

RESTATED AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP OF PARK PLACE ASSOCIATES LIMITED PARTNERSHIP

THIS RESTATED AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP OF PARK PLACE ASSOCIATES LIMITED PARTNERSHIP is made effective as of January 1, 1987, by and among LIVE OAK PROPERTIES, INC., a Delaware corporation ("LOP"), KSSA-PARK PLACE ASSOCIATES, a Pennsylvania general partnership ("KSSA"), the LIVE OAK REAL ESTATE TRUST, a trust established under Agreement of Trust dated August 3, 1979, as amended, wherein The Philadelphia National Bank and H. Peter Somers are named as Trustees ("LORET"), and JOHN T. DORRANCE, JR. ("Dorrance").

WITNESSETH:

WYLIE F. TUTTLE ("Tuttle"), HERBERT PAPOCK ("Papock"), COLLINS TUTTLE AND COMPANY, INC., ("CTC"), LOP, KSSA and LORET by Agreement and Certificate of Limited Partnership dated as of September 17, 1981 formed and established a limited partnership (the "Partnership"), having the name Park Place Associates, pursuant and subject to the Illinois Uniform Limited Partnership Act, S.H.A. ch 106 1/2, §§ 44 to 73, which Agreement and Certificate of Limited Partnership was recorded in the Recorder's Office of Cook County, Illinois, on October 1, 1981, as Document No. 26015693.

Tuttle, Papock, CTC, LOP, KSSA and LORET by Amendment to Agreement and Certificate of Limited Partnership of Park Place

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Associates dated as of December 16, 1981, and recorded in said Recorder's Office on June 3, 1982 as Document No. 26249397, amended said Agreement and Certificate of Limited Partnership.

Tuttle, Papock, CTC, LOP, KSSA, LORET and Dorrance by Second Amendment to Agreement and Certificate of Limited Partnership of Park Place Associates dated as of October 3, 1983, and recorded in said Recorder's Office on December 19, 1983 as Document No. 26900697, amended said Agreement and Certificate of Limited Partnership.

Tuttle, Papock, CTC, LOP, KSSA, LORET and Dorrance by Third Amendment to Agreement and Certificate of Limited Partnership of Park Place Associates dated as of August 14, 1984, and recorded in said Recorder's Office on November 7, 1984 as Document No. 27327909, amended said Agreement and Certificate of Limited Partnership.

Tuttle, Papock, CTC, LOP, KSSA, LORET and Dorrance by Amendment and Restatement of Agreement and Certificate of Limited Partnership of Park Place Associates dated as of July 1, 1985, and recorded in said Recorder's Office as Document No. 85104741, amended said Agreement and Certificate of Limited Partnership.

Tuttle, Papock, LOP, KSSA, and LORET by Amendment to Amendment and Restatement of Agreement and Certificate of Limited Partnership of Park Place Associates dated as of December 11, 1986 and intended to be recorded in said Recorder's Office acknowledged the assignment of certain partnership interests of

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Tuttle and Papock to LORET, and the withdrawal of Tuttle and Papock as partners of the Partnership.

Because Tuttle, Papock, and CTC are no longer Partners, the Partners of the Partnership desire to amend said Agreement and Certificate in certain respects and to restate the Agreement and Certificate of Limited Partnership of Park Place Associates in its entirety.

NOW, THEREFORE, LOP, KSSA, LORET, and Dorrance mutually agree that the Agreement and Certificate of Limited Partnership of Park Place Associates is hereby amended and restated to read in its entirety as follows:

AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP  
OF PARK PLACE ASSOCIATES LIMITED PARTNERSHIP

THIS AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP is made by and among Live Oak Properties, Inc., a Delaware corporation ("LOP") and KSSA-Park Place Associates, a Pennsylvania general partnership ("KSSA"), as the General Partners, and the Live Oak Real Estate Trust, a trust established under an Agreement of Trust dated August 3, 1979, as amended, wherein The Philadelphia National Bank and H. Peter Somers are named as Trustees ("LORET"), John T. Dorrance, Jr. ("Dorrance"), Live Oak Properties, Inc., a Delaware corporation ("LOP") and KSSA-Park Place Associates, a Pennsylvania general partnership ("KSSA"), as the Limited Partners.

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The parties hereto, intending to be legally bound, and in consideration of the mutual promises herein contained, hereby confirm the formation, constitution and establishment of a limited partnership (the "Partnership") on October 1, 1981 pursuant and subject to the Illinois Uniform Limited Partnership Act, S.P.A. ch. 106 1/2, §§ 44 to 73 (the "Act").

1. Effective Date. The Partnership has commenced on October 1, 1981. A fully executed counterpart of this Amendment and Restatement of Agreement and Certificate of Limited Partnership (the "Agreement and Certificate") shall be filed and publicly recorded in accordance with the provisions of the Act and further, in order to obtain the benefits of limited liability for the Limited Partners under the applicable laws of other jurisdictions, may be filed and publicly recorded in accordance with the provisions of those laws.

2. Name. The business of the Partnership shall be carried on under the name of Park Place Associates Limited Partnership or such other name as the General Partners may select. In the event the name of the Partnership shall be changed, the General Partners shall give written notice of such change to the Limited Partners and shall effect the filing of all other instruments required to be filed pursuant to applicable law to reflect such change of name.

3. Purposes. The character of the business of the Partnership is to acquire, develop, lease, sell and otherwise

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deal with (whether directly or indirectly through an Illinois land trust of which the Partnership is the sole beneficiary) certain real property (the "Property") located on the northwest quadrant of the intersection of Michigan Avenue and Randolph Avenue in Chicago, Illinois, comprised of approximately 20,784 square feet, and being Lots 19 through 25, both inclusive, in Block 10 in Fort Dearborn Addition to Chicago, a Subdivision of the Southwest fractional one-quarter (1/4) of Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois; to cause to be constructed on any such real property certain buildings and improvements (said land, buildings and improvements, including the Property, being herein collectively called the "Project"), to mortgage, invest in, operate, manage, lease, sell and otherwise deal with and dispose of said Project, and to engage in such other activities as may be incident thereto. Without limitation of the foregoing, the Partnership is hereby specifically authorized (whether directly or indirectly as aforesaid) to raise and provide such funds as may be necessary or desirable to achieve the purposes and objectives of the Partnership, and to borrow funds, execute and issue mortgage notes and other evidences of indebtedness, and secure the same by mortgage, deed of trust, pledge or other lien.

#### 4. General and Limited Partners.

LOP and KSSA, and any additional general partners admitted to the Partnership pursuant to the provisions hereof, shall

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be the general partners (the "General Partners") of the Partnership. LOP, KSSA, LORET, Dorrance, and any additional limited partners admitted to the Partnership pursuant to the provisions hereof, shall be the limited partners (the "Limited Partners") of the Partnership (the General Partners and the Limited Partners are collectively referred to herein as the "Partners"). The addresses of the Partners are set forth on the signature pages hereof.

5. Additional Partners.

(a) The General Partners may admit additional Partners in accordance with the Act with the consent of all of the Partners; provided, however, that additional Partners may be admitted with the consent of less than all of the Partners when the consent of all of the Partners is not required pursuant to any of the provisions of Sections 17, 18 and 19 hereof.

(b) Upon the admission of any additional Partners to the Partnership, the General Partners shall cause to be properly prepared, filed and executed pursuant to the power set forth in Section 24 hereof, any amendment to this Agreement and Certificate which shall be required by the Act by reason thereof.

6. Place of Business and Other Qualifications. The principal place of business of the Partnership shall be 150 North Michigan Avenue, Chicago, Illinois 60601, or such other place as the General Partners may select. The General Partners may establish additional places of business of the Partnership when and

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where required by the Partnership business, and shall give written notice of such change to the other Partners. The General Partners may establish registered offices and other places of business of the Partnership in any jurisdiction and nominate a registered agent for the Partnership, as and when required by the Partnership's business or by applicable law.

To the extent that the business of the Partnership is conducted in any jurisdiction other than Illinois, the parties to this Agreement and Certificate agree that the Partnership shall record such documents and take such other actions under the laws of such jurisdiction as are necessary or desirable to permit the Partnership to do business in such jurisdiction and assure (to the extent possible) the limitation of liability for the Limited Partners in such jurisdiction. Each of the Limited Partners hereby authorizes the General Partners, and each of them, to execute on its behalf any document (including any qualification statement or consent to service of process on behalf of the Partnership, and all amendments thereto) and to take any other action which may be necessary or desirable in order to permit the Partnership to do business (or facilitate the doing of business) in any jurisdiction other than Illinois and assure (to the extent possible) the limitation of liability for the Limited Partners therein.



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7. Term. The term of the Partnership has commenced on October 1, 1981, and shall continue until December 31, 2031, unless sooner terminated in accordance with Section 20 hereof.

8. Capital Contributions.

(a) Prior to January 1, 1987, each of the General Partners made the following contributions to the capital of the Partnership, and became the owner of General Partnership Interests in the Partnership:

<u>Name</u>	<u>Contribution</u>	<u>Amount Credited to Capital Amount</u>
LOP	Cash in the amount of \$235,750	\$235,750
KSSA	Cash in the amount of \$471,500	\$471,500

(b) Prior to January 1, 1987, the Limited Partner named below made the following contributions to the capital of the Partnership, and with respect to which such Limited Partner acquired Class A Limited Partnership Interests in the Partnership and was designated as a "Class A Limited Partner":

<u>Name</u>	<u>Contribution</u>	<u>Amount Credited to Capital Amount</u>
LORET	Cash in the amount of \$9,695,218.75	\$9,695,218.75

(c) Prior to January 1, 1987, each of the Limited Partners named below or said Limited Partner's predecessor in Partnership Interests, made the following contributions to the capital of the Partnership, and with respect to which each such Limited Partner acquired Class B Limited Partnership Interests in

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the Partnership and was designated as a "Class B Limited Partner":

<u>Name</u>	<u>Contribution</u>	<u>Amount Credited to Capital Amount</u>
LOP	Cash in the amount of \$170,000	\$170,000
KSSA	Cash in the amount of \$340,000	\$340,000
LORET	Cash in the amount of \$6,991,250	\$6,991,250
Dorrance	Cash in the amount of \$998,750	\$998,750

(d) Prior to January 1, 1987, each of the Limited Partners named below, or said Limited Partner's predecessor in Partnership Interests, made the following contributions to the capital of the Partnership, and with respect to which each such Limited Partner acquired Class C Limited Partnership Interests in the Partnership and was designated as a "Class C Limited Partner":

<u>Name</u>	<u>Contribution</u>	<u>Amount Credited to Capital Amount</u>
Dorrance	Cash in the amount of \$1,385,031.25	\$1,385,031.25
LORET	2% of the title and interest heretofore contributed by Tuttle and Papcock in and to (i) the Property, but subject to existing liens; and (ii) the certain financing and purchase commitment (the "Commitment") issued by the Commonwealth of Pennsylvania School Employees' Retirement Fund (the "Fund") for the financing of the Project, subject to any real estate brokerage commission due thereupon.	\$176,400.00
LORET	Cash in the amount of \$54,635.00	\$54,635.00

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(e) Prior to January 1, 1987, the Limited Partner named below, or said Limited Partner's predecessor in Partnership Interests, made the following contributions to the capital of the Partnership, and with respect to which such Limited Partner acquired Class D Limited Partnership Interests in the Partnership and was designated as a "Class D Limited Partner":

<u>Name</u>	<u>Contribution</u>	<u>Amount Credited to Capital Amount</u>
LORET	Cash in the amount of \$2,732,865	\$2,732,865
LORET	98% of the title and interest heretofore contributed by Tuttle and Papock in and to (i) the Property, subject to existing liens; and (ii) the Commitment, subject to any real estate brokerage commission due thereupon.	\$8,643,600
LORET	All of the title and interest of Collins Tuttle and Company, Inc., ("CTC"), heretofore contributed by CTC in and to the Commitment, subject to any real estate brokerage commission due thereupon.	\$180,000

(f) Prior to January 1, 1987, each of the Partners named below made loans to the Partnership in the amounts listed below. On July 1, 1986, and December 31, 1986, such loans were converted to additional contributions to the capital of the Partnership, with respect to which each of such Partners acquired the following additional Partnership Interests:

<u>Name</u>	<u>Partnership Class</u>	<u>Contribution</u>	<u>Amount Credited to Capital Amount</u>
LORET	Class A	Cash in the amount of \$6,312,687.50	\$6,312,687.50

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<u>Name</u>	<u>Partnership Class</u>	<u>Contribution</u>	<u>Amount Credited to Capital Amount</u>
LORET	Class D	Cash in the amount of \$7,675,000.00	\$7,675,000.00
Dorrance	Class C	Cash in the amount of \$901,812.50	\$ 901,812.50
KSSA	General	Cash in the amount of \$307,000.00	\$ 307,000.00
LOP	General	Cash in the amount of \$153,500.00	\$ 153,500.00

(g) As of January 1, 1987, the Partnership has restructured the various classes of Limited Partnership Interests and has consolidated such interests into two classes, hereafter to be known as Class A and Class B. Upon such consolidation, the total amounts contributed to each respective Partner's Capital Amount are as follows:

	<u>Amount Credited to General Capital Amount</u>	<u>Amount Credited to Class A Capital Amount</u>	<u>Amount Credited to Class B Capital Amount</u>
LOP	\$389,250.00	\$ -0-	\$ 170,000.00
KSSA	778,500.00	-0-	240,000.00
LORET	-0-	35,470,406.25	6,991,250.00
Dorrance	-0-	2,286,843.75	908,750.00

(h) Each of LOP and KSSA, as General Partners, and LORET and Dorrance, as Limited Partners, shall make, in accordance with the ratio of all of their respective General and Class A Partnership Interests to the aggregate total of such General and Class A Partnership Interests in the Partnership, further additional capital contributions to the Partnership as equal the

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aggregate amount determined by the General Partners to be necessary in order to finance Operating Deficits (as hereinafter defined in Section 11(a)(v) hereof) up to the following maximum amounts:

<u>Name</u>	<u>General Partners</u>	<u>Amounts</u>
LOP		\$ 75,000.00
KSSA		\$ 150,000.00
	<u>Limited Partners</u>	
LORET		\$6,834,375.00
Dorrance		\$ 440,625.00

provided, however, that no such further additional capital contributions to finance Operating Deficits shall be required pursuant to this Section 8(h) after December 31, 1989.

The conditional obligation of any of LOP, KSSA, LORET and Dorrance to make additional capital contributions as provided above shall not be considered as an asset of the Partnership until all steps necessary to require such contributions, as described above, have been completed.

No Partner, including any of the Limited Partners, shall be required to contribute to the capital of the Partnership any amount beyond the amounts set forth for such Partner in this Section 8(h).

(i) In the event that additional capital is contributed to the Partnership pursuant to the provisions of Section

8(h) hereof, the General Partners shall arrange for the preparation, due execution and filing of all appropriate documents and certificates necessary, in the opinion of counsel for the Partnership reasonably satisfactory to all of the Partners, to reflect such contributions, including such amendments to this Agreement and Certificate as may be required by law or as are necessary to assure (to the extent possible) limited liability for the Limited Partners.

9. Capital Accounts.

(a) The Partnership shall maintain a separate capital account ("Capital Account") for each General Partner, each Class A Limited Partner, and each Class B Limited Partner and each such Partner shall be furnished with a statement of its Capital Account as of the close of each fiscal year of the Partnership.

(b) The Capital Account of each General Partner, each Class A Limited Partner and each Class B Limited Partner shall be equal to said Partner's capital contributions, including amounts credited to said Partner's Capital Account, increased by the Profits from Capital Transactions, the Profits from Operating Sources and the Gross Income Amounts (all as hereinafter defined) allocated to said Partner pursuant to Section 11 hereof, and decreased by the amount of any cash distributions, or the fair market value of any property distributions, made to said Partner, and the Losses from Capital Transactions and the Losses from

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Operating Sources (as hereinafter defined) allocated to said Partner pursuant to Section 11 hereof.

(c) No interest shall be paid by the Partnership to any General Partner or Limited Partner on the amount in such Partner's Capital Account.

(d) In the event of a transfer of all or a portion of a Partner's Interests in the Partnership pursuant to the provisions hereof, a separate Capital Account shall be created for the transferee as of the effective date of such transfer, in which shall be reflected the portion of the transferring Partner's Capital Account transferred to the transferee, and the Capital Account of the transferring Partner shall be correspondingly adjusted as of such date.

## 10. Limitation of Liability of Limited Partner.

(a) The liability of the Limited Partners for debts of the Partnership and on account of claims against the Partnership shall be limited to the extent of their respective capital contributions and their respective shares of undistributed profits, if any; provided, however, that to the extent required under the Act, any Limited Partner receiving a distribution in return, in whole or in part, of said Limited Partner's capital contribution to the Partnership shall be liable to the Partnership for any sum, not in excess of such amount returned (with interest), necessary to discharge such claims. The conditional obligation of the Partners to make additional capital

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contributions under Section 8(h) hereof, shall not be considered as an asset of the Partnership until all steps hereunder necessary to require such contributions have been completed.

(b) The provisions of Section 10(a) hereof are subject, however, to the further provision that any liability of LORET thereunder is limited to the extent of the assets of LORET without recourse for the payment of any such liability to either the settlor, or any beneficiary, or the Trustees of LORET personally.

## 11. Allocation of Profits and Losses.

(a) (i) For the purposes of this Agreement and Certificate, the term "Profits" shall mean Profits from Capital Transactions and Profits from Operating Sources, and the term "Losses" shall mean Losses from Capital Transactions and Losses from Operating Sources, all as hereinafter defined.

(ii) The terms "Profits from Capital Transactions" and "Losses from Capital Transactions" shall mean the net income or net loss of the Partnership for all such transactions during the fiscal year as and in the amount determined for Federal income tax purposes from a sale, exchange or other disposition of all, or any portion of, the assets of the Partnership.

(iii) The term "Profits from Operating Sources" shall mean the net income of the Partnership as and in the amount determined for Federal income tax purposes, but



exclusive of any Profits from Capital Transactions or Losses from Capital Transactions.

(iv) The term "Losses from Operating Sources" shall mean the net loss of the Partnership as and in the amount determined for Federal income tax purposes, including each Partner's deduction attributable to interest and real estate taxes incurred during the period of construction of the Project, but exclusive of any Profits from Capital Transactions or Losses from Capital Transactions.

(v) The term "Operating Deficits" shall mean the excess of all (x) (aa) operating expenses, including the cost to the Partnership of any tenant improvements and the amount of any rental concessions agreed to by the Partnership under leases for space in the building (the "Building") comprising part of the Project, together with the cost to the Partnership of any sub-leases to the Partnership or any lease take-overs by the Partnership, (bb) advisory fees paid and payable to K.S. Sweet Associates under any Financial Advisory Agreement or similar agreement (the "Advisory Agreement") by and between the Partnership and K.S. Sweet Associates, (cc) lease rentals payable by the Partnership, (dd) principal and interest payments on any indebtedness, including the Loan (the "Loan"), as that term is defined in the Commitment; over (y) (aa) the portion of the proceeds of the Loan which were either not disbursed by the Fund at the time of the closing of the Loan, and which shall be subse-

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quently disbursed by the Fund to, or for the account of, the Partnership, or was disbursed by the Fund to an escrowee at the time of the closing of the Loan, and which shall be subsequently disbursed by such escrowee to, or for the account of, the Partnership, and (bb) the amount of all moneys realized from all operating sources of the Partnership, including without limitation all moneys realized from rentals (including minimum rentals, percentage rentals and any payments due under escalation clauses), income and profits arising from the performance of tenant improvement work above building standard, and interest, dividends and other investment income received by the Partnership.

(b) Any Loss of the Partnership from Capital Transactions or from Operating Sources, or both, shall be allocated 1% to LOP, 2% to KSSA, 91.125% to LORET, and 5.875% to Dorrance.

(c) For any fiscal year in which the Partnership has a Profit from Operating Sources, 1% of such Profit shall be allocated to LOP, 2% of such Profit shall be allocated to KSSA, 91.125% of such Profit shall be allocated to LORET, and 5.875% of such Profit shall be allocated to Dorrance.

(d) For all fiscal years in which the Partnership has a Profit from Capital Transactions, such cumulative Profit shall be allocated as follows:

(i) The first cumulative Profit up to the amount equal to the total amount of Capital contributed in all

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fiscal years commencing with the 1985 fiscal year shall be allocated as follows: 1% of such Profit shall be allocated to LOP, 2% of such Profit shall be allocated to KSSA, 91.125% of such Profit shall be allocated to LORET, and 5.875% of such Profit shall be allocated to Dorrance.

(ii) Cumulative Profit exceeding the amount of Profit allocated pursuant to Section 11(d)(i), but not exceeding such amount plus \$10,000,000 shall be allocated as follows: 2% of such Profit shall be allocated to LOP, 4% of such Profit shall be allocated to KSSA, 82.25% of such Profit shall be allocated to LORET, and 11.75% of such Profit shall be allocated to Dorrance.

(iii) Cumulative Profit exceeding the amount of Profit allocated pursuant to Sections 11(d)(i) and (ii), but not exceeding such amount plus \$7,500,000 shall be allocated as follows: 0.6% of such Profit shall be allocated to LOP, 1.2% of such Profit shall be allocated to KSSA, 94.68% of such Profit shall be allocated to LORET, and 3.52% of such Profit shall be allocated to Dorrance.

(iv) Cumulative Profit exceeding the amount of Profit allocated pursuant to Sections 11(d)(i), (ii) and (iii), but not exceeding such amount plus \$5,000,000 shall be allocated as follows: 1.6% of such Profit shall be allocated to LOP, 3.2% of such Profit shall be allocated to KSSA, 85.8% of

such Profit shall be allocated to LORET, and 9.4% of such Profit shall be allocated to Dorrance.

(v) Cumulative Profit exceeding the amount of Profit allocated pursuant to Sections 11(d)(i) through (iv) shall be allocated as follows: 1% of such Profit shall be allocated to LOP, 2% of such Profit shall be allocated to KSSA, 91.125% of such Profit shall be allocated to LORET, and 5.875% of such Profit shall be allocated to Dorrance.

(e) (i) For Federal income tax purposes, from the inception of the Partnership, whenever a proportionate part of any Partnership Profit or Loss is allocated to a Partner, every item of income, gain, loss and deduction entering into the computation of such Profit or Loss shall be considered allocated to such Partner in the same proportion, except as follows: (aa) each Partner shall be allocated his proportionate share of interest and real estate taxes incurred during the period of construction of the Project for the year in which such interest and taxes were accrued, and thereafter each Partner shall amortize or currently deduct such proportionate share as permitted for Federal income tax purposes, and (bb) any tax credit applicable to the period during which such Profit or Loss was realized shall be allocated to the Partners as follows: 1% of such credit shall be allocated to LOP, 2% of such credit shall be allocated to KSSA, 91.125% of such credit shall be allocated to LORET, and 5.875% of such credit shall be allocated to Dorrance.

(ii) All of the provisions of Sections 11(a) through 11(d) above are subject to the further provisions that:

(aa) In any Partnership tax year in which a distribution of Guaranteed Payments (hereinafter defined) or a payment of the current or accumulated Preferential Return described in Section 12(c)(ii), is made to a Class B Limited Partner, then an amount of "gross income" (as that term is defined in Section 61 of the Internal Revenue Code of 1986, as amended) of the Partnership for that year equal to the amount of such distribution or payment so made to such Partner ("Gross Income Amount") shall be specifically allocated to such Partner. Whenever gross income is allocated to a Class B Limited Partner pursuant to this Section 11(e)(ii)(aa), an amount of each particular item of income entering into the computation of such gross income shall be allocated to such Partner so that the amount of each particular item of income so allocated shall bear the same ratio to the amount of each other particular item of income so allocated as the total amount of such particular item of income so allocated bears to the total amount of each other item of income so allocated for that year.

(bb) In any Partnership tax year in which a Gross Income Amount is allocated pursuant to Section 11(e)(ii)(aa) above, then all Profits from Capital Transactions, Losses from Capital Transactions, Profits from Operating Sources and Losses from Operating Sources determined and allocated to the Partners pursuant to the applicable provisions of Sections 11(a)

through 11(d) above for that year shall be determined without regard to that amount of any particular item of income which has been allocated pursuant to the provisions of Section 11'e)(ii)(aa) above.

(f) In the event of a transfer of the Interests of any Partner in the Partnership (in accordance with the provisions of this Agreement and Certificate) at any time other than at the end of a Partnership tax year, the distributive share of the aforesaid items of Partnership income, gain, loss, deduction or credit in respect of the Interests of the Partner so transferred shall be apportioned for income tax purposes between the transferor and the transferee so that the transferor's distributive share of the aforesaid items shall be determined with reference to the operations of the Partnership for a short fiscal period ending on the date of such transfer, and the transferee's distributive share of the aforesaid items shall be determined with reference to the operations of the Partnership for a short fiscal period beginning on the day next following the date of such transfer and ending on the date of the close of the Partnership's fiscal year (or, in the case of a subsequent transfer of such Interests during such fiscal year, on the date of such subsequent transfer).

12. Distribution of Available Cash Flow.

(a) The "Available Cash Flow" of the Partnership shall be (i) all moneys realized from (aa) Net Disposition

Proceeds (hereinafter defined), and (bb) all operating sources, including rentals (including minimum rentals, percentage rentals and any payments due under escalation clauses), income and profits arising from the performance of tenant improvement work above building standard, and interest, dividends and other investment income; minus the sum of (ii) moneys expended for (aa) operating expenses, including the cost to the Partnership of any tenant improvements, together with the cost to the Partnership of any sub-leases to the Partnership or any lease take-overs by the Partnership, (bb) costs of miscellaneous capital improvements, (cc) advisory fees paid under the Advisory Agreement, (dd) lease rentals payable by the Partnership, and (ee) principal and interest payments on any outstanding indebtedness, including indebtedness to any Partner and indebtedness secured by mortgages, and (iii) any amount required to maintain a reasonable working capital; all as determined by the General Partners.

(b) (i) The "Net Disposition Proceeds" of the Partnership shall mean (aa) Net Proceeds from Refinancing (hereafter defined) plus Net Proceeds from Sale or Condemnation (hereafter defined) plus Excess Insurance Proceeds (hereafter defined); minus (bb) the amount of any reserves (in addition to reserves accumulated as provided in Section 12(a) above) which the General Partners shall deem reasonably necessary to provide for capital improvements to the Project, or any part thereof, provided, however, that at the expiration of such period of time

as the General Partners shall deem advisable, the balance, if any, of such reserves remaining unapplied to such improvements shall be distributed in the manner hereinafter set forth in Section 12(c) hereof.

(ii) "Net Proceeds from Refinancing" shall mean all cash proceeds derived from refinancing debt applicable to the Project, less

(aa) all expenses incurred in connection with such refinancing; and

(bb) the amount required to discharge the debt being refinanced, including pre-payment penalty or premium, if any.

(iii) "Net Proceeds from Sale or Condemnation" shall mean all cash proceeds derived from a sale or condemnation of all or any part of the Project, less

(aa) sums required to pay indebtedness secured by mortgages or other liens upon, or security interests in, the Project, or the portion thereof, so sold or condemned; and

(bb) expenses incurred in connection with such sale or condemnation.

(iv) "Excess Insurance Proceeds" shall mean sums on account of losses paid to the Partnership under any policy of casualty insurance, less

(aa) the costs of collecting such sums;



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(bb) the amount thereof applied or to be applied to the cost of restoring and repairing or replacing the portions of the Project which suffered the Casualty; and

(cc) any portion thereof required to be applied to the payment of indebtedness secured by a mortgage or other lien upon, or security interest in, the Project or any portion thereof.

(c) Available Cash Flow shall be distributed as follows in such aggregate amounts and at such times as the General Partners may deem appropriate, but only in the following amounts, proportions and order of priority.

(i) First, Available Cash Flow shall be distributed to the Class B Limited Partners in payment of accrued guaranteed payments (the "Guaranteed Payments") owing to said Partners by the Partnership in the following amounts:

LOP	\$ 45,252
KSSA	90,504
LORET	1,860,980
Dorrance	265,054

Any Available Cash Flow so distributed pursuant to this Section 12(c)(i) shall be distributed to each Class B Limited Partner in the following percentages: 2% to LOP, 4% to KSSA, 82.25% to LORET, and 11.75% to Dorrance.

(ii) Second, Available Cash Flow shall next be distributed to each of the Class B Limited Partners in the same percentages as those specified in Section 12(c)(i) in an amount (the "Preferential Return") equal to ten percent (10%) per annum

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of the Variable Amount (hereinafter defined), as the same is to be adjusted from time to time as hereinafter provided, determined on the last day of the calendar quarter immediately preceding such distribution.

The "Variable Amount" as to each Class B Limited Partner as of January 1, 1987 is the sum of each Limited Partner's Class B Capital Amount and each Limited Partner's Guaranteed Payment, viz.

LOP	\$ 215,252
KSSA	430,504
LORET	8,852,230
Dorrance	1,264,604

The aforesaid Variable Amount as to each Class B Limited Partner shall be adjusted quarterly, effective on the last day of each calendar quarter, the first such adjustment to be made on March 31, 1987, by (1) deducting from the Variable Amount specified in the immediate preceding paragraph (x) the Available Cash Flow, if any, theretofore distributed to such Class B Limited Partner pursuant to Section 12(c)(i), and (y) the Available Cash Flow, if any, theretofore distributed to such Class B Limited Partner pursuant to Section 12(c)(iii), then (2) adding to the result thus obtained the amount of all Preferential Return which shall have accrued, but which shall not have been paid or distributed, to such Class B Limited Partner, and then (3) compounding quarterly the result thus obtained at the annual rate of ten percent (10%).

(iii) Third, after payment of the current Preferential Return, Available Cash Flow shall next be distributed to each of the Class B Limited Partners in the same percentages as those specified in Section 12(c)(i) in the amount equal to the Variable Amount attributable to each such Class B Limited Partner (determined and adjusted as provided in Section 12(c)(ii)) until the full amount thereof shall have been paid in full.

(iv) Fourth, Available Cash Flow shall next be distributed to the Partners in the same proportion as Profits from Operating Sources would be allocated under Section 11(c) hereof.

13. Powers and Duties of General Partners.

(a) The management and control of the Partnership's business shall rest exclusively with the General Partners, who shall have all the rights and powers incident thereto as may be necessary, proper or advisable, in their discretion, in order to accomplish the purposes of the Partnership, including the same rights and powers as a general partner in a partnership without limited partners formed under the laws of the State of Illinois. Without limiting the generality of the foregoing, the General Partners shall have the right and authority to hire such employees and independent contractors, at the expense of the Partnership, as the General Partners shall deem necessary or advisable.

During the existence of the Partnership, the General Partners shall devote such time and effort to the Partnership business as may be necessary to promote adequately the interests of the Partnership and the mutual interests of the Partners; provided, however, that it is specifically understood and agreed that the General Partners shall not be required to devote full time to Partnership business and may at any time and from time to time engage in and possess an interest in other business ventures of any and every type and description, independently or with others, including, without limitation, the ownership, development, operation and management of real estate and the practice of any trade or profession, and neither the Partnership nor any Partner shall by virtue of this Agreement and Certificate have any right, title or interest in or to such independent ventures.

No salary shall be paid to any General Partner.

(b) All decisions of the General Partners to be made in this Agreement and Certificate shall be determined by the unanimous vote of the General Partners. When acting in accordance with any such vote, each General Partner shall have the power to execute or accept any instrument or agreement incident to the Partnership's business and in furtherance of its purposes, and any instrument or agreement so executed or accepted by a General Partner in its own name on behalf of the Partnership shall be deemed executed and accepted on behalf of the Partnership by the General Partners; provided, however, that (other than

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any leases of space in the Building to be executed by the Managing Agent as hereinafter provided) any documents to be executed in connection with a conveyance by the Partnership of any interest in all or any portion of the Project or in connection with any loan to the Partnership (other than a loan to the Partnership occurring in the ordinary course of business), shall not be deemed to be executed on behalf of the Partnership unless executed by all of the General Partners; provided further, however, that the managing agent (the "Managing Agent") under any management agreement for the management of the Project executed by the General Partners on behalf of the Partnership, may execute any leases for space in the Building whose execution has been approved by the General Partners.

(c) Except as otherwise provided in Section 13(d) below, the General Partners shall not be authorized to sell or otherwise dispose of all or substantially all of the Partnership's assets except at the direction of and upon terms approved by the unanimous vote of all of the Partners (other than Class B Limited Partners who are not also General Partners or Class A Limited Partners, who shall not have the right to vote on any of the transactions set forth in this Section 13(c)). The General Partners, further, shall not be authorized, except by the unanimous vote of all of the Partners (other than Class B Limited Partners who are not also General Partners or Class A Limited Partners), to (i) refinance any indebtedness of the Partnership

secured by a mortgage covering all or substantially all of the Project, (ii) modify any of the provisions of the Loan or the "Ground Lease" (as defined in the Commitment), or (iii) repurchase the Fund's interest in the Property. In the event the General Partners propose any such sale, disposition, refinancing, modification or repurchase, the General Partners will transmit to all of the Partners, at least 20 days in advance, a notice calling a meeting for the purpose of approving the proposed action and setting forth the advantages and disadvantages and specific recommendations concerning such proposed action. The failure of any such Partner to attend such meeting shall be deemed to be an approval of the proposed action by such Partner unless such Partner has specifically objected to the proposed action in writing.

(d) No General Partner shall be liable to the Partnership or the Limited Partners except by reason of fraud, bad faith, willful misfeasance, gross negligence or any act or omission in breach of this Agreement and Certificate. Each of the General Partners shall indemnify and save harmless the Partnership and the Limited Partners from any loss or liability to a third party arising out of a General Partner's fraud, bad faith, willful misfeasance, gross negligence or any act or omission in breach of this Agreement and Certificate. The Partnership shall indemnify and save harmless each of the General Partners from any loss or liability incurred by it by reason of

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any act performed by it on behalf of the Partnership or in furtherance of the Partnership's interest other than by reason of such General Partner's fraud, bad faith, willful misfeasance, negligence or any act or omission in breach of this Agreement and Certificate. In the event a General Partner is found personally liable for any debts of the Partnership (other than any debt or liability incurred by reason of such General Partner's fraud, bad faith, willful misfeasance, negligence or any act or omission in breach of this Agreement and Certificate) and is required to and does satisfy a Partnership liability out of such General Partner's personal assets (a "Liable General Partner"), then the Liable General Partner shall have a right of reimbursement out of the assets of the Partnership (the "Right of Reimbursement"). The Right of Reimbursement shall accrue to the Liable General Partner 30 days after written notice thereof is given to each of the other Partners. Upon such accrual of the Right of Reimbursement, the Liable General Partner shall be reimbursed out of the assets of the Partnership in the following order of priority, but only to the extent necessary to satisfy such Right of Reimbursement: (i) out of the then Available Cash Flow of the Partnership; (ii) out of any funds obtained in the form of a loan from the Limited Partners at prevailing market rates; and (iii) by sale, refinancing or in any other manner, in each case, without the necessity of having obtained the prior written consent of the other Partners; provided, however, that before any such sale or

refinancing shall be consummated, the General Partners shall have endeavored to obtain funds for the Partnership in the form of a loan from the Limited Partners in an amount sufficient to reimburse the Liable General Partner; and provided further, that in the event the Liable General Partner is to be reimbursed out of the proceeds of a proposed sale or refinancing of Partnership assets, the Liable General Partner shall give 90 days prior written notice of any such proposed sale or refinancing to each of the other Partners. If sufficient Available Cash Flow or proceeds of a loan from the Limited Partners are obtained and used by the Partnership to reimburse the Liable General Partner prior to the expiration of such 90-day period, such proposed sale or refinancing shall not be consummated unless all of the Partners consent thereto. To the extent not reimbursed as provided above, the Liable General Partner shall have a right of contribution from the other General Partner equal to its proportionate share of such liability, but shall have no right of contribution from the Limited Partners.

14. Activities of Limited Partners.

Except as otherwise specified in this Agreement and Certificate, the Limited Partners shall take no part in the conduct or control of the Partnership and its business and shall have no right or authority to act for, or bind, the Partnership.



15. Fiscal Year.

The fiscal year of the Partnership shall be the calendar year until otherwise determined by the General Partners.

16. Books, Records and Bank Accounts. During the continuance of the Partnership:

(a) The Partnership books and records shall be kept by the General Partners and shall at all times be maintained at the principal office of the Partnership, where they shall be open to the reasonable inspection and examination of the Partners or their duly authorized representatives; such books and records shall reflect all expenditures made by or in connection with the business of the Partnership, sums or credits due or received and all income collected and funds disbursed in connection with such business. The books of the Partnership shall be kept on an accrual basis.

(b) Annual financial statements, audited by Price Waterhouse or by such other firm of nationally recognized independent public accountants as the General Partners shall unanimously select, shall be distributed to each Partner within 120 days after the close of each fiscal year. In addition, a report indicating each Partner's share of the Profits or Losses of the Partnership for Federal income tax purposes shall be distributed to each Partner within 90 days after the close of each fiscal year.

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(c) All funds of the Partnership may be deposited in and withdrawn from such bank accounts and upon such signatures as the General Partners designate. The General Partners shall have the power to invest excess cash of the Partnership in any interest-bearing, federally-insured savings account, short-term certificate of deposit, government obligation or government guaranteed obligation, prime grade commercial paper, liquid assets mutual fund with assets aggregating not less than \$100,000,000 in value, or bank repurchase agreements secured by securities backed by the full faith and credit of the United States or any state thereof or securities issued by the Federal National Mortgage Association, the Government National Mortgage Association or the Federal Home Loan Bank System.

## 17. Voluntary Transfer of Partnership Interests.

(a) No General Partner shall voluntarily withdraw, transfer, sell or assign all or any part of its General Partnership Interests in the Partnership without the written consent of all of the other Partners. Except as the Partners shall otherwise unanimously agree, the assignee, transferee or buyer of all, or a portion of, General Partnership Interests shall not thereby become a substitute General Partner, and shall not have any of the rights herein conferred on a General Partner, except that a permitted assignee shall be entitled to receive the share of Profits, Losses and Available Cash Flow and, upon dissolution of the Partnership, the distributions to which such

General Partner would have been entitled under the provisions of this Agreement and Certificate. Such withdrawing, transferring, selling or assigning General Partner shall cease to be a General Partner upon (i) the withdrawal, transfer, sale or assignment of all of its General Partnership Interests and (ii) the filing of an appropriate amendment to this Agreement and Certificate.

(b) Except as hereinafter provided, a Limited Partner may assign, sell, transfer or otherwise dispose of all or any part of its Limited Partnership Interests in the Partnership only with the written consent of the General Partners. In the event that a Limited Partner, with the consent of the General Partners, shall transfer, sell or assign all or any part of its Limited Partnership Interests in the Partnership, the transferee shall not thereby become a substitute Limited Partner, and shall not have any of the rights herein conferred upon a Limited Partner, except that it shall be entitled to receive the share of Profits, Losses and Available Cash Flow and, upon the dissolution of the Partnership, the distributions to which such Limited Partner would have been entitled under the provisions of this Agreement and Certificate, unless such person shall be admitted in the sole discretion of the General Partners as a substitute Limited Partner of the Class of Limited Partnership Interests so transferred and shall execute an addendum to this Agreement and Certificate agreeing to be bound by all of the terms and conditions hereof and to assume all, or in the case of a transfer of

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less than all of a transferor's Limited Partnership Interests in the Partnership, a pro rata portion, of the obligations of the transferor hereunder. Unless an addendum to this Agreement and Certificate shall be so executed, a Limited Partner transferring, selling or assigning all or any part of its Limited Partnership Interests in the Partnership shall not thereby be relieved of any obligation applicable to the Limited Partnership Interests so transferred which it may have to the Partnership pursuant to any provision hereof.

(c) LORET, or any transferee pursuant to this Section 17(c), may assign, sell, transfer, distribute or otherwise dispose of all or any part of its Limited Partnership Interests in the Partnership at any time to the primary beneficiary (the "Beneficiary") of LORET or to a Related Party of the Beneficiary of LORET without the consent of any other Partner. A "Related Party" of the Beneficiary of LORET shall mean the spouse or issue of such Beneficiary, any trust established for the primary benefit of such Beneficiary, spouse or issue, any business entity in which such Beneficiary, spouse or issue has a majority ownership interest, or any other person related by consanguinity to the Beneficiary. Any transferee pursuant to this Section 17(c) shall thereupon become a substitute Limited Partner of the Class of Limited Partnership Interests so transferred without the consent of any of the Partners, provided that the transferee shall execute an addendum to this Agreement

and Certificate agreeing to be bound by all of the terms and conditions hereof and to assume all, or in the case of a transfer of less than all of LORET's Limited Partnership Interests in the Partnership, the applicable pro rata portion, of the obligations of the transferor hereunder. Unless an addendum to this Agreement and Certificate shall be so executed and a transferee so admitted as a substitute Limited Partner of the Class of Limited Partnership Interests so transferred, then: (i) such transferee shall not have any of the rights herein conferred upon a Limited Partner with respect to the Limited Partnership Interests so transferred, except that the transferee shall be entitled to receive the applicable pro rata share of Profits, Losses and Available Cash Flow and, upon the dissolution of the Partnership, the applicable pro rata distributions to which such Limited Partner otherwise would have been entitled under the provisions of this Agreement and Certificate, and (ii) the Limited Partner transferring, selling or assigning all or any part of its Limited Partnership Interests in the Partnership pursuant to the provisions of this Section 17(c) shall not thereby be relieved of any obligation applicable to the Limited Partnership Interests so transferred which it may have to the Partnership pursuant to any provision hereof.

(d) Each Limited Partner may assign, sell, transfer, distribute or otherwise dispose of all or any part of its Limited Partnership Interests in the Partnership at any time to

another Partner of the Partnership without the consent of any other Partner. Any such transferee shall thereupon become a substitute Limited Partner of the Class of the Partnership Interests so transferred without the consent of any of the Partners, provided such transferee shall execute an addendum to this Agreement and Certificate agreeing to be bound by all of the terms and conditions hereof, and to assume all, or in the case of a transfer of less than all of the transferor's Limited Partnership Interests, the applicable pro rata portion, of the obligations of the transferor hereunder. Unless an addendum to this Agreement and Certificate shall be so executed, then: (i) such transferee shall not have any of the rights herein conferred upon a Limited Partner with respect to the Limited Partnership Interests so transferred, except that the transferee shall be entitled to receive the applicable pro rata share of Profits, Losses and Available Cash Flow and, upon the dissolution of the Partnership, the applicable pro rata distributions to which such Limited Partner otherwise would have been entitled under the provisions of this Agreement and Certificate, and (ii) the Limited Partner transferring, selling or assigning all or any part of its Limited Partnership Interests in the Partnership pursuant to the provisions of this Section 17(d) shall not thereby be relieved of any obligation applicable to the Limited Partnership Interests so transferred which it may have to the Partnership pursuant to any provision hereof.

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(e) LOP may assign, sell, transfer, distribute or otherwise dispose of all or any part of its Class B Limited Partnership Interest in the Partnership to John C. Weber or Kenneth S. Sweet, Jr., either one of whom, if he so elects, shall thereupon be admitted by all of the Partners, who hereby consent to such admission, as an additional Class B Limited Partner upon his execution of an addendum to this Agreement and Certificate agreeing to be bound by all of the terms and conditions hereof and to assume all, or as applicable, a pro rata portion, of the obligations of his transferor hereunder.

(f) All of the foregoing provisions of this Section 17 are subject, however, to the further provision that no assignment, sale or other transfer of any Partner's Partnership Interests in the Partnership, or any part thereof, shall be permitted which, in the opinion of counsel for the Partnership reasonably satisfactory to all of the General Partners, will jeopardize the treatment of the Partnership as a partnership, cause a termination of the Partnership for Federal income tax purposes, constitute a violation of applicable state or federal securities laws, or give rise to any event which would permit the acceleration of any of the indebtedness comprising the Loan, as described in any documents evidencing or securing such indebtedness.

(g) The costs of any transfers of Partnership Interests pursuant to this Section 17, including any costs

associated with amending this Agreement and Certificate, shall be paid by the parties to the particular transfer.

18. Death, Legal Incompetence, Bankruptcy or Other Termination of a Limited Partner.

The death, legal incompetence, bankruptcy or other termination of a Limited Partner shall not cause the dissolution of the Partnership. The personal representative, guardian, trustee in bankruptcy or other successor of a deceased, legally incompetent or bankrupt Limited Partner, or the stockholders of a dissolved and liquidated corporate Limited Partner, or the partners of a dissolved and liquidated Limited Partner which was itself a partnership, or in the event of the termination of LORET by reason of the death of the Beneficiary, the appointee(s) of such deceased Beneficiary with respect to LORET's Limited Partnership Interests in the Partnership, shall have the rights of an assignee only to receive the share of the Profits, Losses and Available Cash Flow and, upon dissolution of the Partnership, the distributions to which such Limited Partner would have been entitled under the provisions of this Agreement and Certificate, and shall not have the rights of a substitute Limited Partner, except to the extent provided by the Act, unless the General Partners consent thereto and this Agreement and Certificate is properly amended. Subject to the requirements of applicable law, the personal representative, guardian, trustee in bankruptcy or other successor of a deceased, legally incompetent or bankrupt



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Limited Partner, or the stockholders of a dissolved and liquidated corporate Limited Partner, or the partners of a dissolved and liquidated Limited Partner which was itself a partnership, or in the event of the termination of LORET by reason of the death of the Beneficiary, the appointee(s) of such deceased Beneficiary with respect to LORET's Limited Partnership Interests in the Partnership, may sell all or part of the Limited Partnership interest in the Partnership of such deceased, legally incompetent, bankrupt, dissolved, liquidated or terminated Limited Partner, or, in the case of a deceased Limited Partner or in the event of the termination of LORET by reason of the death of the Beneficiary, the Limited Partner's personal representative or the trustees of LORET may distribute the same to the heirs or legatees of such deceased Limited Partner or the appointee(s) of the Beneficiary, as the case may be. Unless the General Partners consent thereto and this Agreement and Certificate is properly amended, however, any such legatee, heir, assignee, buyer, transferee or appointee shall not thereby become a substitute Limited Partner and shall have none of the rights herein conferred upon the Limited Partner except that he or they shall be entitled to receive the share of the Profits, Losses and Available Cash Flow and, upon dissolution of the Partnership, the distributions to which such Limited Partner would have been entitled under this Agreement and Certificate; provided, however, that any such legatee, heir, assignee, buyer, transferee or appointee who is a

Related Party of the Beneficiary of LORET may become a substitute Class A or Class B Limited Partner pursuant to the applicable provisions of Section 17(c) hereof.

19. Bankruptcy, Dissolution or Other Mandatory Transfer of Interest of a General Partner.

(a) Subject to the provisions of Section 20(d) hereof, the bankruptcy of a General Partner shall not cause the dissolution of the Partnership. The trustee in bankruptcy, if one has been appointed, of a bankrupt General Partner shall have the rights of an assignee only to receive the share of the Profits, Losses and Available Cash Flow and, upon dissolution of the Partnership, the distributions to which such bankrupt General Partner would have been entitled under this Agreement and Certificate and shall not have the rights of a General Partner or an additional Limited Partner. If the remaining General Partner consents thereto and files an appropriate amendment to this Agreement and Certificate, and such trustee in bankruptcy agrees to be bound by all of the terms and conditions hereof and to assume all of the accrued obligations of the bankrupt General Partner hereunder, such trustee in bankruptcy may become an additional Class A Limited Partner (and a Class B Limited Partner if the bankrupt General Partner shall be a Class B Limited Partner). If all of the Partners consent thereto, an appropriate amendment to this Agreement and Certificate is executed and filed, and such trustee in bankruptcy agrees to be bound by all

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of the terms and conditions hereof and to assume all of the obligations of the bankrupt General Partner hereunder, such trustee in bankruptcy may be admitted to the Partnership as a substitute General Partner in accordance with the provisions of Section 5 hereof. Subject to the requirements of applicable law, the trustee in bankruptcy, if one has been appointed, of a bankrupt General Partner may sell all or part of the Partnership Interests in the Partnership of such bankrupt General Partner; provided, however, that such trustee in bankruptcy has first offered to sell all or such part of such Partnership Interests in the Partnership to the remaining Partners, or any of them, upon the same terms and conditions as it proposes to sell such Partnership Interests to any other transferee pursuant to this Section 19(a). If none of the Partners accepts such offer within 30 days from the date when it was given to them in writing by such trustee in bankruptcy, then such Partnership Interests may be so sold, assigned or otherwise transferred to the proposed transferee upon the terms and conditions proposed to the Partners, or upon any further terms and conditions not involving a lesser price for such Partnership Interests as such trustee in bankruptcy may determine. Unless the other Partners consent thereto and this Agreement and Certificate is properly amended, however, any such transferee shall not thereby become a substitute General Partner or substitute Limited Partner and shall have none of the rights herein conferred upon the General

Partners or Limited Partners except that it shall be entitled to receive the share of the Profits, Losses and Available Cash Flow and, upon dissolution of the Partnership, the distributions to which such bankrupt General Partner would have been entitled under this Agreement and Certificate.

(b) (i) Subject to the provisions of Section 20(d) hereof the dissolution of a General Partner shall not cause the dissolution of the Partnership. Subject to the provisions of Section 17(e) hereof, the stockholder(s) of a dissolved and liquidated corporate General Partner and the partners of a dissolved and liquidated General Partner which was itself a partnership shall have the rights of an assignee(s) only to receive in the aggregate the share of the Profits, Losses and Available Cash Flow and, upon dissolution of the Partnership, the distributions to which such dissolved and liquidated General Partner would have been entitled under this Agreement and Certificate and shall not have the rights of a General Partner or an additional Limited Partner. If the remaining General Partner consents thereto and files an appropriate amendment to this Agreement and Certificate, and such stockholder(s) or partners agree to be bound by all of the terms and conditions hereof and to assume all, or as applicable, a pro rata portion, of the accrued obligations of the dissolved and liquidated General Partner hereunder, such stockholder(s) or partners may become an additional Class A Limited Partner(s) (and Class B Limited

Partner(s) if such General Partner shall be a Class B Limited Partner). If all of the Partners consent thereto, an appropriate amendment to this Agreement and Certificate is executed and filed, and such stockholder(s) or partners agree to be bound by all of the terms and conditions hereof and to assume all, or as applicable, a pro rata portion, of the obligations of the dissolved and liquidated General Partner hereunder, such stockholder(s) or partners may be admitted to the Partnership as a substitute General Partner(s) in accordance with the provisions of Section 5 hereof.

(ii) All of the foregoing provisions of Section 19(b)(i) above are subject, however, to the further provision that no voluntary dissolution of LOP shall be permitted which, in the opinion of counsel for the Partnership reasonably satisfactory to all of the General Partners, will jeopardize the treatment of the Partnership as a partnership, cause a termination of the Partnership for Federal income tax purposes, constitute a violation of applicable state or federal securities laws, or give rise to any event which would permit the acceleration of any of the indebtedness comprising the Loan, as described in any documents evidencing or securing such indebtedness.

## 20. Dissolution of the Partnership.

The Partnership shall be dissolved and shall terminate and wind up its affairs upon the first to occur of any of the following:

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(a) the expiration of its term as set forth in Section 7 hereof;

(b) the sale, condemnation or other disposition of all or substantially all of the Project;

(c) the general assignment of the assets of the Partnership for the benefit of creditors or the insolvency or bankruptcy of the Partnership;

(d) the bankruptcy or dissolution of the last remaining General Partner, unless promptly thereafter the Limited Partners by unanimous vote elect a successor General Partner or Partners and vote to continue the business of the Partnership;

(e) the agreement to terminate by all of the Partners; or

(f) any event under applicable law which results in the termination of the Partnership; provided, however, that if a termination occurs for any reason other than those specified in clauses (a) through (e) of this Section 20, the Partnership shall immediately be reconstituted by the Partners as if such dissolution had not occurred, and the provisions of this Agreement and Certificate shall be applicable to the reconstituted Partnership as if such dissolution had not occurred unless and except as the Partners shall unanimously otherwise agree. The General Partner or Partners of the reconstituted Partnership shall arrange for the preparation and due execution of all agreements, documents and certificates necessary to implement the foregoing, including

the filing of any certificates of limited partnership as may be necessary to assure (to the extent possible) limited liability to the Limited Partners therein.

21. Liquidation of the Partnership.

(a) In the event that the Partnership is to be terminated by reason of the occurrence of any event of dissolution as set forth in Sections 20(a) through 20(e) hereof, or for any other reason, the General Partners shall proceed to liquidate its assets, wind up its affairs, and apply and distribute the proceeds in the following order of priority:

(i) payment of the debts and liabilities of the Partnership (other than debts or liabilities owing to a Partner) and the expenses of liquidation;

(ii) the establishment of any reserves which the General Partners deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership, which reserves may be paid over to a bank, as escrow holder, to be applied, under the direction of the General Partners, in payment of Partnership liabilities and, at the expiration of such period as the General Partners may deem advisable, for distribution in the manner hereinafter provided;

(iii) repayment of any advances or loans by any of the Partners to the Partnership;

(iv) payment of any unpaid Guaranteed Payments owing to the Class B Limited Partners in the percentages provided for in Section 12(c)(i) hereof;

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(v) payment to the Class B Limited Partners of the current Preferential Return described in Section 12(c)(ii) in the percentages referred to therein;

(vi) payment to the Class B Limited Partners of the amounts described in Section 12(c)(iii) in the percentages referred to therein; and

(vii) transfer of any remaining assets to the General Partners and Class A Limited Partners in payment of the amounts standing to their credit in their Capital Accounts, adjusted to the date of liquidation to reflect Partnership Profits and Losses realized in the course of liquidation and any Profit or Loss deemed realized on the distribution of Partnership property in kind pursuant to this Section 21.

(b) Subject to the provisions of Sections 21(a)(i) through 21(a)(vi) above, in lieu of liquidating all of the Partnership assets, or in combination therewith, the General Partners may distribute the Partnership assets to the Partners in kind, each Partner receiving an undivided interest in the Partnership's assets so distributed in kind, subject to its liabilities, in payment of the amount standing to each Partner's credit in its Capital Account, adjusted to the date of liquidation to reflect Partnership Profits and Losses realized in the course of liquidation and any Profit or Loss deemed realized on the distribution of Partnership property in kind pursuant to Section 21(c) below. A Partner's undivided interest shall be



that fractional interest in the Partnership's assets so distributed in kind which bears that ratio to the whole of such assets which the amount that the Partner would have received if the Partnership had sold such assets and distributed the proceeds therefrom bears to the amount all of the Partners would have received if the Partnership had sold such assets and distributed the proceeds therefrom.

(c) A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of its liabilities so as to enable the General Partners to minimize the losses normally attendant upon such liquidation. Profit or Loss realized from the sale or other disposition of the Partnership assets shall be allocated among the Partners in accordance with the applicable provisions of Section 11 hereof, and any assets which are distributed in kind shall be valued by the General Partners, and any potential profit or loss that would have been realized if such assets had been sold at said value shall be allocated among the Partners as if actually realized, as provided in the applicable provisions of Section 11. The Partnership shall furnish each Partner with a statement audited by a nationally recognized firm of independent public accountants showing the Profit or Loss of the Partnership from the date of the last annual statement prepared under Section 16 hereof to the date of the final distribution of the proceeds of liquidation or the assets to the Partnership, and showing the manner in which

the proceeds of liquidation or the assets of the Partnership have been distributed.

(d) The Partnership shall terminate when all property owned by the Partnership shall have been disposed of or distributed in kind and the net proceeds, after satisfaction of liabilities to creditors, shall have been distributed among the Partners as aforesaid, and the requirements of the Act or other applicable law have been satisfied. The establishment of any reserves in accordance with the provisions of this Section 21 shall not have the effect of extending the term of the Partnership.

22. Certificates and Tax Elections.

(a) The parties hereto agree to execute immediately and from time to time thereafter such certificates or other documents and to effect such filings, recordings and publications and to do such other acts conforming hereto as shall constitute compliance with all requirements for the existence of a limited partnership under the laws of the State of Illinois and any other State in which the Partnership may do business. The parties also agree and obligate themselves to execute such certificates and other documents conforming hereto, and to effect such filings, recordings and publications, and to do such other acts appropriate thereto, as may be necessary to comply with the requirements of the laws of the State of Illinois and of any other State in which the Partnership may do business, in the

event of any alteration in the composition (or other change requiring any such action) or the dissolution of the Partnership.

(b) All elections required or permitted to be made by the Partnership under the Internal Revenue Code of 1986, as amended, shall be made by the General Partners in such manner as will, in the opinion of the accountants for the Partnership, be most advantageous to the Limited Partners. The General Partners shall cause the preparation and timely filing of all Partnership tax returns.

23. Transactions with Affiliates.

The General Partners are authorized to enter into agreements on behalf of the Partnership with any of the General Partners or with other persons or entities affiliated with any of the General Partners; provided, however, that any such agreement is made on terms and conditions which are fair to the Partnership.

24. General Partners as Attorneys-in-Fact for Limited Partners.

Each of the Limited Partners hereby constitutes and appoints the General Partners, and each of them, the true and lawful attorney for such Limited Partner, to make, execute, sign, acknowledge and file this Agreement and Certificate, evidencing the existence of the Partnership as a limited partnership pursuant to the laws of the State of Illinois, together with a certificate of any present or future amendment thereto, and upon

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termination of the Partnership, a Certificate of Dissolution or Cancellation, as shall be required under the laws of the State of Illinois, and to include therein all information required by the laws of such State and also to make, execute, sign, acknowledge and file such other instruments, including fictitious name certificates, as may be required under the laws of the State of Illinois, or of any other State, or by applicable Federal laws, without, however, in any way increasing the liability of the Limited Partners beyond the liability expressly set forth in this Agreement and Certificate. The foregoing power of attorney is a special power of attorney coupled with an interest and shall survive the death, bankruptcy, dissolution, liquidation, legal incompetence or other termination of any Limited Partner, to the extent it may legally contract for such survival, or the transfer, sale or assignment by any Limited Partner of its interest hereunder, except that where the purchaser, transferee or assignee thereof is admitted, pursuant to the provisions hereof, as a substitute Limited Partner, the power of attorney shall survive such assignment for the sole purpose of enabling such attorney-in-fact to execute, acknowledge, swear to and file any agreement, certificate or document necessary to effect such substitution.

## 25. Notices.

All notices required under this Agreement and Certificate shall be in writing, duly signed by the party giving such notice and transmitted by first class mail as follows:

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(a) If given to the Partnership, to the then principal place of business of the Partnership;

(b) If given to any Partner, to the address set forth below the name of such Partner on the signature page hereof or to such other address as such Partner may hereafter designate by written notice to the Partnership.

## 26. Amendment.

Any amendment to this Agreement and Certificate shall only be effective if the same shall be in writing and shall be concurred in by the unanimous consent of all of the Partners.

## 27. Headings.

Titles and captions contained in this Agreement and Certificate are inserted only as a matter of convenience and for reference and in no way define, limit or extend or describe the scope of this Agreement and Certificate or the intent of any provision hereof.

## 28. Governing Law.

This Agreement and Certificate contains the entire understanding of the parties hereto and shall be construed in accordance with the laws of the State of Illinois.

## 29. Number and Gender.

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

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## 30. Counterparts.

This Agreement and Certificate and any amendment hereto may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and with each counterpart to constitute one agreement between all of the parties hereto on the dates executed by them notwithstanding that all of the parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment and Restatement of Agreement and Certificate of Limited Partnership of Park Place Associates as of the day and year first above written.

### GENERAL PARTNERS

LIVE OAK PROPERTIES, INC.  
100 West Tenth Street  
Wilmington, DE 19899

(Corporate Seal)

Attest:

Virginia C. Pappas  
Assistant Secretary

By:

John C. Weber  
President

KSSA-PARK PLACE ASSOCIATES,  
a General Partnership  
Fidelity Court, Suite 200  
259 Radnor-Chester Road  
Radnor, PA 19087-5218

By:

[Signature]  
Partner

[Signatures Continued On Next Page]

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87249515

## LIMITED PARTNERS

LIVE OAK PROPERTIES, INC.  
100 West Tenth Street  
Wilmington, DE 19899

(Corporate Seal)

Attest:

Virginia C. Pappas  
Assistant Secretary

By:

John C. Gable  
President

KSSA-PARK PLACE ASSOCIATES,  
a General Partnership  
Fidelity Court, Suite 200  
259 Radnor-Chester Road  
Radnor, PA 19087-5218

By:

Robert J. Galloway  
Partner

LIVE OAK REAL ESTATE TRUST

By:

The Philadelphia National Bank,  
Trustee  
Broad and Chestnut Streets  
Philadelphia, PA 19101

(Corporate Seal)

Attest:

Robert J. Galloway

By:

William A. Fawcett  
Vice President

and

H. Peter Somers  
H. Peter Somers, Trustee  
2000-One Logan Square  
Philadelphia, PA 19103

John T. Dorrance, Jr. (SEAL)  
JOHN T. DORRANCE, JR.  
Monk Road  
Gladwyne, PA 19035

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3724711

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF Delaware : SS  
:

The foregoing instrument was acknowledged before me this 23rd day of March, 1987 by Richard K. Lypman, a Partner on behalf of KSSA-PARK PLACE ASSOCIATES, a partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day, month and year first above written.

LYNETTE D. LOOSE, NOTARY PUBLIC  
RADNOR TOWNSHIP, DELAWARE COUNTY  
MY COMMISSION EXPIRES APRIL 21, 1990  
Member, Pennsylvania Association of Notaries

Lynette D. Loose  
Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF PHILADELPHIA : SS  
:

The foregoing instrument was acknowledged before me this 14th day of April, 1987 by William A. Powell, a Vice-President of THE PHILADELPHIA NATIONAL BANK, one of the Trustees of the Live Oak Real Estate Trust, on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day, month and year first above written.

Mary I. Condora  
Notary Public

My Commission Expires:

MARY I. CONDORA  
Notary Public, Phila., Phila. Co.  
My Commission Expires Aug. 4, 1988



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37249013

COMMONWEALTH OF PENNSYLVANIA :  
: SS.  
COUNTY OF PHILADELPHIA :

The foregoing instrument was acknowledged before me this 10th day of April, 1987 by H. PETER SOMERS, one of the Trustees of Live Oak Real Estate Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day, month and year first above written.

Rosemarie K. Biatteau  
Notary Public

My Commission Expires:

ROSEMARIE K. BIATTEAU, NOTARY PUBLIC  
PHILADELPHIA, PHILADELPHIA COUNTY  
MY COMMISSION EXPIRES SEPT. 1, 1988  
Member, Pennsylvania Association of Notaries

STATE OF : Pennsylvania  
: SS.  
COUNTY OF Delaware :

The foregoing instrument was acknowledged before me this 23rd day of March, 1987 by JOHN T. DORRANCE, JR.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day, month and year first above written.

Lynette D. Loobe  
Notary Public

My Commission Expires:

LYNETTE D. LOOBE, NOTARY PUBLIC  
RADNOR TOWNSHIP, DELAWARE COUNTY  
MY COMMISSION EXPIRES APRIL 21, 1990  
Member, Pennsylvania Association of Notaries

87249013

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5 7 2 4 9 0 1 3

STATE OF *New York* :  
  : SS.  
COUNTY OF *New York* :

The foregoing instrument was acknowledged before me this 23 day of April, 1987 by JOHN C. WEBER, President of LIVE OAK PROPERTIES, INC., a Delaware corporation, on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day, month and year first above written.

*Norma Hawkins*  
Notary Public

My Commission Expires: *7/31/89*

NORMA HAWKINS  
Notary Public, State of New York  
No. 31-163913  
Qualified in New York County  
Commission Expires ~~March 30, 1988~~ *July 31, 1989*

87249013

. DEPT-01 \$68.00  
. T#0013 TRAN 4685 05/08/87 11:31:00  
. #2698 # C \* -87-249013  
. COOK COUNTY RECORDER

-87-249013

*6700  
Mail*

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Foss Schuman Drake

and Barnard #1100 RTN: S. SCHUMAN

11 S. La Salle St

Chicago 60603



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ASSISTANT