

**LIMITED PARTNERSHIP AGREEMENT  
OF  
1700 APARTMENTS CLT ASSOCIATES, LP**

This Limited Partnership Agreement (this “**Agreement**”) of 1700 APARTMENTS CLT ASSOCIATES, LP, a Delaware limited partnership (the “**Partnership**”), dated as of the 7<sup>th</sup> day of April, 2021 is made and entered into by and among 1700 APARTMENTS CLT GP, LLC, a Delaware limited liability company (the “**General Partner**”); and I&G SAM JV 1 LLC, a Delaware limited liability company (the “**Limited Partner**”); the Limited Partner and the General Partner are collectively referred to as the “**Partners**” and each individually as a “**Partner**”.

**RECITALS**

**WHEREAS**, the parties hereto desire to form a Delaware limited partnership for the purposes and on the terms and conditions hereinafter set out.

**NOW, THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I  
THE PARTNERSHIP**

**Section 1.01 Formation of the Partnership.** The General Partner and the Limited Partner hereby form a limited partnership under the provisions of the Delaware Revised Uniform Limited Partnership Act, Del. Code Ann. tit. 6, ch. 17, as the same may be amended from time to time (the “**Act**”). The rights, powers, duties, obligations, and liabilities of the Partners shall be determined under the Act and this Agreement. To the extent that the rights, powers, duties, obligations, and liabilities of any Partner are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

**Section 1.02 Name of the Partnership.** The name of the Partnership is 1700 APARTMENTS CLT ASSOCIATES, LP, a Delaware limited partnership, and the business of the Partnership shall be conducted under that name or such other name as the General Partner may from time to time deem appropriate.

**Section 1.03 Purpose of the Partnership.**

(a) The Partnership shall engage solely in the business of acquiring, owning, financing, refinancing, rehabilitating, operating, leasing, managing, holding for investment, exchanging, selling, and disposing of the multifamily project located at 1700 Charleston Place Lane, Charlotte, North Carolina 28212 (the “**Property**”) and such other activities as are related to or incidental to the foregoing.

(b) Subject to Section 1.03(c), and the other terms of this Agreement, the General Partner shall have the full and exclusive right to manage and control the business and affairs of the Partnership and to make all decisions regarding the business of the Partnership. All documents to be signed by the Partnership may be executed on behalf of the Partnership by the

General Partner of the Partnership. Any non-Partner transacting business with the Partnership may rely on the signature of the General Partner of the Partnership on any document or other instrument as creating a valid and binding obligation of the Partnership in accordance with its terms, and such non-Partner shall not be required to inquire as to the authorization of such General Partner.

(c) Single Purpose Entity Requirements. Until the first mortgage loan to the Partnership secured by the Property (the “**Loan**”), which Loan is held by Capital One, National Association, a national banking association (together with its successors and assigns, or any successor lender under the Loan, the “**Lender**”) is paid in full, the Partnership will remain a “**Single Purpose Entity**,” which means at all times since its formation and thereafter it will satisfy each of the following conditions:

(i) it will not engage in any business or activity, other than the ownership, operation and maintenance of the Property and activities incidental thereto.

(ii) it will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than Property and such personalty as may be necessary for the operation of Property and will conduct and operate its business as presently conducted and operated.

(iii) it will preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the State of Delaware and will do all things necessary to observe organizational formalities.

(iv) it will not merge or consolidate with any other any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority (a “**Person**”).

(v) it will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership or other equity interests, as applicable, other than transfers permitted under the documents memorializing the Loan (the “**Loan Documents**”); issue additional partnership or other equity interests, as applicable, or seek to accomplish any of the foregoing.

(vi) it will not, without the prior unanimous written consent of all of the Partners, take any of the following actions:

(A) File any insolvency, or reorganization case or proceeding, to institute proceedings to have the Partnership be adjudicated bankrupt or insolvent.

(B) Institute proceedings under any applicable insolvency law.

(C) Seek any relief under any law relating to relief from debts or the protection of debtors.

(D) Consent to the filing or institution of bankruptcy or insolvency proceedings against the Partnership.

(E) File a petition seeking, or consent to, reorganization or relief with respect to the Partnership under any applicable federal or state law relating to bankruptcy or insolvency.

(F) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for the Partnership or a substantial part of its property.

(G) Make any assignment for the benefit of creditors of the Partnership.

(H) Admit in writing the Partnership's inability to pay its debts generally as they become due.

(I) Take action in furtherance of any of the foregoing.

(vii) it will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in this Section 1.03(c).

(viii) it will not own any subsidiary or make any investment in, any other Person.

(ix) it will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.

(x) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than, (i) the Indebtedness (as defined in the Loan Documents), and (ii) customary unsecured trade payables incurred in the ordinary course of owning and operating the Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original

principal amount of the Indebtedness and are paid within 60 days of the date incurred.

(xi) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that the Partnership's assets may be included in a consolidated financial statement of its affiliate provided that (i) appropriate notation will be made on such consolidated financial statements to indicate the separateness of the Partnership from such affiliate and to indicate that the Partnership's assets and credit are not available to satisfy the debts and other obligations of such affiliate or any other Person and (ii) such assets will also be listed on the Partnership's own separate balance sheet.

(xii) except for capital contributions or capital distributions permitted under the terms and conditions of this Agreement, it will only enter into any contract or agreement with any partner, principal or affiliate of the Partnership, or any member, partner, principal or affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.

(xiii) it will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(xiv) it will not assume or guaranty the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.

(xv) it will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Loan Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).

(xvi) it will file its own tax returns separate from those of any other Person, except to the extent that the Partnership is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, and will pay any taxes required to be paid under applicable law.

(xvii) it will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will

not identify itself or any of its affiliates as a division or department of any other Person.

(xviii) it will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and will pay its debts and liabilities from its own assets as the same become due; provided, however, that no Partner shall be required to contribute additional capital to the Partnership.

(xix) it will allocate fairly and reasonably shared expenses with affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name

(xx) it will pay (or cause the Somerset Apartment Management, LLC, a Tennessee limited liability company, d/b/a Sandhurst Apartment Management (the “**Property Manager**”) to pay on behalf of the Partnership from the Partnership’s funds) its own liabilities (including salaries of its own employees) from its own funds.

(xxi) it will not acquire obligations or securities of its Partners or affiliates of the Partnership or its Partners.

(xxii) Except (i) as contemplated or permitted by the property management agreement with respect to the Property Manager, and (ii) for LaSalle Investment Management, Inc., it will not permit any affiliate or constituent party independent access to its bank accounts.

(xxiii) it will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds.

(xxiv) it will be formed and organized under Delaware law.

(xxv) To the extent not specifically set forth in this Section 1.03(c), the Partnership will comply with the single purpose entity provisions set forth in Section 4.02(d) of that certain Multifamily Loan and Security Agreement between the Partnership and Lender (the “**Loan Agreement**”), as the same may be amended from time to time. In the event of any conflict between the provisions of this Section 1.03(c) and the provisions of Section 4.02(d) of the Loan Agreement, the provisions of Section 4.02(d) of the Loan Agreement shall control.

**Section 1.04 Principal Place of Business; Registered Office and Agent.** The principal place of business of the Partnership shall be at c/o LaSalle Investment Management, Inc., 333 West Wacker Drive, Suite 2300, Chicago, IL 60606, Attention: Ty Spearing. The Partnership may locate its principal place of business at any other place or places, as shall be designated from

time to time, by the General Partner (as hereinafter defined). For purposes of the Act, the registered office and statutory agent for service of process for the Partnership in the State of Delaware shall be: Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. The General Partner (as hereinafter defined) may change the registered office or agent for service of process for the Partnership from time to time as permitted under the Act.

**Section 1.05 Certificate of Limited Partnership.** The General Partner has executed or shall execute a Certificate of Limited Partnership (the “**Certificate**”) and has caused or will cause the Certificate to be filed in the office of the Secretary of State of the State of Delaware. The General Partner shall execute and cause to be filed certificates of amendment to the Certificate whenever required by the Act or this Agreement, together with any other documents required for qualification of the Partnership to do business where required.

**Section 1.06 Term of Partnership.** The term of the Partnership shall commence on the date of the filing of the Certificate with the Secretary of State of Delaware and shall continue until the Partnership is dissolved in accordance with this Agreement or by law.

## ARTICLE II PARTNERS

**Section 2.01 General Partner.** Any partner designated from time to time by the Partners (under the terms of this Agreement), with the responsibility of managing the Partnership shall be the “**General Partner.**” The General Partner is hereby admitted to the Company as of the date of this Agreement and appointed as the General Partner by the Partners.

**Section 2.02 Limited Partner.** The Limited Partner is hereby admitted to the Partnership as a limited partner as of the date of this Agreement.

### **Section 2.03 Removal of General Partner.**

(a) On a vote of the Limited Partners holding one hundred percent (100%) of the total Percentage Interests, the General Partner shall be removed as the General Partner on the happening of any of the following events (each, a “**Removal Event**”):

(i) The General Partner is in default of any payment obligation hereunder, including, without limitation, any payment obligation under Article III, or is in breach of any other material obligation under this Agreement and such default or breach is not corrected within ten (10) days after written notice thereof from the other Partners; if such default or breach is willful, flagrant, and material, and not susceptible of cure, then no notice or grace period shall be required;

(ii) The General Partner shall commit an act involving fraud, willful misconduct, or gross negligence in connection with any of its obligations hereunder;

(iii) Any transfer by the General Partner in violation of the provisions of Article VIII;

(iv) The misappropriation of funds or property of the Partnership by the General Partner or any of its respective affiliates;

(v) The bankruptcy or dissolution of the General Partner;

(vi) There shall occur a default beyond applicable notice and grace period of any obligation of the General Partner or any affiliate under any agreement between the Partnership, on the one hand, and the General Partner or any affiliate, on the other hand, and such default or breach is not corrected within ten (10) days after the General Partner's receipt of written notice thereof.

(b) If a Removal Event has occurred, the Limited Partners shall have the right, under the terms of Section 2.03(a) above, by written notice to the General Partner given at any time thereafter (such notice, the "**Removal Notice**"), to remove the General Partner from managing the Partnership and to designate a new general partner of the Partnership. The Removal Notice shall specify with particularity the basis for removal and shall become effective the later of (i) ten (10) days after the date of the Removal Notice; or (ii) the date set out in the Removal Notice (the "**Removal Date**"). In such event, (A) the powers and authorities granted to the General Partner hereunder shall terminate and be of no force or effect; and (B) until a new general partner is approved under Section 2.05, the Person designated by the Limited Partner shall manage the Partnership. If the General Partner has been removed under this Section, the Partners shall have all rights, remedies, and recourses available to them hereunder for any breach or default by any replacement general partner of the Partnership, as if such replacement general partner were the General Partner, as that term is used in this Article II and any related defined terms, including, without limitation, a Removal Event.

(c) On removal of the General Partner:

(i) The General Partner shall no longer transact any business on behalf of the Partnership and shall no longer be the General Partner of the Partnership;

(ii) All contracts, agreements, or arrangements between the Partnership and the General Partner and/or any of its affiliates shall immediately terminate as of the Removal Date, without penalty or termination fees;

(iii) The General Partner shall take such action as may be necessary, or as a replacement general partner may direct, for the transfer, protection, and/or preservation of partnership assets that is in the possession or control of the General Partner and in which the Partnership have or may acquire an interest;

(iv) The General Partner shall cooperate fully with a replacement general partner and the Partnership to effect an orderly transition of management responsibilities to the new general partner;

(v) The General Partner shall be released of all duties, obligations, rights, and powers as general partner of the Partnership first arising or occurring after the Removal Date; provided, however, that the General Partner shall not be released from any duties or obligations arising before the Removal Date;

(vi) The General Partner shall forfeit all rights to receive any then-earned fees under this Agreement;

(vii) The General Partner shall have no right to subsequently cure or remedy the event or cause that was the basis for removal to resume being the General Partner; and

(viii) The Interest of the General Partner, if any, shall be converted into and shall be deemed to be an Interest as a Limited Partner effective as of the Removal Date, but with no right to participate in the management of the business of the Partnership, including to vote on any Major Decision.

**Section 2.04 Withdrawal of General Partner.** The General Partner may not voluntarily withdraw as the General Partner, unless otherwise consented to by the Limited Partners holding one hundred percent (100%) of the total Percentage Interests.

**Section 2.05 Appointment of New General Partner.** If the General Partner is no longer General Partner as a result of any event set out in Section 2.03(a) or Section 2.04, or Section 17-402 of the Act, then if within ten (10) days after such event Limited Partners holding at least one hundred percent (100%) of the total Percentage Interests agree in writing to continue the business of the Partnership and to the appointment, effective as of the withdrawal date or Removal Date, of one or more new General Partners, such substitute General Partners shall be elected or admitted to the Partnership and the business of the Partnership shall be carried on by such new General Partner. If Limited Partners holding at least one hundred percent (100%) of the total Percentage Interests fail to agree to continue the business of the Partnership, the Partnership shall be dissolved pursuant to Article IX.

**Section 2.06 Indemnification by the General Partner.** The General Partner shall, to the fullest extent permitted by applicable law, indemnify, defend, and hold harmless the Partnership, its Partners, affiliates, employees, officers, and directors from and against any and all claims, demands, causes of action, fines, penalties, costs and expenses (including attorneys' fees), losses, or damages of any kind or character, including the cost of defense thereof and all costs of investigation in connection therewith, but excluding lost profits, suffered by any of the foregoing arising out of a Removal Event or a breach of fiduciary duty or material violation of



criminal or securities laws. The indemnifications contained in this Section 2.06 shall survive the termination of this Agreement and the dissolution of the Partnership.

### ARTICLE III CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

**Section 3.01 Initial Capital Contributions.** The initial capital contributions (the “**Initial Contributions**”) and initial percentage interests of the Partners in the Partnership (“**Percentage Interests**”; also, hereinafter sometimes referred to as “**Interests**”) shall be as set out on Exhibit A attached hereto. Capital Contributions (as defined in Section 3.02(a)) shall be credited to the contributing Partner’s Capital Account (as defined in Section 3.06) at the time of such contribution to the Partnership. The General Partner shall update Exhibit A on the issuance or Transfer of any Interests to any new or existing Partner in accordance with this Agreement.

#### **Section 3.02 Additional Capital Contributions.**

(a) In addition to the Initial Contributions, each Partner shall make such additional capital contributions to the Partnership as the General Partner may require, from time to time, for the acquisition of the Property and to conduct the Partnership’s business, maintain its assets and discharge its liabilities, to the extent that such additional amounts are not available from available cash flow from the Property (the “**Additional Capital Contributions**” and, together with the Initial Contributions, the “**Capital Contributions**”). Such Additional Capital Contributions shall be made by the Partners in accordance with their respective Percentage Interests, subject to the provisions of Section 3.02(b).

(b) If the General Partner has reasonably determined that any such Additional Capital Contributions be made, the General Partner shall notify the Partners thereof specifying in such notice the amount of funds required, each Partner’s share thereof in accordance with the terms of this Agreement, and the purpose therefor. The Partners shall contribute the amounts called for within ten (10) business days after written notice thereof is given.

#### **Section 3.03 [Intentionally deleted].**

**Section 3.04 Withdrawal and Return of Capital to Partners.** Except as otherwise provided in this Agreement: (a) no Partner may withdraw any portion of the capital of the Partnership; (b) no Partner shall be entitled to the return of its Capital Contribution; (c) under circumstances requiring a return of any Capital Contributions, no Partner shall have the right to receive property other than cash; and (d) no interest shall be paid on any Capital Contribution to the Partnership.

**Section 3.05 Title to Partnership Property.** All Partnership assets shall be owned by the Partnership as an entity and, insofar as permitted by applicable law, no Partner shall have any

ownership interest in the Partnership assets in its individual name or right, and each Partner's ownership interest in the Partnership ("**Interest**") shall be personal property for all purposes.

**Section 3.06 Maintenance of Capital Accounts.** The Partnership shall establish and maintain for each Partner a separate capital account (a "**Capital Account**") reflecting the Capital Contributions made by such Partner, the profits and losses allocated to such Partner and the distributions made to such Partner.

**Section 3.07 No Obligation to Restore Negative Balances in Capital Accounts.** No Limited Partner shall have an obligation, at any time during the term of the Partnership or on its liquidation, to pay to the Partnership or any other Partner or third party an amount equal to the negative balance in such Limited Partner's Capital Account.

**Section 3.08 Liability of Partners.** Except as otherwise expressly provided in the Act, the debts, obligations, and liabilities of the Partnership, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Partnership, and no Limited Partner shall be obligated personally for any such debt, obligation, or liability solely by reason of being a Limited Partner. Except as otherwise expressly provided in the Act, the liability of each Limited Partner shall be limited to the amount of Capital Contributions required to be made by such Limited Partner in accordance with the provisions of this Agreement, but only when and to the extent the same shall become due under the provisions of this Agreement. The provisions of this Section shall not be deemed to modify, waive, or limit the personal obligations and liabilities (if any) of the Limited Partners to each other as specifically provided in this Agreement (including, without limitation, in Sections 3.01 and 3.02).

#### ARTICLE IV ALLOCATIONS

**Section 4.01 Allocation of Net Income and Net Loss.** For each fiscal year (or portion thereof), all items of income, profits, losses, credits, and deductions of the Partnership shall be allocated among the Partners in proportion to their Percentage Interests.

**Section 4.02 Allocations to Assigned Interests.** In the event of a transfer of Interests during any fiscal year made in compliance with the provisions of Article VIII, items of income, gain, loss, and deduction of the Partnership attributable to such Interests for such fiscal year shall be determined using the interim closing of the books method.

#### ARTICLE V DISTRIBUTIONS

**Section 5.01 Distributions.**

(a) All available cash of the Partnership, after allowance for all reasonable costs and expenses incurred by the Partnership and for such reasonable reserves as the

General Partner shall determine, shall be distributed, on a quarterly basis, in the following order of priority:

(i) First, to the Partners, in the same proportion to each Partner as such Partner's unreturned Capital Contributions bear to the aggregate total unreturned Capital Contributions for all Partners, until the amount of each Partner's unreturned Capital Contributions has been reduced to zero as of the date immediately before the making of such distribution; and

(ii) Second, to the Partners, pro rata, in accordance with their respective Percentage Interests.

(b) All amounts withheld or required to be withheld under the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law) (the "Code") or any provision of any state, local, or foreign tax law regarding any payment, distribution, or allocation to the Partnership or any Partner and treated by the Code (whether or not withheld under the Code) or any such tax law as amounts payable by or about any Partner or any person owning an interest, directly or indirectly, in such Partner shall be treated as amounts distributed to the Partner regarding which such amount was withheld under this Section 5.01(b) and Section 9.03 for all purposes under this Agreement. The General Partner is authorized to withhold from distributions, or regarding allocations, to the Partners and to pay over to any federal, state, local, or foreign government any amounts required to be so withheld under the Code or any provisions of any other federal, state, local, or foreign law and shall allocate any such amounts to the Partner regarding which such amount was withheld.

**Section 5.02 [Intentionally deleted]**

## ARTICLE VI MANAGEMENT

**Section 6.01 Control and Management.** The business and affairs of the Partnership shall be managed by the General Partner in accordance with this Article VI. Except as otherwise provided in this Agreement, the General Partner shall have sole and exclusive control over the Partnership, and the General Partner shall have the power and authority to take such action from time to time as the General Partner may deem to be necessary, appropriate, or convenient in connection with the management and conduct of the business and affairs of the Partnership.

**Section 6.02 [Intentionally deleted]**

**Section 6.03 Devotion of Time and Duties of General Partner.** The General Partner shall devote such care, time, and attention to the affairs of the Partnership as may be reasonably necessary for the proper performance of its duties hereunder. In addition to and without limiting

the customary duties and obligations of a general partner of a limited partnership, the General Partner shall:

- (a) To the extent Partnership funds are available, pay all debts and satisfy all obligations and liabilities of the Partnership (other than those being contested in good faith);
- (b) Use all reasonable efforts to cause the Partnership at all times to perform and comply with the provisions of any loan commitment, agreement, mortgage, lease, or other contract, instrument, or agreement to which the Partnership is a party; and
- (c) Deliver to the Limited Partners all reports required under this Agreement.

**Section 6.04 Compensation of Partners and Partner Affiliates.** Except as provided in this Agreement or any other written agreement approved by the Partners, no Partner or affiliate thereof shall be entitled to any fees or compensation from the Partnership.

**Section 6.05 [Intentionally deleted]**

**Section 6.06 Other Activities.** Any Partner may engage in or have an interest in other business ventures of any nature or description, independently or with others, whether presently existing or hereafter created, including those in competition with the operations of the Partnership, and neither the Partnership nor any other Partner shall have any rights in or to such independent ventures or the income or profits derived therefrom resulting from being a Partner in the Partnership.

**Section 6.07 Indemnification of Partners.** To the extent of the Partnership's assets, the Partnership agrees to indemnify the Partners and their officers, directors, partners, shareholders, members, advisors, agents, and affiliates (each, an "**Indemnified Party**," and, collectively, the "**Indemnified Parties**") to the fullest extent permitted by the Act and to defend, protect, save, and hold them harmless from all fees, costs, losses, damages, and expenses (including reasonable attorneys' fees) incurred in connection with or resulting from any claim, action, or demand arising out of or in any way relating to the Partnership or any of its assets or properties, including amounts paid in settlement or compromise (if recommended by the Partnership's counsel) of any such claim, action, or demand and all fees, costs, and expenses (including reasonable attorneys' fees) in connection therewith. Notwithstanding the foregoing, indemnification shall not be available or paid to any Indemnified Party regarding any matter as to which such Indemnified Party shall have committed an act or omission (where such Indemnified Party had a contractual duty to act) involving willful misconduct, fraud, gross negligence, misappropriation of partnership funds or assets, or a material breach of this Agreement. The indemnification provided under this Section 6.07 shall be in addition to any other rights which an Indemnified Party may be entitled under any agreement or vote of the Partners, as a matter of law or equity, or otherwise, and shall continue as to an Indemnified Party

who is a Partner but who has ceased to serve in that capacity, and shall inure to the benefit of the heirs, successors, assigns, and administrators of the Indemnified Parties.

## ARTICLE VII ACCOUNTING; REPORTING; TAX MATTERS

**Section 7.01 Partnership Accounting Practices.** The General Partner shall maintain or cause to be maintained at all times true and correct books, records, reports, and accounts in which shall be entered fully and accurately all transactions of the Partnership. The books and records of the Partnership shall be kept by the General Partner in accordance with generally accepted accounting principles, consistently applied, unless otherwise required under the Code or unless otherwise directed by the Partners holding at least one hundred percent (100%) of the total Percentage Interests. The accountants for the Partnership shall be selected by the General Partner.

**Section 7.02 Access to Records by Limited Partners.** Each Limited Partner and its duly authorized representative, attorney, or attorney in fact of any of them, shall have the right, on reasonable request, to inspect and copy, during normal business hours, any and all Partnership records and documents relating to the Property.

**Section 7.03 Income Tax Information.** The General Partner shall cause the Partnership to provide each Partner, at such Partner's cost, on reasonable request, with such information as shall be reasonably required by such Partner to enable it to file any of its tax returns and shall also from time to time furnish such other information available to the Partnership as such Partner may reasonably request for the purpose of enabling it to comply with any reporting, filing, or other requirements imposed by any statute, rule, regulation, or otherwise by any governmental agency or authority or with its own internal rules, regulations, and policies generally applicable regarding investments of this nature.

**Section 7.04 Partnership Tax or Information Returns.** If required, the General Partner shall send to each Partner a copy of the approved Partnership's federal, state, and local income tax or information returns for the then previous taxable year at least five (5) days before the due date therefor.

**Section 7.05 Banking.** The General Partner shall open and thereafter maintain one or more separate bank accounts in the name of the Partnership with a federally insured reputable bank or other financial institution in which there shall be deposited funds of the Partnership. No other funds shall be deposited in said accounts. The funds in said accounts shall be used solely for the business of the Partnership, and all withdrawals therefrom are to be made only by the General Partner or such other persons as the General Partner may from time to time designate.

**Section 7.06 Financial Reports.** The General Partner shall be responsible, at the expense of the Partnership, for the preparation of financial reports of the Partnership and the coordination of financial matters of the Partnership with the Partnership's accountants. Within

one hundred twenty (120) days after the end of each fiscal year and within thirty (30) days after the end of each fiscal quarter, the General Partner, at the expense of the Partnership, shall cause each Partner to be furnished with a copy of the balance sheet of the Partnership as of the last day of the applicable period, and a statement of income or loss for the Partnership for such period.

**Section 7.07 Fiscal Year.** The fiscal year of the Partnership shall be the calendar year, unless otherwise approved by the Partners holding at least one hundred percent (100%) of the total Percentage Interests, or as otherwise required under the Code and the Treasury Regulations promulgated thereunder. As used in this Agreement, a fiscal year shall include any partial fiscal year at the beginning and end of the Partnership term.

**Section 7.08 Election of Adjusted Basis.** In the event of a transfer of all or part of the Interest of a Limited Partner, the General Partner shall, on request by a Limited Partner, elect, on behalf of the Partnership, to adjust the basis of the Property under Section 754 of the Code, if no material adverse income tax consequence shall result to the Partnership or any Partner.

**Section 7.09 Tax Matters Representative.**

(a) **Appointment; Resignation.** The Partners hereby appoint the Limited Partner as the “partnership representative” as provided in Code Section 6223(a) of the Code as amended by the Bipartisan Budget Act of 2015 (the “**BBA**”) (the “**Tax Matters Representative**”). The Tax Matters Representative can be removed at any time by a vote of one hundred percent (100%) of the Partners. The Tax Matters Representative shall resign if it is no longer a limited partner of the Partnership. In the event of the resignation or removal of the Tax Matters Representative, a majority of the other Partners shall select a replacement Tax Matters Representative.

(b) **Tax Examinations and Audits.** The Tax Matters Representative is authorized and required to represent the Partnership (at the Partnership’s expense) in connection with all examinations of the Partnership’s affairs by taxing authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. The Tax Matters Representative shall promptly notify the Partners in writing of the commencement of any tax audit of the Partnership, upon receipt of a tax assessment and upon the receipt of a notice of final partnership administrative adjustment or final partnership adjustment, and shall keep the Partners reasonably informed of the status of any tax audit or resulting administrative or judicial proceeding. Without the consent of one hundred percent (100%) of the Partners, the Tax Matters Representative shall not extend the statute of limitations, file a request for administrative adjustment, file suit relating to any Partnership tax refund or deficiency or enter into any settlement agreement relating to items of income, gain, loss or deduction of the Partnership with any taxing authority.

(c) **BBA Elections.** The Partnership shall not elect into the partnership audit procedures under Subchapter C of Chapter 63 of the Code (as amended by the BBA) (the

“**BBA Procedures**”) unless otherwise approved by the Partners, the Tax Matters Representative shall cause the Partnership to annually elect out of the BBA Procedures for pursuant to Code Section 6221(b) to the extent permitted by applicable law and regulations. For any year in which applicable law and regulations do not permit the Partnership to elect out of the BBA Procedures, then within forty-five (45) days of any notice of final partnership adjustment, the Tax Matters Representative shall cause the Partnership to elect the alternative procedure under Code Section 6226, and furnish to the Internal Revenue Service and each Partner (including former Partners) during the year or years to which the notice of final partnership adjustment relates a statement of the Partner’s share of any adjustment set forth in the notice of final partnership adjustment.

(d) **Tax Returns and Tax Deficiencies.** Each Partner agrees that such Partner shall not treat any Partnership item inconsistently on such Partner’s federal, state, foreign, or other income tax return with the treatment of the item on the Partnership’s return. Any deficiency for taxes imposed on any Partner or former Partner (including penalties, additions to tax or interest imposed with respect to such taxes, and any taxes imposed pursuant to Code Section 6226) shall be paid by such Partner and if required to be paid (and actually paid) by the Partnership, will be recoverable from such Partner.

(e) **Section 754 Election.** The Tax Matters Representative shall make an election under Code Section 754 if requested in writing by a Partner.

(f) **Tax Returns.** The Tax Matters Representative shall cause to be prepared and timely filed all tax returns required to be filed by or for the Partnership.

(g) **Indemnification.** The Partnership shall defend, indemnify, and hold harmless the Tax Matters Representative against any and all liabilities 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 Representative, so long as such act or decision was done or made in good faith and does not constitute gross negligence or willful misconduct.

(h) **Survival.** The obligations of each Partner or former Partner under this Section 7.09 shall survive the transfer or redemption by such Partner of its partnership interest, the termination of this Agreement, or the dissolution of the Partnership.

## ARTICLE VIII TRANSFERS

**Section 8.01 Transfers Permitted.** Each Partner may transfer its Interest without the consent of any other Partner.

**Section 8.02 Prohibition on Assignments Violating Securities Laws.** No transfer or assignment of any Partner’s Interest shall be made if counsel for the Partnership shall be of the

opinion that such transfer or assignment would be in violation of any federal or state securities laws applicable to the Partnership.

## **ARTICLE IX DISSOLUTION AND LIQUIDATION**

**Section 9.01 Dissolution and Winding Up.** The Partnership shall be dissolved, and its affairs shall be wound up, on the occurrence of any of the following events:

- (a) A written consent to dissolution is signed by the Partners holding at least one hundred percent (100%) of the total Percentage Interests.
- (b) All or substantially all of the Partnership's assets are sold or otherwise disposed of, and the only property of the Partnership consists of cash from such sale or disposition available for distribution to the Partners; provided that the legal existence of the Partnership may be continued until the last day of its usual taxable year.
- (c) The General Partner ceases to be a general partner of the Partnership under the Act or this Agreement; provided that the Partnership shall not be dissolved if: (i) the Limited Partners shall have voted to continue the Partnership as provided in Section 2.05; or (ii) at such time there is at least one remaining general partner of the Partnership who is authorized to and does carry on the business of the Partnership.
- (d) A decree of judicial dissolution is entered under the Act.
- (e) Any other event causing dissolution of the Partnership under the Act.

**Section 9.02 Responsibility for Winding Up.** On the dissolution of the Partnership, the affairs of the Partnership shall be wound up by the General Partner or, if there is no General Partner remaining, the Partnership's affairs shall be wound up by the Limited Partners. If the Limited Partners wind up the Partnership's affairs, they shall be entitled to reasonable compensation.

**Section 9.03 Liquidation and Distribution.** Notwithstanding anything set out in this Agreement to the contrary, the person(s) responsible for winding up the affairs of the Partnership under Section 9.02 shall take full account of the Partnership's assets and liabilities, shall liquidate the assets of the Partnership as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds in the following order of priority (with noncash items being valued at fair market value, as reasonably determined by the persons responsible for the winding-up):

- (a) First, to pay all outstanding debts and liabilities of the Partnership (to the extent that such debts and liabilities are then due);



(b) Second, to fund a reasonable reserve for contingent liabilities of the Partnership (after passage of a reasonable time the balance, if any, in said reserve shall be distributed as set out below);

(c) Third, all remaining proceeds shall be distributed in accordance with Sections 5.01(a)(i) to 5.01(a)(ii). Such distribution required by this Section 9.03(c) shall be made by the end of the fiscal year in which such dissolution occurs, or, if later, within ninety (90) days after the date of such dissolution.

It is the intention of the Partners that the positive Capital Account balance of each Partner immediately before the receipt of any liquidating distributions by such Partner will be equal to the amount distributable to such Partner under Section 5.01(a)(ii); if a Partner's Capital Account is not equal to such amount, the General Partner shall cause the allocations of profit and loss, or items thereof (including items of gross income and deductions) for the tax year of the Partnership ending with the liquidation to be allocated in such a way so as to cause each Partner's Capital Account to equal the amount that such Partner is entitled to receive under Section 5.01(a)(ii).

**Section 9.04 Requirements on Liquidation.** Notwithstanding anything set out in this Agreement to the contrary, if the Partnership is "liquidated" (or any Partner's Interest in the Partnership is "liquidated") (as that term is defined in Regulation Section 1.704-1(b)(2)(ii)(g)) and any Partner's Capital Account (or, as the case may be, the Capital Account of the Partner whose Interest is "liquidated") has a deficit balance, such Partner(s) shall have no obligation to restore such deficit balance or otherwise contribute to the capital of the Partnership.

**Section 9.05 Cancellation of Certificate of Limited Partnership.** On the completion of the winding up of the Partnership's affairs, the Partners conducting the winding up of the Partnership's affairs shall execute and file in the office of the Secretary of State of the State of Delaware a certificate of cancellation.

## ARTICLE X REPRESENTATIONS AND WARRANTIES

**Section 10.01 Representations, Warranties, and Acknowledgments by Partners.** Each Partner represents, warrants, and acknowledges, as to itself only, that:

(a) It is purchasing its Interest for its own account and not with a view to or for sale in connection with any distribution of the Interest acquired.

(b) It has been given ample opportunity to ask questions of and receive answers from the General Partner concerning the Partnership's business and/or the Property and to obtain any additional information necessary to verify the accuracy of the information provided to the Partners, and the General Partner has answered all inquiries that such Partner, or its representative, if any, have made concerning the Partnership and/or the Property.

(c) It acknowledges that it is purchasing its Interest in reliance solely on: (i) its inspection of the Property or, if none, its independent determination not to make such an inspection; (ii) such Partner's independent verification (to the extent such Partner has deemed such verification necessary) of the accuracy of any: (A) documents delivered to the Partners; and (B) statements made to the Partners concerning the Property and the Partnership; and (iii) the opinions and advice concerning the Property and the Partnership of third-party consultants and/or advisors to the extent engaged by such Partner.

(d) It is an "accredited investor" (as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "**Securities Act**")).

(e) It: (i) has adequate net worth; (ii) has no need for liquidity in this investment; (iii) can bear the substantial economic risks of an investment in the Partnership for an indefinite period; and (iv) at the present time, can afford a complete loss of such investment.

(f) It acknowledges that neither the offering nor the sale of the Interests has been registered under the Securities Act, or state securities laws, in reliance on exemptions therefrom for non-public offerings. It understands and agrees that the Interests must be held indefinitely unless the sale or other transfer thereof is subsequently registered under the Securities Act and applicable state securities laws or an exemption from such registration is available. It further acknowledges that the Partnership is under no obligation to register the Interests on its behalf or to assist it in complying with any exemption from registration.

(g) It acknowledges that it may not be able to sell or dispose of its Interests as there will be no public market for them. In addition, it understands that its right to transfer the Interests will be subject to the conditions set out in this Agreement.

(h) Neither it nor any partner, member, or stockholder of such Partner is, and no legal or beneficial interest in a partner, member, or stockholder of such Partner is, or will be held, directly or indirectly by a person or entity that appears on a list of individuals and/or entities for which transactions are prohibited by the US Treasury Office of Foreign Assets Control or any similar list maintained by any other governmental authority, regarding which entering into transactions with such person or entity would violate the USA PATRIOT Act or regulations or any Presidential Executive Order or any other similar applicable law, ordinance, order, rule, or regulation.

## **ARTICLE XI MISCELLANEOUS**

**Section 11.01 Notices.** Unless specifically stated otherwise in this Agreement, all notices, waivers, and demands required under this Agreement shall be in writing and delivered to all other parties at the addresses set out in Exhibit A, by one of the following methods: (a) hand

delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the business day following deposit with the courier; (c) Registered United States Mail, signature required and postage-prepaid, whereby delivery is deemed to have occurred on the third business day following deposit with the United States Postal Service; or (d) electronic transmission (facsimile or e-mail) if the transmission is completed no later than 5:00 p.m. Eastern time on a business day, whereby delivery is deemed to have occurred at the end of the business day on which electronic transmission is completed. Any party shall change its address for purposes of this Section 11.01 by giving written notice as provided in this Section 11.01.

**Section 11.02 Complete Agreement; Amendments and Modifications; Partial Invalidity; Waivers.**

(a) This Agreement may be executed in counterparts, and when executed and delivered by all parties in person, by facsimile or email pdf, shall become one (1) integrated agreement enforceable on its terms. This Agreement supersedes all prior agreements between or among the parties regarding the subject matter hereof and all discussions, understandings, offers, and negotiations with respect thereto, whether oral or written. This Agreement shall not be amended or modified, except in a writing signed by each party hereto. All exhibits that are referenced in this Agreement or attached to it are incorporated herein and made a part hereof as if fully set out in the body of the document.

(b) Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

(c) Any waiver of any provision or of any breach of this Agreement shall be in writing and signed by the party waiving said provision or breach. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

**Section 11.03 Third-Party Beneficiary; Successors and Assigns.**

(a) This Agreement is an agreement solely for the benefit of the Partners (and their permitted successors and/or assigns). No other person, party or entity shall have any rights hereunder nor shall any other person, party, or entity be entitled to rely on the terms, covenants, and provisions contained herein. The provisions of this Section 11.03 shall survive the termination of this Agreement or dissolution of the Partnership.

(b) This Agreement and all its covenants, terms, and provisions, shall be binding on and inure to the benefit of each party and its permitted successors and assigns.

**Section 11.04 Further Assurances.** Each Partner agrees to do such things, perform such acts, and make, execute, acknowledge, and deliver such documents as may be reasonably necessary and customary to carry out the intent and purposes of this Agreement, if any of the foregoing do not materially increase any Partner's obligations hereunder or materially decrease any Partner's rights hereunder.

**Section 11.05 Interpretation and Construction.** The parties hereto acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. Any captions or headings used in this Agreement are for convenience only and do not define or limit the scope of this Agreement.

**Section 11.06 Days; Performance on a Saturday, Sunday, or Holiday.** Whenever the term "day" is used in this Agreement, it shall refer to a calendar day unless otherwise specified. Should this Agreement require an act to be performed or a notice to be given on a day other than a business day, the act shall be performed or notice given on the following business day.

**Section 11.07 Governing Law; Jurisdiction; Attorneys' Fees.** This Agreement shall be enforced, governed, and construed in all respects in accordance with the internal laws of the State of Delaware, without giving effect to the choice of law or conflict of law rules or laws of such jurisdiction. The prevailing party in any litigation, claim, or lawsuit shall be entitled to recover from the other party expenses, including reasonable attorneys' fees, including expenses and fees of any appeals. Each Partner shall be entitled, in addition to all other applicable remedies, to equitable relief, including temporary and permanent injunction and a decree for specific performance, in the event of any breach of the provisions hereof by any other Partner.

**Section 11.08 Waiver of Jury Trial.** EACH PARTNER HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION, OR PROCEEDING BROUGHT BY THE OTHER PARTY HERETO UNDER THIS AGREEMENT OR IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED HEREBY, ANY AND EVERY RIGHT EACH PARTNER MAY HAVE TO A TRIAL BY JURY.

**Section 11.09 Equitable Remedies.** Each Party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other parties, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such Party of any such obligations, each of the other Parties hereto shall, in addition to any and all other rights and remedies that may be available to them relating to such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief

that may be available from a court of competent jurisdiction (without any requirement to post bond).

**Section 11.10 Ownership of Property; Right of Partition.** The interest of each Partner in the Partnership shall be personal property for all purposes. No Partner shall have any right to partition the Property or any assets of the Partnership and each Partner hereby irrevocably waives any and all right to partition, or to maintain any action for partition, or to compel any sale regarding its interest in any assets or properties of the Partnership except as expressly provided in this Agreement.

[SIGNATURE PAGES FOLLOW]


IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DATE FIRST WRITTEN ABOVE.

**GENERAL PARTNER**

1700 APARTMENTS CLT GP, LLC,  
a Delaware limited liability company

By: I&G SAM JV1 LLC,  
a Delaware limited liability company  
Its: Sole Member

By: I&G 1700 Investors Inc.,  
a Delaware corporation  
Its: Managing Member

By:   
Name: Ty J. Spearing  
Its: Vice President

**LIMITED PARTNER**

I&G SAM JV 1 LLC,  
a Delaware limited liability company

By: I&G 1700 Investors Inc.,  
a Delaware corporation  
Its: Managing Member

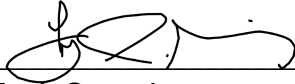
By:   
Name: Ty J. Spearing  
Its: Vice President

Exhibit A**LIST OF PARTNERS, PERCENTAGE INTERESTS, AND INITIAL CONTRIBUTIONS****GENERAL PARTNERS**

Name of Partner	Initial Contribution	Percentage Interest
1700 Apartments CLT GP, LLC c/o LaSalle Investment Management, Inc. 333 West Wacker Drive, Suite 2300 Chicago, Illinois 60601	\$0.00	0.00%

**LIMITED PARTNER**

Name of Partner	Initial Contribution	Percentage Interest
I&G SAM JV 1 LLC c/o LaSalle Investment Management, Inc. 333 West Wacker Drive, Suite 2300 Chicago, Illinois 60601	\$100	100%
Total:	\$100	100%