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AGREEMENT AND CERTIFICATE OF LIMITED
PARTNERSHIP OF JEFFERY PARTNERS,
AN ILLINOIS LIMITED PARTNERSHIP

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THIS AGREEMENT AND CERTIFICATE ("Agreement") is made and entered into as of the 2nd day of February, 1987 as the Agreement and Certificate of Limited Partnership of Jeffery Partners, an Illinois limited partnership ("Partnership"), by and among City Lands Corporation ("City Lands"), a Delaware corporation, as general partner ("General Partner"), and City Lands, Kenard Corporation ("Kenard"), an Illinois corporation, and Harold Lichterman ("Lichterman") as limited partners ("Limited Partners"). Reference herein to "Partners" without description as to "General" or "Limited" shall include the General Partner and the Limited Partners.

W I T N E S S E T H:

WHEREAS, the parties hereto desire to form a limited partnership under the laws of the State of Illinois for the purposes and pursuant to the provisions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Organization and Name. The Partnership is and shall be a limited partnership organized under and pursuant to the Uniform Limited Partnership Act of the State of Illinois (the "Act"). The name of the Partnership is "JEFFERY PARTNERS". The General Partner and the Limited Partners of the Partnership shall be the parties designated aforesaid. The addresses of the Partners are set forth below their respective names on the signature pages hereof. The Partners agree to execute such certificates or documents and do such filings and recordings and all other acts, including the filing or recording of this Agreement and assumed name certificates in appropriate governmental offices as may be required in order to comply with all applicable laws.

2. Purpose and Title. The purpose and business of the Partnership shall be to carry on the business of investing in real property by acquiring, developing, rehabilitating, improving, holding for investment, operating, mortgaging, managing, leasing, selling, exchanging or otherwise dealing with certain parcels of real property located at or near the intersection of 71st and Jeffery, Chicago, Illinois, together with all improvements, fixtures and equipment located thereon (collectively, the

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"Property"). The Partnership shall have the power to do all acts and things necessary or useful in connection with the foregoing. Title to the Property (or the interest of the Partnership therein) may be taken and held in the name of the Partnership or in the name of an Illinois land trust in which the entire beneficial interest shall be owned by the Partnership and the power of direction vested in the General Partner. The Partnership shall be a partnership only for the purposes described in this Section 2 and this Agreement shall not be deemed to create a partnership between the Partners with respect to any activities whatsoever other than the activities contemplated by or incident hereto.

3. Place of Business and Principal Office. The principal place of business of the Partnership shall be located at the Property and its principal office shall be at 1950 East 71st Street, Chicago, Illinois 60649, or at such other place within the State of Illinois as the General Partner may designate by notice to all Partners.

4. Term.

(a) The Partnership shall commence as of the date hereof and shall continue until December 31, 2027, unless sooner terminated (i) by conversion of all of the assets of the Partnership to cash or its equivalent; (ii) in accordance with the terms hereof; or (iii) by law.

(b) The first fiscal year of the Partnership shall terminate on December 31, 1987, and succeeding fiscal years shall terminate on December 31st of each year thereafter, or on such other date as the Partnership shall terminate as herein provided.

5. Capital.

(a) The capital of the Partnership shall be divided into one hundred (100) capital units (the "Units"). No certificates or other evidence of ownership shall be issued with respect to the Units except this Agreement, which shall solely represent and evidence the Units owned by each Partner.

(b) The number of Units allocated to each Partner, his Proportionate Interest, and the initial capital contribution which each Partner has made are set forth on Exhibit B attached hereto and incorporated herein by this reference. The \$445,000 capital contribution of City Lands as a Limited Partner may be in cash, letters of credit, or any other form acceptable to HUD. As used herein, the term "Proportionate Interest" shall mean, for each Partner, the percentage of the whole obtained by dividing the number of Units allocated to such Partner by the number of Units allocated to all Partners. The number of units

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allocated to each Partner shall be calculated by dividing such Partner's aggregate capital contributions by the aggregate capital contributions of all Partners.

(c) A separate capital account shall be maintained for each Partner in accordance with the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, including but limited to the rules regarding maintenance of partners' capital accounts set forth in Regulation Section 1.704-1. In furtherance but not in limitation thereof, there shall be credited to the capital account of each Partner (i) the amount of money contributed by such Partner to the Partnership, (ii) the fair market value of any property contributed by such Partner to the Partnership, and (iii) such Partner's share of Partnership income or gain (or items thereof), including income and gain exempt from tax; and there shall be charged against each Partner's capital account (iv) the amount of money distributed to the Partner by the Partnership, (v) the fair market value of any property distributed to the Partner by the Partnership, (vi) allocations to the Partner of Partnership expenditures which are not deductible for federal income tax purposes and are not capitalizable under Code Section 705(a)(2)(B), and (vii) the Partner's share of Partnership loss and deductions. To the extent a capital account is greater than zero, such excess is referred to herein as a "positive balance." To the extent a capital account is less than zero, said amount is referred to herein as a "deficit balance." In addition, the General Partner shall maintain such other separate and additional accounts for each Partner as shall be necessary to reflect accurately the rights and interests of the respective Partners.

(d) No interest or additional share of Profits (as defined herein) shall be paid or credited to the Partners on their respective capital accounts, or on any undistributed Profits or funds left on deposit with the Partnership; provided, however, that nothing herein contained shall be construed to prevent or prohibit the payment of interest on account of loans made by any Partner to the Partnership. Any loans made to the Partnership by a Partner shall not increase his capital contribution or interest in the Profits, Losses, Operating Cash Flow or Extraordinary Cash Flow (as said terms are defined below) of the Partnership, but shall be a debt due from the Partnership and repaid accordingly.

(e) Anything in this Agreement to the contrary notwithstanding, the personal liability of a Limited Partner arising out of or in any manner relating to the Partnership shall be limited to and shall not exceed such Limited Partner's capital contribution.

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(f) No Limited Partner shall have any personal liability for liabilities or obligations of the Partnership, except to the extent of his capital contribution, as aforesaid, and, except as aforesaid and as provided in Section 7 hereof, no Partner shall be required to make any further or additional contributions to the capital of the Partnership or to lend or advance funds to the Partnership for any purpose. No Partner shall be entitled to the return of his capital, except to the extent, if any, that distributions are made or deemed to be made to such Partner, otherwise than out of Profits pursuant to this Agreement.

7. Partner Loans.

(a) If at any time and from time to time during the term of the Partnership, the General Partner determines that (i) additional funds are required by the Partnership to provide monies for extras or betterments to the Property and the change order for such extra or betterment is for an amount less than \$25,000, or, if for an amount equal to or greater than \$25,000, such change order is approved, in writing, by Lichterman, and (ii) such funds are not otherwise available to the Partnership on terms acceptable to the General Partner; then, in such event, the General Partner may so notify the other Partners (x) advising of the amount of additional funds which the General Partner determines is required by the Partnership; (y) specifying the date by which each Partner shall be required to loan his Proportionate Interest of such additional funds, which date shall not be less than thirty (30) days following the date of such notice; and (z) requesting that such Partner loan to the Partnership his Proportionate Interest of the additional funds required (said notification is herein referred to as the "Loan Call"). Subject to the provisions of this Section 7, each Partner agrees to loan to the Partnership his Proportionate Interest of the additional funds determined by the General Partner to be required by the Partnership, as specified in the Loan Call, plus interest thereon from the date such loan is due to the date the same is paid at the corporate base rate of interest announced by and from time to time in effect at The First National Bank of Chicago for short-term unsecured loans made by it at Chicago, Illinois to its most creditworthy corporate borrowers (the "Corporate Base Rate"), plus five percent (5%) per annum, said interest rate to change when and as the Corporate Base Rate changes. Except as otherwise provided herein, any and all loans made or deemed to have been made to the Partnership by a Partner pursuant to this Section 7 shall (i) not increase such Partner's capital account or interest in the Profits, Losses, Operating Cash Flow or Extraordinary Cash Flow of the Partnership, but shall be a debt due from the Partnership, (ii) accrue interest at a rate equal to two percent (2%) per annum in excess of the Corporate Base Rate, and

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(iii) be repaid, with accrued interest, as set forth in Section 8 hereof.

(b) Each Partner hereby severally pledges and grants to the Partnership a security interest in all of his Units as security for his obligation to loan funds to the Partnership (and pay interest thereon) as herein provided and in connection therewith, each Partner agrees to execute and deliver to the Partnership such Uniform Commercial Code financing statements as are required by the General Partner. If a Partner fails to timely make any such loans and/or fails to pay interest thereon as provided herein, in whole or in part, and if such failure shall continue for three (3) months or more following the date such loan is due as specified in the Loan Call, then, in such event, the Partnership shall have, in addition to all of the rights provided for herein, all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code with respect to such Defaulting Partner's (as defined herein) Units. In furtherance of the foregoing pledge and grant, the originally executed counterpart hereof, which represents and evidences the Units of each Partner, shall be deposited with and held by the General Partner throughout the term of the Partnership. The Partnership may file, and each Partner shall execute, such Uniform Commercial Code financing statements (and continuation statements as appropriate) as the General Partners deem necessary or desirable in furtherance of the foregoing pledge.

(c) In the event that a Partner (the "Defaulting Partner") fails to make any loan required pursuant to this Section 7 on or before the date the same is due, as specified in the Loan Call, the Partners who have made all additional loans required of them (the "Non-Defaulting Partners"), shall have the right, but not the obligation, to loan to the Partnership (a "Partner Loan") the amount of the Defaulting Partner's delinquent loan amount. Each Partner Loan shall (i) be non-recourse to the Partners; (ii) be payable only out of Partnership assets and be repaid with accrued interest, as provided in Section 7; (iii) bear interest at the Corporate Base Rate plus two percent (2%) per annum (said rate of interest to change when and as the Corporate Base Rate changes); and (iv) be prepayable at any time without premium or penalty.

(d) If the failure by a Defaulting Partner to make any additional loan required by a Loan Call continues for three (3) months or more following the due date thereof (the "Dilution Date"), then the Proportionate Interest of the Defaulting Partner for purposes of all applications of such Proportionate Interest subsequent to the Dilution Date shall be permanently reduced to a percentage equal to sixty six and two-thirds percent (66-2/3%) of the Defaulting Partner's Proportionate Interest immediately prior to the Dilution Date and the number of Units owned by such Defaulting Partner shall be reduced

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accordingly. The reduction of such Defaulting Partner's Proportionate Interest shall be allocated to the Non-Defaulting Partner.

If the Defaulting Partner makes such defaulted loan in full, together with all accrued and unpaid interest thereon, prior to the date which is three (3) months after the Dilution Date, the cash so loaned by the Defaulting Partner shall first be used to pay all accrued but unpaid interest on the Partner Loan(s) made with respect to such defaulted loan, then to pay the principal of such Partner Loan(s), and the balance, if any, of the cash so loaned by the Defaulting Partner shall be used to pay the principal of and all accrued but unpaid interest on any debt by the Partnership to third parties ("Partnership Debt") incurred with respect to such defaulted loan. If the Defaulting Partner has not paid the defaulted loan plus all accrued and unpaid interest thereon by the date which is three (3) months or more following the Dilution Date, (i) the Non-Defaulting Partner may cause the Partnership to foreclose or otherwise realize upon its security interest in the Defaulting Partner's remaining Units or may procure such loan from a new investor, in which case the Defaulting Partner's remaining Units shall be allocated to such new investor and such new investor shall be admitted to the Partnership as a Limited Partner with respect to all such Units allocated to such new investor and (ii) the Defaulting Partner shall have no further right to pay the loan in default.

If the Partnership does not elect to realize upon its security interest in the Defaulting Partner's Units, the Defaulting Partner's remaining Proportionate Interest and Units shall be allocated to the Non-Defaulting Partners in the same manner that the reduction of such Defaulting Partner's Proportionate Interest and Units were allocated for purposes of all applications subsequent to the Dilution Date as provided in this Section 7(d) above. If the Partnership elects to realize upon its security interest in the Defaulting Partner's Units, it may dispose of said Units at public or private sale, at which the Partnership, any Partner or any third party may bid. If any notification of an intended disposition of the collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition. The proceeds of any sale shall be applied in the following order of priority: (w) first, to the payment of costs and expenses of such sale and the costs and expenses of amending this Agreement, including without limitation, reasonable compensation to the General Partner and its agents, filing, recording and publishing costs, and the fees and disbursements of counsel and of any agent employed by the Partnership in the sale of such Unit; (x) second, to the payment of Partner Loan(s) and accrued but unpaid interest thereon made with respect to such defaulted loan (allocated to such Partner Loans in proportion to the amount outstanding thereof); (y) third, to the payment of the

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capital contribution (and all accrued but unpaid interest thereon) with respect to which the default occurred and any other past-due obligations of the Defaulting Partner to the Partnership; and (z) fourth, to the Defaulting Partner as to any excess.

(e) Effective immediately upon the date of default, if the Defaulting Partner is the General Partner, it shall immediately retire or be deemed to have retired as a General Partner as provided in Section 13(c) hereof and thereafter, the Defaulting Partner shall have no power or authority to take part in the management of the business of or transact any business for or contract for or act on behalf of the Partnership and shall be admitted as a Limited Partner and shall hold his interest in the Partnership as a Limited Partner.

(f) (i) If additional funds are required to close on the financing of the Property, City Lands may, but shall not be required to, provide such funds to the Partnership. Such funds may be provided, at the option of City Lands, in the form of either a loan or a capital contribution. If City Lands elects to provide funds in the form of a loan, such loan shall be deemed to be a Partner Loan, shall bear interest as provided in Section 7(a) hereof, and shall be repaid, with accrued interest, as provided in Section 8 hereof. If such funds are provided in the form of a capital contribution, the General Partner shall adjust the Units of the General Partner and the Limited Partners to reflect the pro rata dilution. Each Partner's Proportionate Interest and number of Units shall be calculated as set forth in Section 5(b) hereof.

(ii) If additional funds are required to cover operating deficits of the Partnership, City Lands may, but shall not be required to, loan such funds to the Partnership. Any such loan shall be deemed to be a Partner Loan, shall bear interest as provided in Section 7(a) hereof, and shall be repaid, with accrued interest, as provided in Section 8 hereof.

(iii) The Partners acknowledge that City Lands has advanced the funds necessary to purchase the land underlying the Property. All such funds and related costs incurred by City Lands from the date of purchase of the land to the date of initial closing shall be treated as a loan to the Partnership. Such loan shall bear interest at the Corporate Base Rate as defined in Section 7(a) hereof and shall be repaid within thirty (30) days of initial closing.

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8. Allocations and Distributions.

(a) For purposes hereof:

(i) "Profits or Losses" shall mean the net profits or net losses of the Partnership as finally determined for federal income tax purposes for each fiscal year of the Partnership.

(ii) "Major Capital Event" shall mean the placement of new or additional financing upon the assets of the Partnership or any part thereof; refinancing of any existing or replacement financing upon the assets of the Partnership or any part thereof; or the sale, exchange, condemnation, casualty loss or other disposition (whether voluntary or involuntary) of all or any part of the assets of the Partnership or any interests therein.

(iii) "Liquidation Sale" shall mean the disposition of substantially all of the assets of the Partnership pursuant to a complete liquidation of the Partnership.

(iv) "Operating Cash Flow" shall mean all cash received by the Partnership from all sources (excluding Extraordinary Cash Flow) in excess of all cash expended or reserved in the discretion of the General Partner for (x) currently due and maturing obligations and liabilities (excluding Partner Loans) and expenses of the Partnership or obligations secured by Partnership assets, including but not limited to debt service upon any indebtedness incurred by the Partnership; (y) capital expenditures; and (z) contingent liabilities.

(v) "Extraordinary Cash Flow" shall mean the net proceeds received by the Partnership resulting from a Major Capital Event to the extent that such borrowings, sale or other proceeds are not applied or to be applied to reduction of Partnership indebtedness, the restoration of Partnership assets or other cash requirements projected by the General Partner, including but not limited to reserves deemed reasonably necessary by the General Partner to provide for (A) contingent or unforeseen liabilities or obligations of the Partnership and (B) maturing obligations of the Partnership.

(vi) "Net Invested Capital" shall mean the amount of capital contributed in cash to the Partnership by a Partner, less all Extraordinary Cash Flow distributed

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by the Partnership to such Partner, but in no event less than zero.

(vii) "Minimum Gain" shall have the meaning ascribed to it in Treasury Regulation Section 1.704-1(b)(4)(iv)(c) and shall generally mean the excess of the outstanding nonrecourse debt of the Partnership (including accrued but unpaid interest but excluding any portion of such balance which would not be treated as an amount realized under Section 1001 of the Code and Treasury Regulations 1.1001-2(a) if such debt were foreclosed upon) over the adjusted basis for federal income tax purposes of the property encumbered by such debt.

(viii) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(ix) "Excess Deficit Balance" shall mean the amount of the excess, if any, of the aggregate deficit balances of the Partners over the Minimum Gain.

(x) "Surplus Cash" shall have the meaning ascribed to it in the Regulatory Agreement and shall be computed in accordance with the provisions thereof and the applicable HUD rules and regulations.

(xi) "Regulatory Agreement" shall mean the Regulatory Agreement to be entered into among the Partnership, the land trustee holding title to the Property, and the Secretary of HUD.

(b) All Profits or Losses, other than Profits and Losses arising from a Major Capital Event, and all tax credits (including, but not limited to, investment tax credits) shall be allocated to and among the Partners in accordance with their respective Proportionate Interests (as may be adjusted pursuant to Section 7(d) hereof). The amount of any recapture of depreciation or tax credits (including, but not limited to, investment tax credits) shall be allocated to and among the Partners in the same ratio as the recaptured depreciation or tax credit was originally allocated to the Partners.

(c) Operating Cash Flow, if any, of the Partnership shall be applied, subject to the Regulatory Agreement, in the following order of priority:

(i) first, to pay any accrued and unpaid Partnership Management Fee due and payable to City Lands;

(ii) second, to pay the principal of and accrued but unpaid interest on Partner Loans (allocated to

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such Partner Loans in proportion to the principal amount and accrued but unpaid interest outstanding thereon); and

(iii) third, the balance of Operating Cash Flow remaining after such payments, if any, shall be distributed to and among the Partners in accordance with their respective Proportionate Interests.

Operating Cash Flow shall, subject to the Regulatory Agreement, be distributed in such amounts and at such intervals as the General Partner shall, in its reasonable discretion, determine.

(d) Profits or Losses arising from a Major Capital Event shall be allocated among the Partners as follows:

(i) Losses from a Major Capital Event shall be allocated (prior to the distribution of the Extraordinary Cash Flow from such Major Capital Event) among the Partners in the following order of priority:

(A) first, to and among the Partners having positive balances in their capital accounts, in proportion to and to the extent of such positive balances; and

(B) second, the balance, if any, to and among the Partners in accordance with their respective Proportionate Interests.

(ii) Profits from a Major Capital Event that is not a Liquidation Sale shall be allocated (prior to the distribution of Extraordinary Cash Flow from such Major Capital Event) among the Partners in the following order of priority:

(A) first, Profit, to the extent of the Excess Deficit Balance, shall be allocated to and among those Partners having deficit balances in their capital accounts in proportion to and to the extent of such deficit balances; and

(B) second, any remaining Profit shall be allocated to and among the Partners in accordance with their respective Proportionate Interests.

(iii) Profits arising from a Major Capital Event that is a Liquidation Sale shall be allocated (prior to the distribution of the Extraordinary Cash Flow with respect to the Major Capital Event) among the Partners in the following order of priority:

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(A) first, to and among the Partners having deficit balances in their capital accounts, in proportion to and to the extent of such deficit balances;

(B) second, to and among the Partners in proportion to and to the extent of their Net Invested Capital (to the extent necessary to increase the capital account balance of each Partner to an amount equal to his Net Invested Capital); and

(C) third, the balance, if any, to and among the Partners in accordance with their respective Proportionate Interests.

(e) Extraordinary Cash Flow shall be applied in the following order of priority:

(i) first, to pay any accrued and unpaid Partnership Management Fee due and payable to City Lands;

(ii) second, to pay the principal of and accrued but unpaid interest on all Partner Loans (allocated to such Partner Loans in proportion to the principal amount and accrued but unpaid interest thereof);

(iii) third,

(A) If the Major Capital Event giving rise to Extraordinary Cash Flow is either a taxable event not occurring pursuant to a Liquidation Sale or is a nontaxable event, (x) to and among the Partners having positive balances in their capital accounts, in proportion to and to the extent of such positive balances; and (y) the balance, if any, to and among the Partners in accordance with their respective Proportionate Interests; or

(B) If the Major Capital Event giving rise to Extraordinary Cash Flow is a taxable event occurring pursuant to a Liquidation Sale, first, to and among the Partners in proportion to and to the extent of their Net Invested Capital; second, to and among the Partners having positive capital account balances, in proportion to and to the extent of such positive balances; and third, the balance, if any, to and among the Partners in accordance with their Proportionate Interests.

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(f) Except as herein expressly provided, no Partner shall have priority over any other Partner as to the return of capital, Profits or Losses, or distributions of Operating Cash Flow or Extraordinary Cash Flow. No Partner shall have the right to demand or receive property other than cash for his capital contributed to the Partnership or in payment of his share of Operating Cash Flow or Extraordinary Cash Flow.

(g) Qualified Income Offset and Minimum Gain Chargeback.

(i) Notwithstanding the foregoing, if, for any taxable year, a Partner receives any adjustments, allocations or distributions that causes or increases a deficit balance in such Partner's capital account in excess of any deficit balance that such Partner is obligated to restore no later than 90 days after the end of the taxable year in which such Partner's interest is liquidated (an "Excess Deficit Balance"), items of Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate such Excess Deficit Balance as quickly as possible. For purposes of this Section 8(g), a Partner shall be treated as having a current (i.e., no later than 90 days after the end of the Partnership's fiscal year) obligation to restore a deficit balance to the extent of the Partner's allocable share of any Minimum Gain at the time that any determination is made under this Section 8(g). Any special allocations of items of income or gain pursuant to this Section 8(g) shall be taken into account for the purpose of equitably adjusting subsequent allocations of Profits so that the net allocations, in the aggregate, made to each Partner pursuant to this Section 8 and the capital account of each Partner shall, as quickly as possible and to the extent possible and without violating the constraints on deficit balances prescribed by this Section 8(g), be the same as if no special allocations had been made under this Section 8(g).

(ii) Notwithstanding any other provision of this Agreement, to the extent required under Regulation Section 1.704-1(b) (iv)(e), if there is a net decrease in Minimum Gain during any fiscal year of the Partnership, all Partners having deficit balances in their capital accounts at the end of such year shall be allocated, before any other allocations of Partnership items are made for such taxable year (and, if necessary, subsequent years), items of income and gain in the amount and in the proportions needed to eliminate

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such deficit capital account balances as quickly as possible.

9. Management.

(a) The General Partner, subject to the Act and the terms and provisions of this Agreement, shall have full and complete power of management and control of the conduct and operation of the Partnership business. In addition to the rights and powers herein conferred, the General Partner shall possess and may exercise all of the rights and powers of a general partner as provided in (but subject to the limitations and restrictions of) the Act, as now in effect or as hereafter from time to time amended.

(b) The Limited Partners shall not take part in the management of the business of or transact any business for the Partnership. The Limited Partners shall not have any power to contract for or act on behalf of the Partnership. The Limited Partners shall have such rights concerning the conduct of Partnership affairs as are provided by the Act to the extent not inconsistent with the provisions hereof.

(c) The General Partner is hereby authorized and vested with the power on behalf of the Partnership and without the consent of the Limited Partners to cause the Partnership to acquire and finance the acquisition of the Property; to develop, improve, rehabilitate, sell, transfer, convey, exchange, lease, encumber or otherwise deal with all or any part of the assets of the Partnership; to borrow money or incur indebtedness on behalf of the Partnership; and to repay, refinance, recast, increase, modify or extend any indebtedness of the Partnership.

(d) The General Partner may engage, on behalf of and at the expense of the Partnership, such persons, firms or corporations as the General Partner, in its reasonable judgment, shall deem advisable for the conduct and operation of the business of the Partnership, including managers, leasing and sales agents and brokers, mortgage bankers, lawyers, accountants, architects, engineers, consultants, contractors and purveyors of other services or materials for the Partnership or the Property on such terms and for such compensation or costs as the General Partner, in its reasonable judgment, shall determine.

(e) The General Partner may, on behalf of and at the expense of the Partnership, engage or otherwise transact business with a firm or entity in which one or more of the Partners, or partners or affiliates of any of them, has an interest, to provide materials or render services to the Partnership, provided that the costs, fees or other compensation payable for such materials and services are comparable to those prevailing

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in arms-length transactions for similar materials and services with unrelated parties.

(f) The General Partner and its agents and employees shall not be liable, responsible or accountable in damages or otherwise to the Partnership or any of the Partners or their successors or assigns for any acts performed or omitted within the scope of the authority conferred on the General Partner and its agents and employees herein, provided that the General Partner or its agents or employees shall act in good faith and shall not be guilty of willful misconduct or gross negligence.

(g) The Limited Partners hereby expressly and specifically grant to the General Partner the power and authority, on behalf of the Partnership and without further consent of the Limited Partners, to transfer, convey and relinquish without consideration to the Partnership all of the Partnership's right, title and interest in and to the Property to any mortgagee of the Property or its successor or assigns, provided that there has occurred an event of default under the mortgage loan documents and that said mortgagee or its successor or assigns has demanded said transfer, conveyance and relinquishment.

(h) Without limiting the generality of Section 9(e) hereof, the following engagements and payments are hereby authorized and approved by the Partners:

(i) The Partnership shall engage Kenard Construction Company as general contractor of the Property.

(ii) The Partnership shall engage City Lands in its individual capacity and not in its capacity as the General Partner of the Partnership, to: (a) operate and conduct the daily affairs of the Partnership, including the collection of its receipts, the payment of its debts, and the distribution of Operating Cash Flow and Extraordinary Cash Flow, if any, to the Partners as herein provided; and (b) maintain its books and records, supervise the preparation and filing of all federal, state, and local tax returns, and supervise the preparation and distribution of reports on the financial condition of the Partnership. In consideration for such services as are to be rendered, the Partnership shall pay the General Partner throughout the term of the Partnership a Partnership Management Fee of \$10,000 per year. Said fee shall be cumulative.

10. Compensation and Expenses.

Except as herein provided, no Partner shall receive any fee or other compensation for its services to the Partnership, provided that the Partnership shall reimburse the General Partner for all reasonable out-of-pocket expenses authorized by

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the General Partner and incurred by the General Partner on behalf of the Partnership in connection with the business and affairs of the Partnership, including, without limitation, all legal, accounting, travel, lodging, telephone, third party consulting charges and other similar expenses. Notwithstanding the foregoing, the General Partner may hereafter employ or transact business with any person or entity notwithstanding the fact that any Partner may have a common interest in or connection with such person or entity. In such instance, neither the Partnership nor any other Partner shall have any rights to or in any income or profits derived therefrom. However, except as heretofore agreed, any such transaction with any interested or related party or Partner shall be on terms reasonably comparable to those which may be obtained with unaffiliated persons in the same locality.

11. Other Activities of the Partners. Any Partner (or any affiliate of a Partner) may engage and possess an interest in any other business venture of any nature, kind or description, including, but not limited to, a property or business competitive with the Property or the business conducted by the Partnership, and no Partner (nor any affiliate of a Partner) shall have any obligation whatsoever to offer other investment opportunities to the Partnership or any Partner.

12. Banking, Records and Tax Matters.

(a) All funds of the Partnership shall be deposited in its name in accounts at such bank or banks designated by the General Partner and the General Partner (or its designee) shall have the right to draw checks thereon and make, deliver, accept and endorse negotiable instruments in connection with Partnership business.

(b) Accurate books, records and accounts shall be maintained by the Partnership showing its assets, liabilities, operations, transactions and financial condition, and the General Partner shall cause to be entered therein all transactions by them on behalf of the Partnership. The Partnership books shall be maintained at the principal office of the Partnership and each Partner shall, at all reasonable times and during regular business hours, have the right to inspect and copy same.

(c) Within 90 days after the close of each fiscal year of the Partnership, the General Partner, shall cause to be prepared (at the expense of the Partnership) and furnished to each person who was a Partner during such fiscal year, a balance sheet as of the close of such fiscal year and statements of Profits or Losses and Operating Cash Flow and Extraordinary Cash Flow in accordance with the accrual method of accounting in accordance with tax accounting principles. Such financial

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statements may be prepared with or without audit in the discretion of the General Partner.

(d) Within 90 days after the close of each fiscal year of the Partnership, the General Partner shall cause to be prepared (at the expense of the Partnership) a United States Informational Partnership Income Tax Return and cause to be furnished to each person who was a Partner during the fiscal year a schedule of each such Partner's share of income, credits, and deductions on the form then prescribed by the Internal Revenue Service. All elections and options available to the Partnership for income tax purposes shall be taken or rejected by the Partnership in the sole discretion of the General Partner.

(e) City Lands is hereby appointed the "Tax Matters Partner" of the Partnership for all purposes, pursuant to Sections 6221-6231 of the Internal Revenue Code of 1954, as amended. The Partnership shall not be obligated to pay any fees or other compensation to the Tax Matters Partner in his capacity as such,; provided, however, that the Partnership shall reimburse the Tax Matters Partner for any and all reasonable out-of-pocket costs and expenses (including reasonable attorneys' and other professional fees) incurred by him in his capacity as Tax Matters Partner. The Partnership shall indemnify, defend and hold the Tax Matters Partner harmless from and against any loss, liability, damage, cost or expenses (including reasonable attorneys' fees) sustained or incurred as a result of any act or decision concerning Partnership tax matters and within the scope of such Partner's responsibilities as Tax Matters Partner provided that the Tax Matters Partner shall act in good faith and shall not be guilty of willful misconduct or gross negligence.

(f) In the event of a distribution of property made in the manner provided in Section 734 of the Internal Revenue Code of 1954, as amended, or in the event of a transfer of any interest in the Partnership permitted herein made in the manner provided in Section 743 of said Code, the General Partner, on behalf of the Partnership, shall, in its sole discretion, file an election under Section 754 of said Code in accordance with the procedures set forth in the applicable regulations promulgated thereunder. The expense of making such election and the incidental expense, if any, of preparing and filing information and other tax returns in accordance therewith shall be borne by the assigning partner or his transferee.

13. General Partnership Interest.

(a) A General Partner may not, at any time, sell, assign or encumber its interest as a General Partner in the Partnership or withdraw or retire from the Partnership, except

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for assignments, encumbrances, retirements and withdrawals specifically provided for or permitted by the provisions hereof. Retirement or withdrawal from the Partnership shall not relieve a General Partner of any obligation theretofore incurred by it hereunder.

(b) If a General Partner shall liquidate or dissolve; enter into an assignment for the benefit of creditors; have a receiver, custodian or trustee in bankruptcy appointed to administer his interest in the Partnership; have such interest attached or seized by a creditor; file a petition seeking relief under any federal or state bankruptcy or insolvency law; suffer or permit the entry of any final order granting relief under any federal or state bankruptcy or insolvency law; or fail to timely make any capital contribution required hereunder and/or to pay interest thereon as provided herein; then, in any such event, such General Partner shall immediately retire or be deemed to have forthwith retired as a General Partner of the Partnership. If a General Partner retires or is deemed to have retired as a General Partner of the Partnership, as aforesaid, it shall immediately forfeit its entire interest as a General Partner in the capital, Profits, Losses, Operating Cash Flow and Extraordinary Cash Flow of the Partnership and it shall forthwith withdraw from the Partnership.

(c) Within ninety (90) days following the retirement of the last remaining General Partner, the Limited Partners may designate a replacement General Partner or General Partners to replace the retired General Partner by a majority vote based upon the outstanding Units owned by such Limited Partners, with each such Limited Partner entitled to one vote per Unit owned, whereupon such replacement General Partner(s) shall be admitted as the General Partner(s) of the Partnership and he or it or they shall possess all managerial rights, powers and responsibilities theretofore held by the retired General Partner, and the Limited Partners shall create an interest in the Profits, Losses, Operating Cash Flow and Extraordinary Cash Flow of the Partnership from their interests proportionately.

(d) In the event of the timely appointment of a replacement or additional General Partner(s) pursuant to this Section, the relationship of the Partners shall be governed by the provisions of this Agreement and Certificate, the Partnership shall be continued, and the replacement or additional General Partner(s) shall have (or if there shall be more than one general partner, share) all of the management rights, duties, responsibilities, authority, and powers provided the General Partner in this Agreement and Certificate. In the event that the Limited Partners fail to select a replacement or additional General Partner(s), whichever the case may be, within 90 days following retirement of the General Partner, the Partnership shall dissolve and terminate.

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(e) In the event of the retirement of the General Partner, the engagements referred to in Section 9(h)(ii) shall forthwith cease and terminate, provided that no fees theretofore paid to the General Partner or its affiliates pursuant thereto shall be refunded, and any Partnership Management Fees that are accrued but unpaid as at the date of retirement of the General Partner shall constitute an indebtedness of the Partnership.

14. Limited Partners' Interests.

(a) Except as provided herein, no Limited Partner shall have the right to withdraw, retire or resign from the Partnership. The death, incompetency, insolvency or dissolution of a Limited Partner shall not terminate the Partnership. Upon the death of a Limited Partner, his executor or administrator shall have all of the rights and duties of a Limited Partner for the purpose of settling his estate.

(b) No Limited Partner may sell or assign all or any part of his interest or Unit(s) in the Partnership without the prior written consent of the General Partner, which consent may be granted or withheld in its sole discretion. Subject to satisfaction of the conditions set forth herein, each Limited Partner hereby consents to the substitution or admission of any assignee of Units as a Limited Partner. No person shall be admitted as an additional or substituted Limited Partner hereunder unless and until: (i) an assignment of the interest in the Partnership permitted hereby shall be made in writing, signed by the assignor and accepted in writing by the assignee, and a duplicate original of such assignment has been delivered to and approved by the General Partner; (ii) the prospective admittee shall execute and deliver to the Partnership a written agreement, in form and substance reasonably satisfactory to the General Partner, pursuant to which said person agrees to be bound by and confirms the covenants, representations, warranties and power of attorney contained herein; and (iii) an appropriate amendment hereto is executed and filed of record.

(c) If any Limited Partner shall receive an Offer to sell or assign all or any portion of his interest as a Limited Partner in the Partnership, and such Limited Partner desires to sell his interest, he must promptly furnish the General Partner with a copy of the Offer and provide the General Partner with the right of first refusal to purchase such interest in the Partnership upon the express terms and conditions and at the purchase price set forth within the Offer. If the General Partner agrees to exercise such right of first refusal and to purchase the interest in the Partnership which is the subject of the Offer by furnishing written notice of such election to purchase to the offeree Limited Partner within thirty (30) days of the receipt of the Offer by the General Partner, such Limited Partner shall sell and assign such Limited Partnership interest

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to the General Partner and the Limited Partnership interest being sold shall be allocated to the General Partner. In the event that the General Partner fails to exercise its right of first refusal provided in this Section 14(c), the offeree Limited Partner shall be entitled to sell or assign his interest in the Partnership to the offeror; provided that the General Partner consents, in writing, to such sale or assignment, which consent may be granted or withheld in its sole discretion; and provided further that such sale or assignment is subject to the requirements set forth in Section 14(f) below and is consummated (i) pursuant to the express terms and conditions set forth in the Offer which relate to the purchase price of and payment for the partnership interest that is the subject of the Offer, (ii) in complete compliance with the other terms and conditions set forth within the Offer, and (iii) the sale is completed within ninety (90) days from the date the Offer was originally received by the offeree Limited Partner.

(d) Anything herein to the contrary notwithstanding, the personal liability of each Limited Partner arising out of or in any manner relating to the Partnership shall be limited to and shall not exceed the capital contribution made or required to be made by each Limited Partner as herein provided. No Limited Partner shall have any personal liability for liabilities or obligations of the Partnership, except to the extent of the capital contributions made or required to be made, as aforesaid.

(e) The General Partner may assign or transfer his interest as a Limited Partner, if any, without complying with Sections 14(b) and 14(c) above for collateral or security to any bank or institutional lender provided that (i) such collateral assignment shall not create a default under any loan documents evidencing and/or securing any financing for the Property; and (ii) such collateral assignment shall not waive any of the terms and conditions hereof with respect to the Partnership interest collaterally assigned, so that any sale of the Partnership interest by the collateral assignee shall be subject to the foregoing rights of first refusal and restrictions as provided for in Sections 14(b) and 14(c) above.

(f) In no event shall the General Partner consent to an assignment of any such Unit or other interest of a Limited Partner in the Partnership (i) if such assignment will, in the opinion of counsel for the Partnership, result in a termination of the Partnership for federal income tax purposes; (ii) if such assignment will, in the opinion of counsel for the Partnership, result in the Partnership not qualifying for an exemption from the registration requirements of the federal or any applicable state securities laws; or (iii) if such assignment will, in the opinion of counsel for the Partnership, result in any violation of the federal or any applicable state securities laws. Subject

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to satisfaction of the conditions therefor set forth or referred to herein, each Limited Partner hereby consents to the substitution or admission of any assignee of Units as a Limited Partner.

(g) Anything herein to the contrary notwithstanding, Kenard and Lichterman are prohibited from transferring or assigning their interests as a Limited Partner prior to final endorsement of the note from the Partnership to HUD.

15. Admission of Additional Limited Partners.

(a) At any time and from time to time, the General Partner is authorized, without the consent of the Limited Partners and in the General Partner's sole discretion, to admit one or more additional Limited Partners or to sell additional Limited Partnership interests to current Limited Partners upon filing an appropriate amendment hereto. Additional Limited Partners shall be entitled to all of the rights and privileges of the original Limited Partners hereunder and shall be subject to all of the obligations and restrictions hereunder, and in all other respects their admission shall be subject to all of the terms and provisions hereof, provided, however, that the amount of Profits or Losses and distributions of Operating Cash Flow and Extraordinary Cash Flow to which the additional Limited Partners shall be entitled for the year of their admission to the Partnership shall be the amount thereof to which a Limited Partner owning the Proportionate Interest owned by such additional Limited Partner would be entitled to, prorated for the period of time which the additional Limited Partners have actually been Partners of the Partnership.

(b) Upon the admission of additional Limited Partners, the General Partner is authorized to adjust the Units of the General Partner and Limited Partners to reflect the pro rata dilution required to admit such additional Limited Partners. The number of Units to be distributed to the newly admitted Limited Partners shall be within the sole discretion of the General Partners.

16. Assignment of Partnership Interest. In the event that an assignment of an interest or Units in the Partnership permitted hereby is made in accordance with the terms hereof, unless otherwise required by the Code:

(a) the effective date of such assignment shall be the date the written instrument of assignment is delivered to the Partnership and approved by the General Partner;

(b) the Partnership and the General Partner shall be entitled to treat the assignor of the assigned interest or Units as the absolute owner thereof in all respects and shall incur no liability for allocations of Profits or Losses and distributions

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of Operating Cash Flow and Extraordinary Cash Flow made in good faith to such assignor until such time as the written instrument of assignment has been actually received and approved by the General Partners and recorded in the books of the Partnership;

(c) the division and allocation of Profits and Losses (excluding Profits or Losses from a Major Capital Event) attributable to the Partnership interests or Units between the assignor and the assignee during any fiscal year of the Partnership shall be based upon the length of time during such fiscal year, as measured by the effective date of such assignment, that the assigned interest or Units were owned by each of them and shall not be based upon the date or dates during such fiscal year in which Profits were earned or Losses were sustained by the Partnership; and

(d) the division and allocation of Profits and Losses from a Major Capital Event attributable to the Partnership interests or Units between the assignor and assignee during any fiscal year of the Partnership shall be based upon the date or dates during such fiscal year in which such Profits were earned or Losses were sustained by the Partnership and shall not be prorated or allocated between the assignor and assignee during such fiscal year based upon the length of time during such fiscal year that the assigned interest or Units were owned.

The cost of processing and perfecting an admission contemplated by this Section (including reasonable attorneys' fees incurred by the Partnership) shall be borne by the party seeking admission as a Partner of the Partnership.

17. Transferees and Successors. Any person acquiring or claiming an interest in the Partnership, in any manner whatsoever, shall be subject to and bound by all terms, conditions and obligations hereof to which his predecessor in interest was subject or bound, without regard to whether such a person has executed a counterpart hereof or any other document contemplated hereby. No person, including the legal representatives, heirs or legatees of a deceased Partner, shall have any rights or obligations greater than those set forth herein and no person shall acquire an interest in the Partnership or become a Partner thereof except as permitted hereby. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors, assigns, heirs, legal representatives, executors and administrators.

18. HUD Provisions.

(a) Nothing contained in this Agreement shall permit the issuance or execution of any note, contract, evidence of indebtedness or other obligation which is payable only from capital contributions or surplus cash of the Project (as defined

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in the Regulatory Agreement) unless such note, contract, evidence of indebtedness or other obligation shall recite on its face that such obligation, including interest thereon, shall be payable only from such sources, and such note, contract, or evidence of indebtedness will not otherwise be an obligation of the Partnership or of the Project. All accounts of the partnership shall specifically identify such limited source of funds for payment of these obligations in such manner that financial statements and reports, and audit reports will reflect the limited source of payment thereof.

(b) Nothing contained in this Agreement shall permit the distribution of any surplus cash (as defined in the Regulatory Agreement) from the Partnership in violation of the Regulatory Agreement or HUD rules and regulations.

(c) The General Partner is authorized on behalf of the Partnership, to execute the Regulatory Agreement and any other documents required by HUD in connection with any loan to be obtained by the Partnership to be insured by HUD. So long as the Project is encumbered by a mortgage held or insured by HUD, the assignee or transferee of any Partner shall, as a condition of receiving interests in the Partnership or its property, agree to be bound by the Regulatory Agreement and other documents required in connection with HUD insured loans to the same extent and on the same terms as those who had interests in the Partnership (whether as a Partner or otherwise) at the time of the execution of the Regulatory Agreement. Upon dissolution of the Partnership, no title or right to possession or control of any property then encumbered by a mortgage held or insured by HUD, and no right to collect the rents therefrom, shall pass to any person or entity who is not bound by the Regulatory Agreement in a manner satisfactory to the Secretary of Housing and Urban Development.

(d) In the event of any conflict between the provisions of this Agreement and any amendments thereof with provisions of the Regulatory Agreement, the provisions of the Regulatory Agreement shall govern and control.

(e) The provisions of this Section 18 will automatically become void and of no further force and effect at such time as the Project is no longer encumbered by a mortgage insured or held by HUD.

(f) So long as the Secretary of Housing and Urban Development, or his successors and assigns, is the insurer or holder of a mortgage on the Project, no amendment of this Agreement which results in any of the following shall be of force and effect without the prior written consent of HUD:

- (1) any amendment which modifies the duration of this Agreement;
- (2) any amendment which results in the requirement that a HUD

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prior participation certification be obtained for any additional party; and (3) any amendment which in any way impacts on or affects the HUD Mortgage or Regulatory Agreement.

19. Termination.

(a) Upon termination of the Partnership, its assets shall be converted by the General Partner to cash or its equivalent and its affairs shall be wound up with reasonable speed but with the goal of obtaining fair value for Partnership assets and thereupon the proceeds of liquidation shall be distributed to and among the Partners in accordance with the provisions of Section 9(e). If there is no General Partner to effect such liquidation, Limited Partners owning a majority of the Units owned by the Limited Partners as a group may designate any person, firm or corporation, as a liquidating trustee, for that purpose who shall have all of the rights, powers and authority of the General Partner stated herein in connection therewith.

(b) Each Partner hereby waives any and all rights to partition the Property or any other asset of the Partnership or any part thereof or to otherwise divide (whether through an action in equity or through some other means) the beneficial interest in any land trust or nominee holding title thereto.

20. No Personal Liability for Return of Capital and Loans. The General Partner shall not be personally liable for the return or repayment of all or any portion of the capital of any Partner or for the repayment of all or any portion of any loan made by any Partner to the Partnership, it being expressly understood that any such return of capital and/or repayment of any such loan shall be made solely from the assets of the Partnership.

21. Indemnification.

(a) The Partnership shall indemnify, defend and hold the General Partner and its affiliates, employees and agents, or their successors, executors, administrators or personal representatives harmless from and against any loss, liability, damage, cost or expense (including reasonable attorneys' fees) sustained or incurred by the General Partner in connection with or as a result of any act or omission concerning the business or activities of the Partnership, provided that the General Partner or such affiliates, employees or agents are not guilty of gross negligence or willful misconduct and were acting in good faith within what they reasonably believed to be the scope of their authority for a purpose which they reasonably believed to be in the best interests of the Partnership.

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(b) In the event the Partnership is made a party to any litigation or otherwise incurs any loss or expense as a result of or in connection with any Partner's personal obligations or liabilities unrelated to Partnership business, such Partner shall indemnify and reimburse the Partnership for all such loss and expense incurred, including reasonable attorneys' fees, and the interest of such Partner in the Partnership and its Operating Cash Flow may be charged therefor.

22. Additional Requirements. Each Partner agrees to do all acts and things to make, execute and deliver such written instruments as may from time to time be reasonably required by the General Partner to carry out the terms and provisions hereof, including but not limited to, any assignments or amendments hereto as may be required by any lender providing financing for the Property.

23. Amendment. If, at any time during the term of the Partnership the General Partner shall deem it necessary or desirable to make any change in any of the provisions hereof, or any addition hereto, for the advantageous or satisfactory management of Partnership business, it may be done if embodied in an instrument signed by the General Partner; provided, however, that any change that would materially reduce the rights and obligations of the General Partner, extend the term of the Partnership, materially reduce the rights and interest (other than a dilution pursuant to Section 7 hereof resulting from a Partner's failure to loan funds to the Partnership as specified in the Loan Call) or increase the obligations of the Limited Partners may be done only if embodied in an instrument consented to and signed by the General Partner and all of the Limited Partners (either personally or by their attorney(s)-in-fact). Any such supplemental or amendatory agreement shall be adhered to and have the same effect from and after its effective date as if the same had originally been embodied in and formed a part of this Agreement.

Notwithstanding this Section 23 or Section 24 below, an instrument consented to and signed by the General Partner and all the Limited Partners shall be required to amend Section 5(e) hereof.

24. Power of Attorney. Each Limited Partner, by execution hereof, hereby irrevocably constitutes and appoints the General Partner or any replacement General Partner with full power of substitution, his true and lawful attorney-in-fact, in his name, place and stead to consent to, make, execute, sign, acknowledge, swear to, record and file, on behalf of such Limited Partner and/or on behalf of the Partnership, the following:

(a) this Agreement, a certificate of doing business under an assumed name, and any other certificates or instruments which may be required to be filed by the

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Partnership or the Partners under the laws of the States of Illinois or any other jurisdiction whose laws may be applicable;

(b) a certificate of cancellation of the Partnership and such other instruments or documents as may be deemed necessary or desirable by said attorneys upon the termination of the Partnership;

(c) any and all amendments to the instruments described in subsections (a) and (b) above, provided such amendments are either required by law to be filed, are necessary to correct statements herein, or are consistent with this Agreement (including, without limitation, any amendments (i) admitting or substituting Limited Partners, or (ii) which have been authorized by the General Partner or the General Partner and the Limited Partners as set forth in Section 23 hereof); and

(d) any and all such other instruments as may be deemed necessary or desirable by said attorney to carry out fully the provisions of this Agreement in accordance with its terms.

The foregoing grant of authority: (i) is a special power of attorney coupled with an interest, is irrevocable and shall survive the death or incapacity of each Limited Partner; (ii) shall survive the delivery of an assignment by a Limited Partner of the whole or any portion of his Units; and (iii) shall not be effective with respect to amendments which (x) materially reduce the obligations of the General Partner, (y) extend the term of the Partnership, or (z) except as otherwise provided in Section 23 of this Agreement, materially reduce the rights or interest or increase the obligations of the Limited Partners.

25. Governing Law. This Agreement shall be regarded for all purposes as an Illinois document and the validity and construction thereof shall be determined and governed by the laws of the State of Illinois. If any provision hereof, or the application of such provision to any person or circumstance, shall be held illegal, invalid or unenforceable or in conflict with the Act or other applicable law, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those to which it is held illegal, invalid, unenforceable or in conflict, shall not be affected thereby.

26. Notice. All notices, offers, requests and demands herein required or permitted to be given or made shall be deemed to be effectively served and delivered when delivered personally or on the second business day after being deposited with the United States Postal Service, registered or certified mail, postage prepaid, return receipt requested, and if intended for the Partnership, addressed to the Partnership at the principal office of the Partnership, or if intended for a Partner,

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addressed to the Partner at his address appearing below his name on the signature pages hereof, or addressed to such other person and/or at such other address designated by written notice given to the Partnership and all Partners in accordance herewith.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall be deemed one Agreement.

28. Interpretation. The use of the masculine, feminine or neuter gender and the use of the singular and plural shall not be given the effect of any exclusion or limitation herein; and the use of the word "person" or "party" shall mean and include any individual, trust, corporation, partnership or other entity. All Section titles and captions contained herein are for convenient reference only and shall not be deemed a part of the context hereof.

IN WITNESS WHEREOF, the undersigned hereby (a) executes this Agreement; (b) confirms his agreement to become a Partner of the Partnership as herein provided; (c) agrees to be bound by this Agreement; and (d) swears that the statements set forth herein are true and correct.

GENERAL PARTNERS:

CITY LANDS CORPORATION, a Delaware corporation

Attest:

By: Margory J. Fuchs
Assistant Sec'y

By: Sara Jean Lindholm
Address: 1450 E 71st Street
Chicago Ill 60649

Office

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IN WITNESS WHEREOF, the undersigned hereby severally (a) executes this Agreement; (b) confirms his agreement to become a Partner of the Partnership as herein provided; (c) agrees to be bound by this Agreement and confirms the appointment of the attorney-in-fact set forth in Section 24 hereof; and (d) swears that the statements set forth herein are true and correct.

LIMITED PARTNERS:

Attest:
By: *Janet M. Johnson*

KENARD CORPORATION, an Illinois corporation

By: *[Signature]*
Harold Lichterman, President
Address:

[Signature]
Harold Lichterman
Address:

Attest:
By: *Margaret J. Fuchs*
Assist Secty

CITY LANDS CORPORATION, a Delaware corporation

By: *Sara Jean Lindholm*
Address: *1950 W. 1st Street*
Chicago, Ill 60649

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Kathleen Henchel, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Sara Jean Lindholm, President of City Lands Corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 24th day of February, 1987.

Kathleen Henchel
Notary Public

My Commission Expires:
7/10/87

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Alan O. Amos, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Harold Lichterman, President of Kenard Corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 24th day of February, 1987.

"OFFICIAL SEAL"
Alan O. Amos
Notary Public State of Illinois
My Commission Expires Jan. 31, 1989

My Commission Expires:

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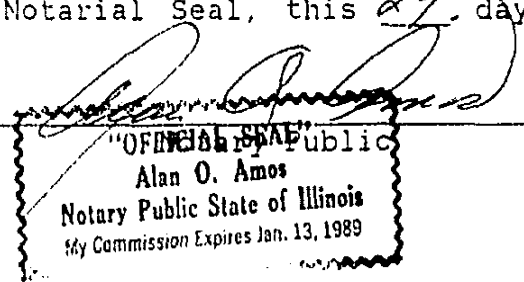
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK

I, Alan O. Amos, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Harold Lichterman, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 24th day of February, 1987.

My Commission Expires:



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EXHIBIT B

<u>GENERAL PARTNERS</u>	<u>PROPORTIONATE INTEREST</u>	<u>UNITS</u>	<u>CAPITAL CONTRIBUTION</u>
1. City Lands Corporation	1%	1	\$ 5,000.00
<u>LIMITED PARTNERS</u>			
1. City Lands Corporation	89%	89	\$445,000.00
2. Kenard Corporation	1%	1	\$ 5,000.00
3. Harold Lichterman	9%	9	\$ 45,000.00

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COOK COUNTY RECORDER

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