners pursuant to this Article IX shall be allocated 80% to the Corporate General Partner and 20% to Hughes. The allocations among the General Partners may be altered from time to time by agreement among the General Partners without amendment of the Partnership Agreement or the consent of the Limited Partners.

X

CASH AVAILABLE FOR DISTRIBUTION

10.1. Time and Manner of Distributions. Cash Flow from Operations shall be distributed to the Partners as cash payments quarterly or at such more frequent intervals as the General Partners, at their sole discretion, may determine. As used in this Article X, the term "Limited Partners" shall include the General Partners in respect of their Capital Contributions as provided in Section 8.1.

10.2. Allocation of Cash Flow from Operations Among Partners. Distributions of Cash Flow from Operations shall be allocated between and paid 10% to the General Partners as Incentive Distributions and the balance of the Cash Flow from Operations shall be distributed to the Limited Partners.

10.3. Allocation of Cash from Sales or Refinancing Among Partners. Cash from Sales or Refinancing shall be allocated between and paid to the General Partners and Limited Partners as follows:

a. First, to the Limited Partners an amount which, when added to all prior distributions of Cash from Sales or Refinancing to Limited Partners, equals the sum of (i) 100% of their Capital Contributions and (ii) an amount equal to the excess, if any, of (A) an 8% per annum cumulative (not compounded) return on their Adjusted Capital Investment from the last day of the calendar quarter in which their respective Capital Contributions have been released to the Partnership, over (B) the sum of all prior distributions to Limited Partners of Cash Flow from Operations.

b. Second, to the General Partners, 15% of all remaining Cash from Sales or Refinancing and, to the Limited Partners, the balance of available Cash from Sales or Refinancing.

10.4 Allocation Among Limited Partners. Distributions of Cash Flow from Operations and Cash from Sales or Refinancing made to the Limited Partners pursuant to Sections 10.2 and 10.3 hereof shall be paid to

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those who were Limited Partners as of the last day of the fiscal quarter preceding the time of distribution on a pro rata basis according to the Units held on the last day of such fiscal quarter.

10.5 Allocation of Distributions Between General Partners. All amounts distributed to the General Partners pursuant to this Article X shall be allocated and distributed 80% to the Corporate General Partner and 20% to Hughes. The allocations among the General Partners may be altered from time to time by agreement among the General Partners without amendment of the Partnership Agreement or the consent of the Limited Partners.

10.6 Reserves. The General Partners shall make provision for adequate reserves by retention of a reasonable percentage of proceeds from the public offering and regular receipts for normal repairs, replacements and contingencies. It is anticipated that not less than 5% of the public offering proceeds will be considered adequate until the Partnership has achieved a positive cash flow from operations. Thereafter, the provision for reserves shall be in an amount as the General Partners, at their sole discretion, shall determine.

XI

MANAGEMENT OF PARTNERSHIP BY GENERAL PARTNERS

11.1 Management. The General Partners shall conduct the business of the Partnership. The Corporate General Partner and its corporate parent, Public Storage, Inc. ("PSI"), shall devote to the Partnership so much of the time of their personnel as is necessary or required for the effective conduct and operation of the Partnership's business. Hughes shall devote his individual time to the Partnership to the extent that he deems advisable in view of the participation of the Corporate General Partner and PSI in Partnership affairs and such other factors as he, in his discretion, considers relevant. Any action required to be taken or taken by the General Partners shall be duly taken, if approved, in writing or otherwise, by any one General Partner. Without limiting the generality of the foregoing, the General Partners shall have the following rights and powers which they may exercise at the cost, expense and risk of the Partnership.

11.2 Powers of the General Partners. The General Partners shall have full charge of overall management, conduct and operation of the Partnership in all respects and in all matters, and shall have the authority to act on behalf of the Partnership in all matters respecting the Partnership, its business and its property, and, without limiting in any manner the foregoing, authority to:

a. Subject to any limitations otherwise set forth in this Agreement, deal in any Partnership assets whether real property or personalty, including, but not by way of limitation, exercise of the right to construct, purchase, sell, exchange or convey title to, and to grant options for sale of, all or any portion of the property, including any mortgage or leasehold interest or other realty or personalty which may be acquired by the Partnership, lease all or any portion of the property without limit as to the term thereof; borrow money and as security therefor encumber all or any part of the property; obtain financing secured by one or more mortgages or deeds of trust placed on the property, or repay same in whole or in part; increase, modify, consolidate or extend any financing secured by one or more mortgages or deeds of trust placed on the property; and enter into joint ventures and investment partnerships or substantially similar arrangements (including such arrangements with Affiliates of the General Partners).

b. Subject to the limitations set forth in Section 11.5, employ or engage from time to time, at the expense of the Partnership, persons to render the type of services generally needed to accomplish the Partnership purposes, including but not limited to, management companies, leasing agents, managers, accountants and attorneys. Employment of such persons by the General Partners shall be on such terms and for such reasonable compensation as are in accordance with generally accepted business practices. Such employees may include persons who also work on a part-time (or any other) basis for a General Partner, any Affiliate of a General Partner or any other person or entity which owns real property managed by a General Partner or its Affiliate, provided that the compensation paid to any such person is not in excess of the compensation which the Partnership would be required to pay to other persons not affiliated with the General Partners for comparable services which reasonably could be made available to the Partnership.

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c. Possess and exercise, as may be required, all of the rights and powers of General Partners as more particularly provided by Section 15643(a) of the Code, except to the extent that any of such rights may be limited or restricted by the express provisions of this Agreement.

d. Execute, acknowledge and deliver any and all instruments and take such other steps as are necessary to effectuate the foregoing.

e. Exercise their fiduciary duty for the safekeeping and use of all funds and assets of the Partnership, whether or not in its immediate possession or control, and not to employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the Partnership.

11.3 Duties of the General Partners. The General Partners shall perform, or cause to be performed at the expense of the Partnership, the following services:

a. Establish books of account, record and payment procedures, including Individual Capital Accounts of the Partners.

b. Provide bookkeeping and other related services for the Partnership.

c. Disburse the original cash capital contributions of the Partners for the purposes set forth in this Agreement.

d. Provide overall management, financial and business planning services to the Partnership.

e. Disburse all receipts and make all necessary payments and expenditures in accordance with the terms of this Agreement.

f. Make all reports to the Limited Partners required by this Agreement or by law.

g. Conduct reasonable periodic inspections of the properties of the Partnership.

11.4 Requirement for Real Property Appraisal. The Partnership will not pay a price (including Acquisition Fees) for any property which is in excess of its value according to an appraisal, which shall be prepared by a competent, independent appraiser. The appraisal shall be maintained in the General Partners' records for at least five years and shall be available for inspection and duplication by any Limited Partner.

11.5 Expenses of the Partnership. Except as otherwise specifically provided by this Agreement, all expenses of the Partnership, including but not limited to, organization, offering and operating expenses shall be billed directly to, and paid and borne by, the Partnership; provided, however, that the General Partners shall be entitled to reimbursement by the Partnership for their out-of-pocket expenses incurred in the organization of the Partnership and the public offering of the Units except that the General Partners or their Affiliates shall pay and shall not be reimbursed by the Partnership for all such organization and offering expenses (other than underwriting commissions) to the extent they exceed five percent of the gross proceeds of the public offering of Units. PSI has guaranteed to pay all Organization and Offering Expenses (including underwriting commissions) which exceed 15 percent of the gross offering proceeds. This guarantee is without recourse to, or reimbursement by, the Partnership. The General Partners shall be reimbursed for their actual cost of any goods and materials necessary for the prudent operation of the Partnership, which shall be provided by unaffiliated parties. The General Partners shall not be entitled to reimbursement for their out-of-pocket and overhead expenses. The expense of performance of administrative services on behalf of the Partnership by various persons shall be borne by the Partnership and shall not reduce the compensation to be paid to the General Partners pursuant to this Agreement or any other agreement between the General Partners and the Partnership unless duplicative of those services which the General Partners or their Affiliates are obligated to perform pursuant to the management agreement to be entered into with the Partnership apart from this Agreement. Persons who are employed on behalf of the Partnership and who may also be employed by the General Partners, may be employed by a corporation which is an Affiliate of the General Partners organized principally to act as the entity through which such persons are employed. The Partnership will pay such corporation for the cost of administrative services performed on behalf of the Partnership; provided that the compensation paid to any persons employed on behalf of the Partnership (including contributions made to any profit sharing or other plan on behalf of such persons) is the lesser of (i) 90% of the compensation which the Partnership would be required to pay to other persons not affiliated with the General

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Partners for comparable services which reasonably could be made available to the Partnership in the same or comparable geographic locations or (ii) the cost of such personnel to the General Partners or their Affiliates and provided further that such persons only render property management or administrative (including transfer agent, legal, accounting and partner relations) services or coordinate and supervise the administration of the Partnership. The costs of such services will include only the salaries and fringe benefits payable to such persons and will not include any allocation of indirect expenses of the General Partners, such as rent, utilities and other overhead items. The Partnership shall not pay or reimburse the General Partners for any of the salaries, fringe benefits or travel expenses of any executive officer, director or controlling person of the General Partners or their Affiliates. The annual report to the limited partners will contain a breakdown of any costs reimbursed to the General Partners by the Partnership. Within the scope of the annual audit of the financial statements of the Corporate General Partner or its Affiliates, the independent certified public accountants shall review the allocation of any such costs to the Partnership. The method of review shall at minimum provide: (i) a review of the time records of individual employees, the costs of whose services were reimbursed; and (ii) a review of the specific nature of the work performed by each such employee. The method of review shall be in accordance with generally established professional standards and shall accordingly include such tests of the accounting records and such other procedures which the independent certified public accountants of the Corporate General Partner or its Affiliates consider appropriate in the circumstances. The additional costs of such review will be itemized by said accountants on a partnership by partnership basis if the cost of such review is to be reimbursed to the General Partners or their Affiliates by the Partnership and such costs may be reimbursed only to the extent that such reimbursement when added to the cost for administrative services rendered by the General Partners and their Affiliates does not exceed the maximum amount the Partnership is permitted to pay for such services as set forth above.

11.6 Indemnification of the General Partners. The Partnership shall indemnify and hold harmless each General Partner and PSI and their agents and employees from any loss, liability or damage incurred or suffered by such General Partner and PSI and their agents or employees by reason of any act performed or omitted to be performed by it or its agents or employees in connection with the business of the Partnership, including reasonable attorney's fees incurred by it in connection with the defense of any claim or action based on any such act or omission, which attorney's fees may be paid as incurred, except to the extent indemnification is prohibited by law, provided, however, that such indemnification shall not cover liabilities arising under the Securities Act of 1933, as amended. All judgments or other assessments against the Partnership wherein a General Partner or its agents or employees are entitled to indemnification pursuant to this Section 11.6 shall be first satisfied from Partnership assets before a General Partner and PSI and their agents or employees, as the case may be, shall be required to satisfy such liability or obligations; provided, however, that such indemnification or agreement to hold harmless shall be recoverable only out of Partnership assets and not from the Limited Partners. Any indemnification required herein to be made by the Partnership shall be made promptly following the fixing of the loss, liability or damage incurred or suffered by a final judgment or any court, settlement, contract or otherwise. A General Partner and PSI and their agents and employees (a) shall not be entitled to the foregoing indemnification, and (b) shall be liable to the Partnership for any loss, liability or damage suffered or incurred by the Partnership, directly or indirectly, in connection with its activities unless the following conditions are satisfied: (i) such person determined in good faith that such course of conduct was in the best interest of the Partnership, and (ii) such course of conduct did not constitute fraud, negligence or misconduct. The Partnership shall not pay for any insurance covering liability of a General Partner or its agents or employees for actions or omissions for which indemnification is not permitted hereunder. However, the Partnership may purchase and pay for the types of insurance, including extended coverage liability and casualty and workman's compensation, as would be customary for any person owning comparable property and engaged in a similar business, and the Partnership may name the General Partners and any of their Affiliates as additional insured parties thereunder, provided that such addition does not add to the premiums payable by the Partnership. Nothing contained herein shall constitute a waiver by any Limited Partner of any right which he may have against any party under Federal or state securities laws.

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The Partnership shall indemnify and hold each of the General Partners harmless from any loss, liability or damage, including attorneys' fees, incurred or suffered by such General Partner as a result of any claim or claims that such General Partner is liable as such for any Partnership obligation which the Partnership is unable to pay, provided, however, that the Partnership shall not be required to furnish any indemnification which would be prohibited by the preceding paragraph.

If, at any time, the Partnership has insufficient funds to furnish indemnification as herein provided, it shall provide such indemnification if and as it generates sufficient funds and prior to any distribution to the Limited Partners of Cash Flow from Operations or Cash from Sales or Refinancing.

11.7 Right to Rely Upon the Authority of General Partners. Persons dealing with the Partnership may rely upon the representation of a single General Partner that such General Partner has the authority to make any commitment or undertaking on behalf of the Partnership. No person dealing with a General Partner shall be required to determine its authority to make any such commitment or undertaking, nor to determine whether any other General Partner concurs in the commitment or undertaking or any other fact or circumstance bearing upon the existence of its authority. In addition, no purchaser of any property or interest therein owned by the Partnership shall be required to determine the sole and exclusive authority of a General Partner to sign and deliver on behalf of the Partnership any instrument of transfer with respect thereto or to see the application or distribution of revenues or proceeds paid or credited in connection therewith, unless such purchasers shall have received written notice from the Partnership affecting the same.

XII

SERVICES RENDERED TO THE PARTNERSHIP BY THE GENERAL PARTNERS

12.1 Insurance Services Prohibited. Neither the General Partners nor any of their Affiliates may receive an insurance brokerage fee or write any insurance policy covering the Partnership or any of its properties unless (i) the cost of providing such services, including the cost of the insurance, is no greater than the lowest quote obtained from three unaffiliated insurance agencies for comparable insurance and (ii) the General Partners or their Affiliates are independently and continuously engaged in the business of providing such services to nonaffiliated parties with at least 75% of their insurance brokerage gross revenues derived from such parties. The General Partners or their Affiliates may provide insurance brokerage services or write insurance or reinsurance covering goods owned by tenants of the Partnership's properties and the foregoing limitations shall not be applicable to such insurance or reinsurance.

12.2 Property Management Services. The General Partners and their Affiliates may perform property management services for the Partnership, and be compensated for such services on the terms set forth in that Management Agreement to be entered into by the Partnership and an Affiliate of PSI which is set forth as Exhibit B to the Prospectus used in the public offering of Units; provided that the compensation therefor to any of the General Partners or their Affiliates is competitive in price and terms with persons who are not affiliated with the General Partners or their Affiliates rendering comparable services which could reasonably be made available to the Partnership. The Partnership may pay separate fees for rent-up, leasing or re-leasing of space in the properties, provided that no such fees shall be paid to the General Partners or their Affiliates. The maximum property management fee shall not exceed 6% of the gross revenues derived from or connected with the mini-warehouse spaces and 5% of such gross revenues from the non-mini-warehouse spaces except that if the General Partners and their Affiliates render no leasing, releasing or leasing related services with respect to the properties, the maximum property management fee shall be 3% of such gross revenues. In the event that a property is leased for a term of 10 years or more on a net (or similar) basis, the maximum property management fee from such lease shall be 1% of the gross revenues from such property, except for a one time initial leasing fee of 3% of the gross revenues derived in connection with such lease payable over the first five years of the original term of such lease. Such Management Agreement may not be modified in any material respect unless such modification is approved by a Majority Vote.

12.3 Real Estate Brokerage Commissions on Acquisition and Sale of Property. As compensation for services to the Partnership, in the initial acquisition of property, there shall be paid to the General Partners or

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their Affiliates by the Partnership or by sellers of property to the Partnership, or by a combination thereof, Acquisition Fees which in the aggregate shall not exceed 8% of the Gross Offering Proceeds.

Acquisition Fees, together with travel and communication expenses incurred in connection with the acquisition of properties and miscellaneous expenses related thereto, are subject to the further limitation that the aggregate of these amounts shall not exceed the lesser of: (i) 18% of the Gross Offering Proceeds, or (ii) the normal and competitive rate customarily charged by others rendering similar services as an ongoing public activity in the same geographical location where the services are performed. (The General Partners shall be required to comply with such limitations on an ongoing and cumulative basis.) In addition, within 30 days after the application of the proceeds of this offering are completed, the General Partners shall reimburse the Partnership by the amount, if any, that the aggregate investment in Properties is less than the greater of (i) 80% of the Capital Contributions reduced by .1825% for each 1% of the aggregate Purchase Prices of Partnership properties and investments (excluding Front-End Fees) represented by indebtedness or (ii) 67% of the Capital Contributions.

Except as set forth in this Section 12.3, no Acquisition Fees shall be paid or payable, directly or indirectly, by the Partnership or by any other person to the General Partners or their Affiliates; provided, however, that Acquisition Fees may be paid to unaffiliated persons, which payments are subject, together with payments to the General Partners or their Affiliates under the first paragraph of this Section 12.3, to the limitation set forth in the second paragraph of this Section 12.3.

Acquisition Fees are payable at the close of escrow, or if there is no escrow, at the time legal title to the property is transferred to the Partnership or a joint venture in which the Partnership invests.

No Acquisition Fee shall be paid to the General Partners or their Affiliates upon the reinvestment of proceeds of any sale or financing of property except in the event that, on or before December 31, 1987, the Partnership refinances a property originally purchased with less than the maximum allowable financing, or finances a property originally purchased without leverage provided that the aggregate Acquisition Fees payable with respect to a property shall not exceed the fees that would have been allowed under this Section if the Partnership had originally purchased the property with the maximum allowable financing.

The Partnership may pay a real estate brokerage fee to the General Partners or their Affiliates for services rendered in connection with each sale or disposition of Partnership properties at the lesser of (i) 3% of the gross sales price of a Partnership property, or (ii) 50% of the normal and competitive rates customarily charged by others rendering similar services, provided that the Limited Partners have received distributions of Cash from Sales or Refinancing equal to the sum of (i) 100% of their Capital Contributions and (ii) an amount equal to the excess, if any, of (A) a cumulative 6% (not compounded) on their Adjusted Capital Investment from the last day of the calendar quarter in which their respective Capital Contributions have been released to the Partnership, over (B) the sum of all prior distributions to Limited Partners of Cash Flow from Operations. The aggregate amount of Subordinated Real Estate Commissions payable to the General Partners or their Affiliates shall not exceed 2.5% of the aggregate sales prices of all properties, and the aggregate amount of real estate brokerage commissions payable to all parties involved in the sale of a property shall not exceed the lesser of 6% of the gross sales price of such property or the competitive rate.

12.4 Exclusive Agreement. None of the General Partners or their Affiliates shall receive from the Partnership or otherwise an exclusive right to sell, or exclusive employment to sell, property of the Partnership.

12.5 Rebates, Give-ups and Reciprocal Arrangements.

a. No rebates or give-ups may be received by any of the General Partners or their Affiliates nor may the General Partners or their Affiliates participate in any reciprocal business arrangements which would circumvent the provisions of this Agreement.

b. None of the General Partners nor any of their Affiliates shall, or shall knowingly permit any underwriter, dealer or salesman to, directly or indirectly pay or award any finder's fees, commissions or other compensation to any person engaged by a potential investor for investment advice as an inducement to such

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advisor to advise the purchase of interests in the Partnership; provided, however, that this clause shall not prohibit the normal sales commissions payable to a registered broker-dealer or other properly licensed person for selling Partnership Units.

12.6 **Other Services.** Other than as provided in this Agreement, neither the General Partners nor their Affiliates will be compensated for services to the Partnership.

XIII

TRANSACTIONS BETWEEN GENERAL PARTNER AND PARTNERSHIP

13.1 **Sales and Leases to the Partnership.** The Partnership shall not purchase or lease property in which any of the General Partners or their Affiliates have an interest except as may be permitted by all applicable state blue sky (including the NASAA Real Estate Program Guidelines) or other securities laws. The provisions of this Section 13.1 notwithstanding, the General Partners or their Affiliates may purchase property in their own name and temporarily hold title thereto for the purpose of facilitating the acquisition of such property for the Partnership, provided that such property is purchased by the Partnership for a price no greater than the cost of such property to the General Partners or their Affiliates, including development costs actually incurred by the General Partners or their Affiliates and provided further that there is no difference in interest rates of the loans secured by the property at the time acquired by the General Partners or their Affiliates and the time acquired by the Partnership, nor any other benefit arising out of such transaction to the General Partners or their Affiliates other than compensation otherwise permitted under this Agreement.

13.2 **Sales and Leases to the General Partners.** The Partnership shall not sell or lease property to the General Partners or their Affiliates, except that the Partnership may lease space to the General Partners or their Affiliates for their use provided that (i) the terms of any such lease are competitive with those contained in leases with persons who are not affiliated with the General Partners or their Affiliates, (ii) the aggregate amount of space rented pursuant to such leases does not exceed 2% of the aggregate net rentable area of the Partnership's properties, (iii) neither the General Partners nor their Affiliates receive any property management fees in connection with such leases and (iv) the Partnership recoups any profit in connection with subleases or assignments of such leases.

13.3 **Loans.** No loans may be made by the Partnership to any of the General Partners or their Affiliates.

13.4 **Dealings With Related Programs.** Except as permitted by Section 13.1, the Partnership shall not acquire property from a program in which any of the General Partners or any of their Affiliates have an interest.

XIV

INDEPENDENT ACTIVITIES OF PARTNERS

Any of the Partners may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, but not limited to, the ownership, acquisition, financing, leasing, management, syndication, investment, brokerage and development of real property of any kind whatsoever (including facilities comparable to those developed and owned by the Partnership), and neither the Partnership nor any of the Partners shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived therefrom.

Until PS Partners III, Ltd. and PS Partners IV, Ltd., limited partnerships in which the General Partners or their Affiliates are general partners, and which were previously formed to acquire existing mini-warehouses and, to a lesser extent, existing business parks, have committed all of their funds available for investment, the Partnership will not contract to acquire an existing mini-warehouse or business park.

Subject to the obligations and commitments incurred or made prior to commencement of the public offering of Units, the General Partners agree that until the Partnership has initially invested, committed or returned to the Limited Partners all of its available funds, neither they, PSI, nor any partnership, corporation or entity for which any of them is a general partner or has otherwise organized shall contract to acquire an

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existing mini-warehouse or business park (other than improved property acquired for conversion into a mini-warehouse or business park) for which the Partnership has sufficient available funds and which meets the guidelines for acquisition by the Partnership as set forth in the Prospectus.

XV

BOOKS, REPORTS AND FISCAL MATTERS

15.1 **Books.** The General Partners shall maintain full and complete books and records for the Partnership at its principal office as stated in Article III. The books of account shall be kept on a cash basis for income tax purposes and for purposes of preparing quarterly and semi-annual financial statements and reports but shall be kept on an accrual basis for purposes of preparing annual financial statements and reports. The Partnership shall adopt a fiscal year beginning on the first day of January and ending on the last day of December of each year. If said books and records are to be kept at any place other than at the principal office of the Partnership, then the Limited Partners shall be immediately notified in writing; provided, however, that the Partnership shall always keep available within the state of California a complete set of the books, records and documents referred to in Section 15.3.

15.2 **Reports.** The General Partners shall cause to be prepared, at the expense of the Partnership, the reports described in clauses (a) through (e) of this Section 15.2. The General Partners shall file with the California Commissioner of Corporations, concurrently with their transmittal to the Limited Partners, a copy of each report made pursuant to paragraphs (b) through (d) of this Section.

a. **Special Reports.** Within 60 days after the end of each quarter, a "Special Report" of real property acquisitions within the prior quarter shall be sent to all Limited Partners until the proceeds are invested (or used to establish a working capital reserve) or returned to the Partners as set forth in Section 8.3 hereof. Such report shall describe the real properties and include a description of the geographic locale and of the market upon which the General Partners are relying in projecting successful operation of the properties. All facts which reasonably appear to the General Partners to influence materially the value of the property shall be disclosed. The Special Report shall include, by way of illustration and not of limitation, a statement of the date and amount of the appraised value (which may be on an "as if completed basis"), a statement of the actual purchase price including terms of the purchase, a statement of the total amount of cash expended by the Partnership to acquire each property, a statement demonstrating conformity of the property acquired with investment criteria, a statement that title insurance and bonds (if required) with respect to the property have been obtained, and a statement regarding the amount of proceeds of the Partnership (in both dollar amount and as a percentage of the total amount of the offering) which remain unexpended or uncommitted. (The unexpended or uncommitted amount shall be stated in terms of both dollar amount and percentage of the net proceeds of the public offering of the Partnership available for investment.)

b. **Annual Report.** Within 120 days after the end of each fiscal year, an annual report which shall include (1) a balance sheet as of the end of such fiscal year, together with a profit and loss statement, a statement of the source and application of funds and a statement of changes in partners' capital for such year. Such financial statements shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by an auditor's report containing an opinion of the independent certified public accountants which is not qualified due to Partnership imposed scope limitations; (2) a report of the activities of the Partnership for such year; and (3) a report on distributions to the Limited Partners for such period separately identifying distributions from (i) Cash Flow from operations during such period, (ii) Cash Flow from operations from prior periods, (iii) proceeds from disposition of property and investments, (iv) proceeds from financing of property, (v) reserves from the proceeds of the offering of Units, and (vi) lease payments on net leases with builders and sellers. Such annual report shall also include such other information as is deemed reasonably necessary by the General Partners to advise the Limited Partners of the affairs of the Partnership.

c. **Other Reports.** If and for as long as the Partnership is required to file quarterly reports on Form 10-Q with the Securities and Exchange Commission, the information contained in each such report for a

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IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said County, at Chicago, Illinois, this 1st day of January, 1901.

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quarter shall be sent to the Limited Partners within 60 days after the end of such quarter. If and when such reports are not required to be filed, each Limited Partner will be furnished within 60 days after the end of the first six-month period of each Partnership year an unaudited financial report for that period including a profit and loss statement, a balance sheet and a statement of the source and application of funds. If the Partnership is not required to file such reports, Limited Partners holding of record at least 5% of the then outstanding Units may request and shall receive the periodic financial information set forth in Section 15034(c)(2) of the Code.

d. *Report of Fees.* The reports provided for in clauses (b) and (c) of this Section 15.2 for any period during which the General Partners or any of their Affiliates receive fees for services from the Partnership, shall set forth (1) a statement of the services rendered and (2) the amount of fees received.

e. *Tax Information.* Within 75 days after the end of each fiscal year, there will be distributed to the Limited Partners all information necessary for the preparation of each Limited Partner's Federal income tax return and state income and other tax returns with regard to jurisdictions where Partnership properties are located.

f. *Amendments.* Any amendment to this Agreement executed by any of the General Partners for the Limited Partners pursuant to a power of attorney.

15.3 Record Keeping. The General Partners shall maintain the following records for the Partnership at the Partnership's principal office, or at such other place as the General Partners may select in accordance with Section 15.1:

a. A current list of the full names and last known business or residence addresses of each Partner, together with the number of Units owned by each Partner. Such list shall be maintained in alphabetical order by the last name of each such Partner.

b. A copy of the Certificate of Limited Partnership and all Certificates of Amendment, if any, and any executed copies of powers of attorney pursuant to which any certificate has been executed.

c. Copies of the Partnership's federal, state and any local income tax or information returns and reports for the six most recent taxable years.

d. Copies of the original Agreement and all amendments to the Agreement.

e. Financial statements to the Partnership for the six most recent fiscal years.

f. The Partnership's books and records for at least the current and the past three fiscal years.

15.4 Delivery to Limited Partners and Inspections. Upon the request of any Limited Partner, the General Partners shall promptly deliver to the requesting Limited Partner, at the Partnership's expense, a copy of the information to be required to be maintained by the Partnership pursuant to subsections 15.3a., b. or d. In addition, each Limited Partner has the right, upon reasonable request, to inspect and to copy, at such Limited Partner's expense, and during normal business hours any of the Partnership's records required to be maintained by Section 15.1 and to obtain from the General Partner, promptly after becoming available, a copy of the Partnership's federal, state and local income tax or information returns for each year.

15.5 Adjustment of Tax Basis. Upon the transfer of an interest in the Partnership, the Partnership may, at the sole discretion of the General Partners, elect pursuant to Section 754 of the Internal Revenue Code of 1954, as amended, to adjust the basis of the Partnership property as allowed by Sections 734(b) and 743(b) thereof. The election, if made, will be filed with the Partnership information income tax return for the first taxable year to which the election applies. The General Partners generally do not intend to make such an election.

15.6 Bank Accounts. The cash funds of the Partnership shall be deposited in a commercial bank account at such banks or other institutions, insured by the Federal Deposit Insurance Corporation, as the General Partners shall determine or in accordance with Section 6.2a. hereof. Disbursements therefrom shall be made by the General Partners in conformity with this Agreement. The funds of the Partnership shall not be commingled with the funds of any other person.

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15.7 Insurance. The Partnership shall at all times maintain comprehensive insurance, including fire, liability and extended coverage fire insurance in amounts determined by the General Partners for the protection of the Partnership and each of its Partners. In addition, the Partnership shall carry appropriate Worker's Compensation Insurance and such other insurance with respect to the real property owned by it as shall be customary for similar property, similarly located, from time to time.

15.8 Taxation as Partnership. The General Partners, while serving as such, agree to use their best efforts to cause there to be compliance at all times with the conditions to the continued effectiveness of the legal opinion obtained by the Partnership to the effect that the Partnership will be classified as a partnership for Federal income tax purposes.

15.9 Tax Matters Partner. The Corporate General Partner shall serve as the Partnership's Tax Matters Partner as that term is defined in Section 6231 of the Internal Revenue Code of 1954, as amended.

XVI

POWERS OF THE LIMITED PARTNERS; LIMITED LIABILITY

16.1 Powers of the Limited Partners. The Limited Partners shall take no part in the management of the business or transact any business of the Partnership and shall have no power to sign for or bind the Partnership; provided, however, that the Limited Partners, by a Majority Vote, shall have the right to:

- a. Amend the Agreement.
- b. Dissolve the Partnership.
- c. Remove a General Partner or any successor general partner.
- d. Elect a new general partner or general partners upon the removal, retirement, death, insanity, insolvency, bankruptcy or dissolution of a General Partner or any successor general partner, all in accordance with Article XXI.
- e. Approve or disapprove the sale, exchange or pledge in a single transaction or in a series of transactions that are part of a single plan of all or substantially all of the properties originally acquired by the Partnership.

The rights granted pursuant to subsections 16.1a. through 16.1e. shall constitute a limitation by agreement of the rights granted to limited partners generally by Section 15636(f) of the Code, and the Limited Partners shall not have the right to vote on any matter not listed above.

16.2 Restrictions on Power to Amend. Notwithstanding Section 16.1 hereof, without the vote or written consent of the General Partners and all of the Limited Partners, the Limited Partners shall have no right to extend the term of the Partnership to a date later than December 31, 2008, to change the Partnership to a general partnership, to change the limited liability of the Limited Partners or to remove the Limited Partners' power and right to dissolve the Partnership as provided in Section 21.1 hereof. In addition, without the consent of the General Partners and a Majority Vote, the Limited Partners shall have no right to diminish the rights of the General Partners with respect to their general partner interest described in Section 8.1 hereof, their interest in the Cash Flow from Operations and Cash from Sales or Refinancing as described in Article X hereof, distributions upon liquidation as provided in Section 22.1 hereof, or other benefits to which the General Partners are entitled under the provisions of this Agreement.

16.3 Limited Liability. Performance of one or more of the acts described in Section 16.1 hereof shall not in any way constitute any Limited Partner a General Partner or impose any personal liability on any Limited Partner. No Limited Partner shall be liable for any debts or obligations of the Partnership in excess of its contribution to the capital of the Partnership (which has not been previously returned to it) plus such capital returned to it as to which, by the terms of Section 15666 of the Code, it shall remain liable therefor. All undistributed Cash Flow from Operations and Cash from Sales or Refinancing which would otherwise be distributed to the Limited Partners, however, shall be available to creditors to satisfy the debts and obligations of the Partnership until the time of actual distribution.

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16.4 Meetings of, or Actions By, the Limited Partners.

a. Meetings of the Limited Partners to vote upon any matters as to which the Limited Partners are authorized to take action under this Agreement may be called at any time by the General Partners or by one or more Limited Partners holding ten percent or more of the outstanding Units by delivering written notice, either in person or by registered mail, of such call to the General Partners. Within ten days following receipt of such request, the General Partners shall cause a written notice to be given, either personally or by registered mail, to the Limited Partners entitled to vote at such meeting to the effect that a meeting will be held at a time and place fixed by the General Partners, convenient to the Limited Partners, which is not less than 15 days nor more than 60 days after the filing of the notice of the meeting; provided, however, that such maximum periods for the giving of notice and the holding of meetings may be extended for an additional 60 days if such extension is necessary to obtain qualification under any applicable securities laws of the matters to be acted upon at such meeting or clearance by the appropriate governing agency of the solicitation materials to be forwarded to the Limited Partners in connection with such meeting. The General Partners agree to use their best efforts to obtain such qualification and clearances. Included with the notice of a meeting shall be a detailed statement of the action proposed, including a verbatim statement of the wording of any resolution proposed for adoption by the Limited Partners and of any proposed Amendment to this Agreement. All expenses of the meeting and notification shall be borne by the Partnership.

b. Limited Partners shall be entitled to one (1) vote for each Unit held. Limited Partners present in person or by proxy holding in excess of 50% of the Units shall constitute a quorum at any meeting. Attendance by a Limited Partner at any meeting and voting in person shall revoke any written proxy submitted with respect to action proposed to be taken at such meeting. Any matter as to which the Limited Partners are authorized to take action under this Agreement or under law, may be taken by the Limited Partners without a meeting and shall be as valid and effective as action taken by the Limited Partners at a meeting assembled, if written consents to such action by the Limited Partners are signed by the Limited Partners entitled to vote upon such action at a meeting who hold the number of Units required to authorize such action and are delivered to a General Partner. In the event that there shall be no General Partner, the Limited Partners may take action without a meeting by the written consent of Limited Partners having a majority of the voting power of the Limited Partners entitled to vote. In case of an action by written consent, such action shall be effective 15 days after the last Limited Partner necessary to take such action has given his or her consent; provided, however that if a meeting of the Limited Partners is validly called to discuss or vote on the subject matter of the written consent, the effectiveness of such consent shall be delayed until the close of such meeting.

c. The General Partners shall be responsible for enacting all needed rules of order for conducting all meetings and shall keep, or cause to be kept, at the expense of the Partnership, an accurate record of all matters discussed and action taken at all meetings or by written consent. The records of all said meetings and written consents shall be maintained at the principal place of business of the Partnership and shall be available for inspection by any Partner at reasonable times.

d. All issues relating to notices of meetings or the procedures to be followed at such meetings not otherwise specified in this Agreement shall be governed by Section 15837 of the Code.

XVII

ASSIGNABILITY OF GENERAL AND LIMITED PARTNERS' INTERESTS

17.1 General Partners' Interests: Admission of Successor or Additional General Partners.

a. With the consent of all the other General Partners and a Majority Vote of the Limited Partners, any General Partner may at any time designate one or more Persons to be successors to such General Partner or to be additional General Partners, in each case with such participation in such General Partners' interest as such General Partner and such successors or additional General Partners may agree upon, provided that the interests of the Limited Partners shall not be affected thereby.

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b. Except in connection with a transfer to a successor or additional General Partner pursuant to paragraph (a) of this Section 17.1, no General Partner shall have any right to retire or withdraw voluntarily from the Partnership or to sell, transfer or assign its interest, except that (i) it may substitute in its stead as General Partner any entity which has, by merger, consolidation or otherwise, acquired substantially all of its assets or stock and continued its business and which has assumed all of the obligations of the terminating General Partner provided that substantially all of the senior management of the terminating General Partner is retained by the substituted General Partner after such transaction or (ii) it may cause to be admitted to the Partnership an additional General Partner or General Partners if required to assure the continued classification of the Partnership as a partnership for Federal income tax purposes. Each Limited Partner hereby consents to the admission of any additional or successor General Partner pursuant to this paragraph (b), and no further consent or approval shall be required.

c. Any voluntary withdrawal by any General Partner from the Partnership or any sale, transfer or assignment by such General Partner of its interest in the Partnership shall be effective only upon the admission in accordance with paragraph (a) of this Section 17.1 of a successor or additional General Partner, as the case may be.

17.2 Limited Partners' Interests. None of the Limited Partners, except as provided in this Article XVII, shall sell, transfer, encumber or otherwise dispose of, by operation of law or otherwise, the whole or any part of its interest in the Partnership. No assignment shall be valid or effective unless in compliance with the conditions contained in this Agreement, and any unauthorized transfer or assignment shall be void *ab initio*.

17.3 Restrictions on Transfers.

a. No Unit may be sold, assigned or exchanged if such Unit, when added to the total of all other Units sold or exchanged within the period of twelve consecutive months prior to the proposed date of sale or exchange, would, in the opinion of counsel for the Partnership, result in the termination of the Partnership under Section 708 of the Internal Revenue Code unless the Partnership and the transferring holder shall have received a ruling from the IRS that the proposed sale or exchange will not cause such termination.

b. No transfer may be made of a fractional Unit. No transfer may be made if, as a result of such transfer, a Limited Partner (other than one transferring all of its Units) will own fewer than five (5) Units, subject to such higher minimum transfer requirements as may be imposed by certain states.

c. All Units originally issued to a resident of California shall be subject to, and all documents of assignment and transfer evidencing such Units shall bear, the following legend condition:

"IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES."

d. No transfer of any interest in the Partnership shall be made unless (i) in the case of Units subject to subparagraph (c) above, the transferor shall have obtained, if necessary, the written consent of the California Commissioner of Corporations to such transfer and (ii) the transferee shall have paid or, at the election of the General Partners, obligated itself to pay, all reasonable expenses, not in excess of \$50, connected with such transfer, substitution and admission, including but not limited to, the cost of preparing, filing and publishing any amendment of the Agreement of Limited Partnership to effectuate the transferee's admission as a substituted Limited Partner pursuant to Section 17.4 hereof.

17.4 Substituted Limited Partners. Except as otherwise provided in this Agreement, an assignee of the whole or any portion of a Limited Partner's interest in the Partnership, shall not have the right to become a substituted Limited Partner in place of its assignor unless (i) the written consent of the General Partners to such substitution shall have been obtained, which consent, in the General Partners' absolute discretion, may be withheld; (ii) the assignment instrument shall have been in form and substance satisfactory to the General Partners; (iii) the assignor and assignee named therein shall have executed and acknowledged such other instrument or instruments as the General Partners may deem necessary or desirable to effectuate such

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admission, including but not limited to a power of attorney with provisions more fully described in this Agreement; and (iv) the assignee shall have accepted, adopted and approved in writing all of the terms and provisions of this Agreement, as the same may have been amended. Assignees of Units will be recognized by the Partnership as substituted Limited Partners as of the commencement of the first fiscal quarter of the Partnership following the satisfaction of the foregoing conditions.

17.5 Assignment of Limited Partnership Interest Without Substitution. Subject to Section 17.3 hereof, a Limited Partner shall have the right to assign all or part of such Limited Partner's interest in Units by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement. The assigning Limited Partner shall deliver to the General Partners a written instrument of assignment in form and substance satisfactory to the General Partners, duly executed by the assigning Limited Partner or his personal representative or authorized agent. Said assignment shall be accompanied by such assurance of genuineness and effectiveness and by such consents or authorizations of any governmental or other authorities as may be reasonably required by the General Partners. An assignee shall be entitled to receive distributions from the Partnership attributable to the Partnership interest acquired by reason of any such assignment from and after the effective date of the assignment of such interest to such assignee; provided, however, that the Partnership and the General Partners shall be entitled to treat the assignor of such Partnership interest as the absolute owner thereof in all respects, and shall incur no liability for distributions made in good faith to such assignor until such time as the written instrument of assignment has been received by the Partnership and recorded on its books and the effective date of the assignment has passed.

17.6 Withdrawal of Limited Partner. Except as otherwise specifically permitted by this Agreement, no Limited Partner shall be entitled to withdraw or retire from the Partnership.

17.7 Death, Legal Incompetency, or Dissolution of Limited Partner. The death, legal incompetency, dissolution or other disability of a Limited Partner shall not dissolve or terminate the Partnership. Upon the death or legal incompetency of a Limited Partner, the estate, personal representative, guardian or other successor in interest of such Limited Partner shall have all the rights and be liable for all the liabilities of the Limited Partner in the Partnership to the extent of such Limited Partner's interest therein, subject to the terms and conditions of this Agreement, and, with the prior written consent of the General Partners, which may be withheld at their sole discretion, may be substituted for such Limited Partner.

17.8 Recognition of Substituted and Assignee Limited Partners. No action or consent of the Limited Partners shall be required for the admission or recognition of either a substitute Limited Partner or an assignee Limited Partner pursuant to this Article XVII. The General Partners shall cause an amendment to this Agreement to be executed not less often than quarterly to recognize the admission of substituted Limited Partners; provided, however, that such amendments may be executed less frequently to the extent that substitutions occur less frequently. Assignees of Limited Partners shall be recognized as such not later than the end of the calendar month following the General Partners' receipt of notice of such assignment.

XVIII

LOANS TO PARTNERSHIP

18.1 Authority to Borrow. The Partnership may from time to time borrow such amounts from such persons (including the Partners) on such security and payable on such terms as the General Partners may determine, subject to the limitations of Sections 6.2b. and 6.2f. hereof and subject to the conditions in Section 18.2 hereof.

18.2 Loans From Partners. If a General Partner, or any Limited Partner, shall, with the prior consent of the General Partners, make any loan or loans to the Partnership or advance money on its behalf, the amount of any such loan or advance shall not be an increase in the Capital Account of the lending Partner or Holder of Units or entitle such lending Partner or Holder of Units to an increase in its share of the distributions of the Partnership or subject such Partner or Holder of Units to any greater proportion of the losses which the Partnership may sustain. The amount of any such loan or advance shall be a debt due from

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the Partnership to such lending Partner or Holder of Units, repayable upon such terms and conditions and bearing interest at such rates as shall be mutually agreed upon by the lending Partner or Holder of Units and the General Partners; provided, however, that a General Partner as a lending Partner may not (i) receive interest and other financing charges or fees in excess of the amounts which would be charged by unrelated banks on comparable loans for the same purpose in the locality of the property or (ii) make (directly or through an affiliate) a permanent loan to the Partnership except as permitted in Section 6.2f. hereof. It being understood that for such purpose "permanent loan" shall mean a loan in excess of one year. No prepayment charge or penalty shall be required by a General Partner or an Affiliate on a loan to the Partnership secured by either a first or a junior or all-inclusive trust deed, mortgage or encumbrance on Partnership property, except to the extent that such prepayment charge or penalty is attributable to the underlying encumbrance. Notwithstanding the foregoing, no Partner shall be under any obligation whatsoever to make any such loan or advance to the Partnership.

XIX

REPRESENTATIONS OF THE LIMITED PARTNERS

Each Limited Partner, by executing this Agreement, represents that:

- a. Such Limited Partner (if a natural person) has reached the age of majority in his state of residence.
- b. Such Limited Partner is sufficiently experienced in business matters to recognize that the Partnership is newly organized, has no history of operations or earnings and is a speculative venture.
- c. Such Limited Partner has carefully reviewed this Agreement (and the Prospectus if the Units offered are acquired in the public offering), and in making an investment in the Partnership, has relied solely on its independent investigation and upon its own tax and legal counsel.
- d. Such Limited Partner has correctly disclosed in a writing executed by such Limited Partner and delivered to the General Partners such Limited Partner's present net worth (exclusive of equity in home, household furnishings and automobiles) or net worth and gross annual income, as the case may be.

XX

CERTIFICATES AND OTHER DOCUMENTS

20.1 General Partners as Attorney for Limited Partners. Each Limited Partner, by becoming a Limited Partner, constitutes and appoints the General Partners or either of them and any successor or successors as General Partners its true and lawful attorney, in its name, place and stead, from time to time:

- a. Without further action by the Limited Partners, to execute, acknowledge, file and/or record all agreements amending this Agreement, as now and hereafter amended, that may be appropriate to reflect:
 - (1) A change of the name or the location of the principal place of business of the Partnership.
 - (2) The disposal by any Limited Partner of its interest in the Partnership, or any Units constituting a part thereof, in any manner permitted by this Agreement, and any return of the capital contribution of a Limited Partner (or any part thereof) provided for by this Agreement.
 - (3) A person becoming a Limited Partner of the Partnership as permitted by this Agreement.
 - (4) A change in any provision of this Agreement or the exercise by any person of any right or rights hereunder not requiring the consent of said Limited Partner.
 - (5) Any change in a provision of this Agreement that is necessary to permit the exclusion of Units from the definition of "plan assets", or otherwise to allow an investment of Units by an Employee Trust to qualify for an exemption, under regulations currently effective or hereafter adopted pursuant to the Employee Retirement Income Security Act of 1974, as amended.

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(6) Any change in a provision of this Agreement that is necessary for net profits, net losses and credits to be allocated among the Limited Partners on a monthly basis, or in any other manner required under the Tax Reform Act of 1984.

(7) Any changes to the provisions of this Agreement that are necessary to provide for a special allocation (and appropriate related allocations) to tax-exempt Limited Partners of any reduced cost recovery deductions produced by Section 188(j)(9) of the Internal Revenue Code to the extent such changes are not deemed detrimental in any material respect either to the tax-exempt or the taxable Limited Partners.

b. To execute, acknowledge, file and/or record such certificates, instruments and documents as may be required by, or may be appropriate under, the laws of any state or other jurisdiction in which the Partnership is doing or intends to do business.

c. To execute, acknowledge, file and/or record such certificates, instruments and documents as may be required of the Limited Partners by the laws of any state or other jurisdiction, or as may be appropriate for the Limited Partners to execute, acknowledge, file and/or record to reflect:

(1) A change of address of said Limited Partners.

(2) Any changes in or amendments of this Agreement, or pertaining to the Partnership, of any kind referred to in clause (a) of this Section 20.1.

(3) Any other change in, or amendments of, this Agreement, but only if and when the consent of a Majority Vote or other required percentage of the Limited Partners has been obtained.

(4) A change (other than as provided in Sections 20.1c(1), (2) and (3)) in any provision of this Agreement or the exercise by any person of any right or rights hereunder not requiring the consent of said Limited Partner, provided that the General Partners may not amend the Partnership Agreement to affect the rights of the Limited Partners in any material respect without a Majority Vote.

Each of such agreements, certificates, instruments and documents shall be in such form as said attorney and the legal counsel for the Partnership shall deem appropriate. The powers conferred by this Article XX with respect to agreements, certificates, instruments and documents shall be deemed to include the powers to sign, execute, acknowledge, swear to, verify, deliver, file, record and publish the same. Each Limited Partner hereby authorizes said attorney to take any further action which said attorney shall consider necessary or convenient in connection with any of the foregoing, hereby giving said attorney full power and authority to do and perform each and every act and thing whatsoever requisite, necessary or convenient to be done in and about the foregoing as fully as said Limited Partner might or could do if personally present and hereby ratifying and confirming all that said attorney shall lawfully do or cause to be done by virtue hereof. The powers hereby conferred shall continue from the date said Limited Partner becomes a Limited Partner in the Partnership until said Limited Partner shall cease to be such a Limited Partner and, being coupled with an interest, shall be irrevocable.

20.2 Making, Filing, Etc. of Certificates, Documents and Instruments. The General Partners agree, when authorized pursuant to clause (a) of Section 20.1 hereof or otherwise, to make, file or record with the appropriate public authority and, if required, to publish the Agreement, any amendments thereof and such other certificates, instruments and documents as may be required or appropriate in connection with the business and affairs of the Partnership.

20.3 Required Signatures. Any writing to amend the Agreement to reflect the substitution or addition of a Limited Partner need be signed only by any General Partner, by the Limited Partner who is disposing of its interest in the Partnership, if any, and by the person to be substituted or added as a Limited Partner. The General Partners or either of them may sign for either or both of said Limited Partners as their attorney-in-fact pursuant to clause (a) of Section 20.1 hereof. Any writing to amend this Agreement to reflect the removal, retirement, bankruptcy or dissolution (or death or insanity in the case of an Individual General Partner) of a General Partner in the event the business of the Partnership is continued pursuant to the terms

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of this Agreement need be signed only by a remaining General Partner or a new General Partner. The signature of any one of the General Partners shall be sufficient for the purpose of filing amendments, dissolution and cancellation certificates with the California Secretary of State pertaining to the Certificate of Limited Partnership referred to in Article II.

XXI

DISSOLUTION AND TERMINATION OF THE PARTNERSHIP

21.1 Dissolution. Except as otherwise provided in Section 8.5 hereof and this Section 21.1, no Partner shall have the right to cause dissolution of the Partnership before the expiration of the term for which it is formed. The Partnership shall be dissolved and terminated upon the happening of the following events:

- a. The expiration of the term of the Partnership as specified in Article IV hereof.
- b. The decision by Majority Vote of the Limited Partners to dissolve and terminate the Partnership.
- c. The retirement, withdrawal, death, insanity, adjudication of bankruptcy or insolvency or dissolution of a General Partner unless, within a period of 90 days from the date of such event, (i) the remaining General Partner, if any, elects to continue the business of the Partnership or (ii) if there is no remaining General Partner, the Limited Partners, in accordance with Section 21.2, elect to continue the Partnership and elect a successor General Partner.
- d. The removal of a General Partner, unless (i) there is a remaining General Partner which elects to continue the business of the Partnership or (ii) prior to the effective date of such expulsion a successor General Partner is elected by the Limited Partners as provided in Section 21.2 hereof, which successor elects to continue the business of the Partnership.
- e. The sale of all of the Partnership property and the conversion into cash of any proceeds of a sale originally received in a form other than cash.

The Partnership shall not be dissolved or terminated by the admission of any new Limited Partner or by withdrawal, expulsion, death, insolvency, bankruptcy or other disability of a Limited Partner.

Upon dissolution, the Partnership shall cause to be filed with the Secretary of State of California a Certificate of Dissolution for the Partnership. The signature of any of the General Partners shall be sufficient for such certificate.

21.2 Limited Partners' Right to Continue. Notwithstanding anything contained in Section 21.1 hereof, if upon the occurrence of an event as specified in clauses (c) or (d) of such Section, there is no remaining General Partner, a meeting of the Limited Partners shall be held at the principal place of business of the Partnership within 45 days after the happening of such event to consider whether to continue the Partnership on the same terms and conditions as are contained in this Agreement (except that the General Partner or General Partners may be different) and to select a General Partner or General Partners for the Partnership, or whether to wind up the affairs of the Partnership, liquidate its assets and distribute the proceeds therefrom in accordance with Article XXII hereof. The Partnership may be continued (i) by a vote of all the Limited Partners at such meeting or by written consent of all the Limited Partners upon the occurrence of an event specified in clause (c) of Section 21.1 or (ii) by Majority Vote upon the occurrence of an event specified in clause (d) of such Section. If the Partnership is continued pursuant to the preceding sentence, the Limited Partners shall, by vote or written consent of all Limited Partners, select a new General Partner or General Partners for the Partnership. The new General Partner or General Partners shall execute, acknowledge, file or record (as appropriate) a Certificate of Limited Partnership for the Partnership. The continuance of the Partnership pursuant to the terms of this Section 21.2 is conditioned upon (i) the purchase by the Partnership of the interest of the terminated General Partner of the Partnership pursuant to Section 21.3 hereof, (ii) the amendment of the Certificate of Limited Partnership to reflect the foregoing change and, if applicable, compliance by the Partnership with the notice provisions of Section 15035.5 of the Code, and (iii) delivery to the terminated General Partner of an indemnification agreement by the Partnership, in form and substance

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reasonably satisfactory to the terminated General Partner, indemnifying and holding the terminated General Partner harmless against all future liabilities of the Partnership.

21.3 Appraisal of the General Partners' Interest. If the Partnership is continued upon the removal, death, insanity, involuntary dissolution, insolvency or bankruptcy of a General Partner, the Partnership shall be required to purchase the General Partner's interest in distributions of Cash Flow from Operations and Cash from Sales or Refinancing described in Section 10.2 hereof (excluding its interest in distributions of Cash Flow from Operations and Cash from Sales or Refinancing relating to Capital Contributions made by the General Partners or to Units acquired by the General Partners from Limited Partners).

In the case of the removal, death, insanity, involuntary dissolution, insolvency or bankruptcy of a General Partner, the purchase price for such General Partner's interest in such future Cash Flow from Operations and Cash from Sales or Refinancing shall be the "fair market value" of such interest. For purposes of the foregoing, "fair market value" shall mean the amount such General Partner would receive upon dissolution and termination of the Partnership assuming the Partnership were dissolved and terminated on the date of such General Partner's termination and the assets of the Partnership were sold for their then fair market value without the Partnership having any compulsion to sell such assets. The aforesaid determination of value shall be made by mutual agreement between the terminated General Partner and the Partnership. In the event there is no remaining or successor General Partner who is not an affiliate of the terminated General Partner, such agreement shall be conditioned upon approval of the Limited Partners holding more than 50% of the Units. If the terminated General Partner and the Partnership cannot agree upon a determination within 90 days after the termination, or if the Limited Partners' approval is required as aforesaid and is not obtained within 90 days after the termination, then each of the Partnership and the terminated General Partner shall select an arbitrator; the two arbitrators so appointed shall select a third arbitrator; and a determination of the fair market value shall be made by agreement of at least two of such three arbitrators. The arbitration shall be conducted in accordance with the then current rules of the American Arbitration Association at Los Angeles, California. Each of the Partnership and the terminated General Partner shall bear one-half of the expense of such arbitration.

Immediately after the determination of the purchase price as described above, the Partnership will deliver its note in the amount thereof to the terminating General Partner. Such note shall contain such provisions as would be usual and customary in a commercial promissory note (except that it may be prepaid at any time without penalty) and shall provide for quarterly payments of interest from the date of termination at one percent above the prime interest rate of Bank of America from time to time in effect but not in excess of the maximum amount permitted by law; annual payments of principal at the lesser of (i) one quarter of the principal amount of such note or (ii) all amounts which would otherwise be available for distribution as Cash Flow from Operations and Cash from Sales or Refinancing, and payment of all previously unpaid interest and principal upon the earlier of dissolution of the Partnership or four years from the time of termination of the terminating General Partner.

In the event of a dispute as to the determination of the amount of the purchase price in accordance with the foregoing, such amount shall be determined by arbitration under the rules of the American Arbitration Association at Los Angeles, California. The costs of such arbitration shall be borne one half by the Partnership and one half by the terminated General Partner. The agreement of the terminated General Partner and the remaining or new General Partner or General Partners or the arbitrator's decision as to the amount of the purchase price shall be binding upon the terminated General Partner, the remaining or new General Partner or General Partners, the Partnership and the Limited Partners.

21.4 Termination of Executory Contracts. Upon termination of a General Partner, all executory contracts between the Partnership and the terminated General Partner or any Affiliate thereof (unless such Affiliate also is an Affiliate of a remaining or new General Partner or General Partners) may be terminated and canceled without penalty by the Partnership effective upon 60 days' written notice to the other party or parties to such contract. The terminated General Partner or any Affiliate thereof (unless such Affiliate is also an Affiliate of a remaining or new General Partner or General Partners) may also terminate and cancel any

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such executory contract effective upon 60 days' prior written notice of such termination and cancellation to the remaining or new General Partner or General Partners, if any, or to the Partnership.

XXII

DISTRIBUTION ON TERMINATION OF PARTNERSHIP

22.1 **Liquidation Distribution.** Upon a dissolution and final termination of the Partnership, the General Partners shall contribute to the Partnership that amount, if any, required pursuant to Section 8.6b. hereof and the General Partners (or in the event of a General Partner's bankruptcy, dissolution, retirement, withdrawal, death or insanity as provided in Section 21.1 hereof and if there is no remaining General Partner, any other person or entity selected by the Limited Partners) shall take account of the Partnership assets and liabilities, and the assets shall be liquidated as promptly as is consistent with obtaining the fair market value thereof, and the proceeds therefrom, to the extent sufficient therefor, together with assets distributed in kind, shall be applied and distributed in the following order:

a. To the payment of debts and liabilities of the Partnership to creditors in the order of priority provided by law (other than any loans or advances that may have been made by any of the Partners to the Partnership) and the expenses of liquidation.

b. To the establishment of any reserves which the General Partners may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partners arising out of or in connection with the Partnership. Such reserves shall be paid to a trust to be held for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies, and, at the expiration of such period as the General Partners shall deem advisable, to distribute the balance thereafter remaining in the manner hereinafter provided by this Section 22.1.

c. To the repayment of any loans or advances that may have been made by any of the Partners to the Partnership, but if the amount available for such repayment shall be insufficient, then pro rata on account thereof.

d. To pay the amount of each Partner's Capital Account as then constituted, after deducting from each Partner's Capital Account the share of syndication expenses paid relating to that Partner's Units.

Distributions pursuant to this Section 22.1 may be made in cash and/or kind as the General Partners at their sole discretion shall determine, provided that the value of any property distributed in kind shall be determined by an independent appraisal. The difference between the value of the property distributed in kind and its book value shall be treated as a gain or loss on sale of the property and shall be credited or charged to the Partners in the proportions specified in Section 9.2.

22.2 **Time of Liquidation.** A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partners to minimize the losses attendant upon a liquidation.

22.3 **Liquidation Statement.** Each of the Partners shall be furnished with a statement prepared or caused to be prepared by the General Partners, which shall set forth the assets and liabilities of the Partnership as of the date of complete liquidation. Upon the General Partners' complying with the foregoing distribution plan (including payment over to the trust provided for by Section 22.1 hereof if there are sufficient funds therefor), the Limited Partners shall cease to be such, and the General Partners, as the sole remaining Partners of the Partnership, shall execute, acknowledge and cause to be filed a certificate of cancellation of the Partnership pursuant to Section 15623 of the Code. The signature of any of the General Partners shall be sufficient for such certificate.

22.4 **No Liability for Return of Capital.** The General Partners shall not be personally liable for the return of all or any part of the Capital Contributions of the Limited Partners. Any such return shall be made solely from Partnership assets.

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22.5 No Right of Partition. The Assignees and Partners shall have no right to receive Partnership property in kind, nor shall any such Assignees or Partners have the right to partition the Partnership property, whether or not upon dissolution and termination of the Partnership.

XXIII

GENERAL PROVISIONS

23.1 Notices. Except as otherwise provided herein, any notice, payment, distribution or other communication which shall be required to be given to any Limited Partner in connection with the business of the Partnership shall be duly given if in writing and delivered personally to the person to whom it is authorized to be given at the time of such delivery, or if sent by first class mail or telegraph, to the last address furnished by such Limited Partner for such purpose as of the time of such mailing; and if to a General Partner or the Partnership, shall be given when actually received at the principal office of the Partnership, or at such other address as such General Partner may hereafter specify.

23.2 Survival of Rights. This Agreement shall be binding upon and inure to the benefit of the Partners and their respective heirs, legatees, legal representatives, successors and assigns.

23.3 Amendment. This Agreement may be amended, modified and changed by a Majority Vote, except as otherwise limited herein. If required by Section 15622(b) of the Code, the General Partners shall (and in all other cases may), within 30 days of the effective date of such amendment, execute, acknowledge and file an amendment to the Partnership's Certificate of Limited Partnership. The signature of any one of the General Partners shall be sufficient for the purpose of filing any amendment to the Partnership's Certificate of Limited Partnership.

23.4 Headings. The captions of the articles and sections of this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

23.5 Agreement in Counterparts. This Agreement, or any amendment thereto, may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which shall constitute one (1) agreement, by each of the Partners hereto on the dates respectively indicated in the acknowledgments of said Partners, notwithstanding that all of the Partners are not signatories to the original or the same counterpart, to be effective as of the day and year first above written.

23.6 Governing Law. This Agreement shall be governed and construed according to the laws of the State of California.

23.7 Time. Time is of the essence in this Agreement.

23.8 Additional Documents. Each Partner, upon the request of the others, agrees to perform any further acts and execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

23.9 Validity. Should any portion of this Agreement be declared invalid and unenforceable, then such portion shall be deemed to be severable from this Agreement and shall not affect the remainder hereof.

23.10 Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person, persons, entity or entities may require.

23.11 Schedules. Schedule A hereto, setting forth names and addresses and numbers of Units owned by the respective Limited Partners, is hereby incorporated herein by reference.

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IN WITNESS WHEREOF, the undersigned hereby execute this Amended and Restated Agreement of Limited Partnership as of the date indicated above.


GENERAL PARTNERS:



B. WAYNE HUGHES

PSI ASSOCIATES II, INC.

By 
Obren B. Gerich, vice president and
Assistant Secretary


By 
B. Wayne Hughes, President

LIMITED PARTNERS:


OBREN B. GERICH

All Limited Partners listed in Schedule A attached hereto, by PSI Associates II, Inc., their Attorney-in-Fact

By 
B. Wayne Hughes, President

By 
OBREN B. GERICH, vice president and
Assistant Secretary

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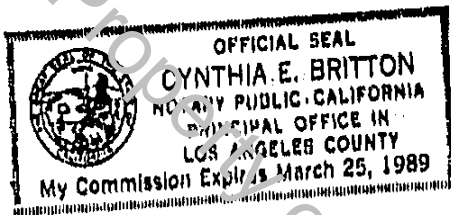
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STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On July 12, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared B. Wayne Hughes, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

Witness my hand and official seal.



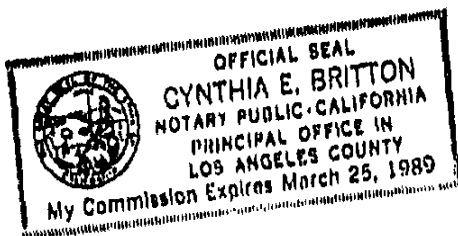
Cynthia E. Britton

Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On July 12, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared B. Wayne Hughes, personally known to me or proved to me on the basis of satisfactory evidence to be the President, and Obren B. Gerich, personally known to me or proved to me on the basis of satisfactory evidence to be the Vice President-Finance and Assistant Secretary, of PSI Associates II, Inc., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

Witness my hand and official seal.



Cynthia E. Britton

Notary Public

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OF THE ILLINOIS
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CHICAGO, ILLINOIS

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COOK COUNTY CLERK'S OFFICE
CHICAGO, ILLINOIS

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COOK COUNTY, ILLINOIS
FILED FOR RECORD

STATE OF CALIFORNIA)

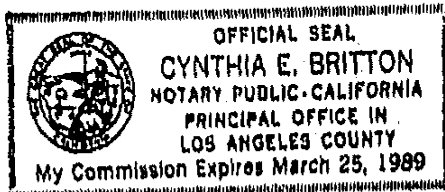
COUNTY OF LOS ANGELES)

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On July 12, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared B. Wayne Hughes, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President, and Obren B. Gerich, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Vice President-Finance and Assistant Secretary, of PSI Associates II, Inc., the corporation that executed and whose name is subscribed to the within instrument as the attorney-in-fact of the persons named as limited partners in Schedule A and acknowledged to me that they subscribed the name of the persons named as limited partners in Schedule A thereto as principal and the name of PSI Associates II, Inc., as attorney-in-fact for said persons named as limited partners in Schedule A and that said PSI Associates II, Inc., executed the same as such attorney-in-fact.

Witness my hand and official seal.



Cynthia E. Britton

Notary Public

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES)

ss.

On July 12, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared Obren B. Gerich, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

Witness my hand and official seal.



Obren B. Gerich

Notary Public

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RECEIVED
PROPERTY OF
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JANUARY 10 1900



The West 350.0 feet of the East 1010.0 feet of the North
308.0 feet of the South 810.48 feet as measured along
the sectional division lines of the South Half of the
Southeast Quarter of Section 23, Township 41 North,
Range 13, East of the Third Principal Meridian, in Cook
County, Illinois.

EXHIBIT "A"

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INV #	AGENT	EFF. DATE	NAME LINE 1	EN	INVESTED AMOUNT	UNITS
9	12363	07-02-85	PAUL E. TESTA LOUISE M. TESTA JT 7 MEADOW FOX ROAD NORTH HAMPTON, NH 03862	I	25,000	50
11	15741	07-02-85	HART HARRIS, JR. VERA S. HARRIS JT 1324 CANYON LAKE SANTA ANA, CA 92701	I	10,000	20
12	8295	07-03-85	CLIFFORD D. HUDSON, JR. JACQUELYNN M. HUDSON CP 1404 5TH STREET MANHATTAN BEACH, CA 90266	I	5,000	10
13	16557	07-03-85	DAVID HORWITZ, M.D. 566 LATIMER ROAD SANTA MONICA, CA 90402	I	10,000	20
14	5175	07-03-85	ESTHER MANASK STEPHANIE MANASK JT 5759 CALHOUN AVENUE VAN NUYS, CA 91401	I	10,000	20
15	3715	07-03-85	ROBERT FLETCHER & LOIS ESTELLE C. TURNEY TTES U/A 2-1-85 FBO TURNEY FAMILY TRUST 6741 BURGUNDY STREET SAN DIEGO, CA 92120	T	10,000	20
17	14834	07-03-85	DANIEL M. PEASE 208 SHORE ROAD WATERFORD, CT 06385	I	25,000	50
19	5946	07-03-85	SUE S. GERIS 3545 ETHAN ALLEN AVENUE SAN DIEGO, CA 92117	I	2,500	5
20	10806	07-03-85	HERBERT L. FOELBER & MARGIE ANN FOELBER JT 1911 28TH STREET SAN DIEGO, CA 92102	I	2,500	5
21	15780	07-03-85	BARBARA GUERRINGUE TTEE BARBARA GUERRINGUE REVOCABLE LIVING TRUST 7-1-85 855-C MACLAREN DRIVE, NORTH PALM HARBOR, FL 33549	T	25,000	50
23	7980	07-03-85	EDWARD G. BRENNAN & MILDRED BRENNAN JT 14646 VALERIO STREET VAN NUYS, CA 91405	I	25,000	50
24	14158	07-05-85	MANUEL G. SILVA, SR. OLIVIA M. SILVA CP 795 JASPER STREET SAN JOSE, CA 95116	I	1,000	5
25	2571	07-05-85	HERBERT D. CHARLTON & LEILA G. CHARLTON CP 10200 BOLSA AVENUE, SPACE #7B WESTMINSTER, CA 92683	I	10,000	20
26	3600	07-05-85	KAREN S. UNGAR 727 ESPLANADE, #306 REDONDO BEACH, CA 90277	I	40,000	80
27	5358	07-05-85	JOHN W. GILL JUNE J. GILL 1651 WEST MOLINA LANE GARDENA, CA 90248	I	2,500	5
28	15942	07-05-85	HELEN C. TOBIAS 5430 BALTIMORE DRIVE, #82 LA MESA, CA 92041	I	3,500	7

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29	15223	07-05-85	GERALD N. M. CHOCKLEY ROBERT S. CHOCKLEY JT 55 KIMBER BATTLE CREEK, MI 49017	6	7	4	5	30,000	60
30	3034	07-05-85	CHARLES E. SHAFFER MARGARET J. SHAFFER CP 3653 GAVOTA AVENUE SAN JOSE, CA 95124					5,000	10
34	11802	07-05-85	MILTON PUTTERMAN & CECILE PUTTERMAN JT 8016 PRINCESS PALM CIRCLE TAMARAC, FL 33321					25,000	50
35	8671	07-05-85	IRENE M. LEAFE 1330 MCCLAREN DRIVE CARMICHAEL, CA 95608					10,000	20
36	14466	07-05-85	WALTER L. HOWE TTEE FBO HOWE FAMILY TRUST 3-29-71 5740 LAKE MURRAY BOULEVARD LA MESA, CA 92041					20,000	40
38	8165	07-08-85	HELENE L. RYDER 601 WALNUT STREET PETALUMA, CA 94952					10,500	21
39	8265	07-05-85	ARTHUR C. MATSON & CLAIRE V. MATSON JT 400 FORMSCHLAG LANE PENNGROVE, CA 94951					7,500	15
40	8265	07-08-85	ROBERT K. & YUKIYE KANAGAWA CO-TTEES FBO KANAGAWA FAMILY TRUST 1985 P.O. BOX 125 BANGER, CA 93657					5,000	10
41	8265	07-08-85	PETER V. SIGNOROTTI TTEE UAD 2-9-78 FBO BETTY T. & H. A. SIGNOROTTI TRUST 467 OSITOS AVENUE BUNNYVALE, CA 94086					16,500	33
42	8265	07-08-85	MELVIN H. ISABEL & SHIRLEY A. ISABEL JT 719 H STREET PETALUMA, CA 94952					5,000	10
43	7776	07-08-85	VERNON F. BROWN CHERYL R. BROWN JT 16 CUDLIPP STREET ROWAYTON, CT 06853					15,000	30
44	11424	07-08-85	DAVID LERMAN 1924 WOODLYN ROAD PASADENA, CA 91104					10,000	20
46	15860	07-08-85	PAUL WATZLAWICK 555 MIDDLEFIELD ROAD PALO ALTO, CA 94301					10,000	20
47	12510	07-08-85	POLLY S. CURRAN 276 JOANN STREET COSTA MESA, CA 92626					5,000	10
48	10530	07-08-85	DE MOINE P. MCCARTY SUSAN C. MCCARTY CP 23722 BARQUILLA MISSION VIEJO, CA 92691					7,000	14
53	16586	07-08-85	WAYNE H. BIRDZELL HAZEL L. BIRDZELL CP 1948 NORTH BAKER SANTA ANA, CA 92706					15,000	30

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Case No.	Case Name	Case Type	Case Description	Case Status
01	100-1000	1	PROPERTY OF [Name]	ACTIVE
02	100-1000	1	PROPERTY OF [Name]	ACTIVE
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55	18385	07-08-85	DENNIS P. SNYDER KATHLEEN A. SNYDER JT 10916 18TH STREET, SOUTHEAST EVERETT, WA 98205	I	5,000	10
56	10084	07-08-85	ORIN R. LANGFORD BARBARA L. LANGFORD JT 4861 ABBEYVILLE AVENUE WOODLAND HILLS, CA 91364	I	12,000	24
57	1830	07-08-85	RONALD A. BARTELL 2518 RIJHLAND AVENUE, #8 REDONDO BEACH, CA 90278	I	5,000	10
58	5909	07-08-85	HELEN S. MOYER 1075 WOODLAND DRIVE MEADOW VISTA, CA 95722	I	10,000	20
59	6993	07-08-85	HENRY C. MORA MARY Y. MORA JT 186 MT. HOME ROAD WOODSIDE, CA 94062	I	230,000	460
61	12015	07-08-85	JUDY L. FOSTER 1284 COURTNEY PLACE EUGENE, OR 97405	I	4,000	8
62	7489	07-08-85	DIXON HALCROW 3100 KAUAI COURT, APT. JB RENO, NV 89509	I	3,000	6
63	11707	07-08-85	MARY DE TINTOR 31 ENCLURE COURT NEWPORT BEACH, CA 92660	I	20,000	40
64	10684	07-08-85	ANNA C. WELCH JR VIRGINIA L. STONE JT 365 SOUTH MERIDIAN SAN BERNADINO, CA 92410	I	5,000	10
65	16280	07-08-85	RICHARD KING P.O. BOX 1064 DARIEN, CT 06820	I	200,000	400
66	16597	07-09-85	GEORGE C. HOSFORD & ROBERTA W. HOSFORD JT 122 HICKORY HILL ROAD KENSINGTON, CT 06037	I	5,000	10
68	13936	07-09-85	DONNA A. MILLER RFD 1, BOX 114 BAMYER'S CROSSING ROAD KEENE, NH 03431	I	10,000	20
69	6142	07-09-85	EILEEN J. CASTLE 2516 SQUIRREL HILL ROAD HERNDON, VA 22071	I	10,000	20
70	13632	07-09-85	GEORGE W. SMITH, JR. ALICE J. SMITH JT 12809 LAKE PARK WAY LA MIRADA, CA 90638	I	20,000	
71	16598	07-09-85	MARTHA D. KRAMER 3900 TUNLAW ROAD, NORTHWEST #406 WASHINGTON, DC 20007	I	2,500	
75	6837	07-09-85	WAYNE A. SIEBERT 18 SOUTH DRIVE, BYLLWRIGHT POINT KEY LARGO, FL 33037	I	10,000	20

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THE STATE OF ILLINOIS

DEPARTMENT OF REVENUE

SALES TAX REPORT FOR THE YEAR 1988

NO.	NAME	ADDRESS	CITY	STATE	ZIP	TAXES	SALES
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76	11301	07-07-85	JUNE C. WINTERS	3 6 0 2 9 4 4 5	33,000	66
			7115 CASTLEVIEW MISSOURI CITY,	TX 77489		
77	13732	07-09-85	REGINA C. MCMAHON TTEE FBO MCMAHON REVOCABLE TRUST 3-7-85 1100 LOMBARD STREET, #1 SAN FRANCISCO,	CA 94109	5,000	10
78	1121	07-09-85	LESLIE S. RICHARDS 6506 EAST VIA ESTRADA ANAHEIM HILLS,	CA 92807	10,000	20
79	12933	07-09-85	FOREST D. MCBRIDE KATHLEEN E. MCBRIDE JT 14640 SOUTHWEST 89TH TIGARD,	OR 97223	8,000	16
82	13909	07-09-85	DOROTHY L. CREGIER 1566A COLCHESTER DRIVE, EAST PORT ORCHARD,	WA 98366	5,000	10
83	12909	07-09-85	MURRAY LIEBERMAN 10314 LYRIS COURT, SOUTHWEST TACOMA,	WA 98498	5,000	10
91	12002	07-09-85	WILLIAM R. BLACKWELL & DELPHA L. BLACKWELL TTEES U/A 6-17-85 305 14TH AVENUE, NORTHEAST ST. PETERSBURG,	FL 33701	5,000	10
92	3020	07-09-85	ROBERT S. CATON DONNA C. CATON CP 39 LANCELOT LANE CONROE,	TX 77304	5,000	10
93	8446	07-09-85	MR. E. EUGENE O'REILLY 4601 LAKE ROAD, SPACE 101 WEST SACRAMENTO,	CA 95691	10,000	20
94	13331	07-09-85	MR. WILFORD NIEDERHAUSER P.O. BOX 16082 SALT LAKE CITY,	UT 84116	7,000	14
95	16600	07-09-85	REVA YAFFEE 6341 SOUTH LAND PARK DRIVE SACRAMENTO,	CA 95831	10,000	20
96	3052	07-09-85	VERA T. HURCHALLA 10636 MONTE VISTA, #50 PHELAN,	CA 92371	15,000	30
97	7649	07-09-85	CAROL E. COSSETTE & ROGER G. COSSETTE JT 3466 BELLE RIVER ROAD HACIENDA HEIGHTS,	CA 91745	10,000	20
98	13956	07-09-85	MARION M. BAILEY 317 WEST 19TH STREET WILMINGTON,	DE 19802	5,000	
99	2491	07-09-85	SOL ELSON ANNE ELSON JT 15101 INTERLACHEN DRIVE SILVER SPRING,	MD 20906	10,000	
100	12355	07-09-85	ROY A. HAMBRIC SALLY J. HAMBRIC JT 706 HARPOLD RAVENSWOOD,	WV 26164	3,000	6

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Case No.	Case Name	Case Type	Case Description	Case Status
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101	10291	07-09-85	MRS. HILDE M. SALZ 1850 ALICE STREET, #712 OAKLAND, CA 94612	I	10,000	20
102	6398	07-09-85	VIRGINIA M. RAYMER 576 WEST 8TH STREET UPLAND, CA 91786	I	10,000	20
103	16601	07-09-85	BARBARA BLOSSAT 2801 JOHNSON AVENUE, APT. 10 SAN LUIS OBISPO, CA 93401	I	20,000	40
104	11298	07-09-85	FREDERICK H. KROMAN 380 ESPARTO PISMO BEACH, CA 93449	I	10,000	20
105	16602	07-09-85	JOBU YASUMURA RAE YASUMURA JT 20432 CYPRESS STREET SANTA ANA, CA 92707	I	7,500	15
106	11415	07-09-85	STEPHEN C. WILEY 405 NORTHEAST 61ST TERRACE KANSAS CITY, MO 64118	I	5,000	10
107	12335	07-09-85	EDWIN G. CARR 209 HENRIETTA STREET HAVERHAWOOD, WV 26164	I	15,000	30
109	4570	07-10-85	ALVA RISTER MILDRED E. RISTER JT 14412 SOUTH VERMONT GARDENA, CA 90247	I	15,000	30
110	4570	07-10-85	CHARLES H. FOSTER 2426 WEST SILVERLACE DRIVE LOS ANGELES, CA 90039	I	35,000	70
111	4570	07-10-85	HILDA BONEM 1629 NORTH CRESCENT HEIGHTS LOS ANGELES, CA 90067	I	15,000	30
115	3378	07-10-85	CHARLES DRUCKER VILMA DRUCKER JT 140 LONDON TERRACE FAIRFIELD, CT 06432	I	5,000	10
116	16613	07-10-85	BONNIE HOUGH TTEE UTD 6-3-84 BY BONNIE HOUGH 3132 PASTERNAK PLACE SAN DIEGO, CA 92123	T	50,000	100
117	11424	07-10-85	LESLIE & MAGDA KISPAL TTEES FOR FLAMINGO TEXTILES MILLS INC DEF BENPL & TR 1-1-80 1123 SANDHILL DRIVE CARSON, CA 90746	T	408,000	816
118	12933	07-10-85	H. ROBERT HASSELL JUDITH HASSELL JT 11275 SOUTHWEST VIEWMOUNT COURT TIGARD, OR 97223	I	20,000	
120	11883	07-10-85	ODELL N. DOBBINS & RUTH F. DOBBINS CP 1339 WEST 221 STREET TORRANCE, CA 90501	I	12,000	245
122	9183	07-10-85	LLOYDS BANK CALIFORNIA TTEE FBO MARSHALL H. TURNER DBS PEN PL TRUST #37125-00-2 %CAL PAC INC., P.O. BOX 48907 LOS ANGELES, CA 90045	T	20,000	40

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123 9183 07-10-85 THEODORE J. KOTZIN

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BOX 3113
REDONDO BEACH,

CA 90277

FUND TOTALS 1,781,500 3,563

ACTIVE INVESTORS 81

INACTIVE INVESTORS 0

SCHEDULE A
Page 6

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STATE OF ILLINOIS
CLERK OF THE SUPREME COURT
JUDICIAL CENTER
100 S. WASHINGTON ST.
SPRINGFIELD, ILLINOIS 62762
TEL: 217/243-3100
FAX: 217/243-3101
WWW.COURTS.STATEIL.COM

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2008-01-02