January 12, 2026

Dear Shareholder:

Morgan Stanley Real Estate Advisor, Inc., the investment adviser (the "**Investment Adviser**") of Prime Property Fund, LLC ("**PRIME LLC**"), is writing in relation to the proposed restructuring of PRIME LLC (the "**Proposed Restructuring**"). As described in the investor notice provided to Shareholders of PRIME LLC on November 3, 2025 (the "**Investor Notice**"), the Investment Adviser is proposing to restructure PRIME LLC by establishing Prime Property Fund, LP, a Delaware limited partnership ("**PRIME LP**" and, together with PRIME LLC, the "**Fund**"), that would invest indirectly into PRIME LLC. In connection with the Proposed Restructuring, existing Shareholders of PRIME LLC would become limited partners of PRIME LP and participate indirectly in PRIME LLC through their interests in PRIME LP. The Proposed Restructuring is currently expected to be completed on or around June 30, 2026. However, the exact date of the Proposed Restructuring will be determined by the Investment Adviser. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in PRIME LLC's Amended and Restated Limited Liability Company Agreement, dated as of June 30, 2004, as amended (the "**LLC Agreement**").

Under the LLC Agreement, the Proposed Restructuring requires (i) the affirmative vote of at least two-thirds of PRIME LLC's outstanding Voting Shares and (ii) the approval of the Board of Directors of PRIME LLC (the "**Board**"), which was obtained on December 11, 2025.

The Investment Adviser is seeking your consent to the Proposed Restructuring, which you can provide by indicating your consent on the attached Shareholder consent form (the "**Consent Form**"). The Consent Form must be executed by an authorized individual on file with the Investment Adviser. This information would have been provided at the time of the investor's initial investment in PRIME LLC (as subsequently updated by the investor). If your authorized individual needs to be updated prior to execution of the Consent Form, please email primerestructure@morganstanley.com.

The terms of PRIME LP's limited partnership agreement (the "**Partnership Agreement**") will be substantially the same as the terms of the LLC Agreement, other than (i) with respect to the implementation of a tiered Base Management Fee based on the size of an investor's investment in the Fund and a reduction in the Incentive Management Fee, (ii) changes to reflect the change in organizational form from a limited liability company to a limited partnership and (iii) certain terms related to (a) PRIME LP's status as a partnership, rather than a REIT, for U.S. federal income tax purposes and (b) the status of PRIME LLC as a subsidiary of the PRIME LP.

Drafts of the Structure Chart, Summary of Terms of PRIME LP and the Partnership Agreement were included with the Investor Notice as Exhibit A, Exhibit B and Exhibit D, respectively. Based on further structural considerations and investor feedback, the Investment Adviser is proposing the following changes to the draft Structure Chart, Summary of Terms of PRIME LP and the draft Partnership Agreement attached to the Investor Notice: (i) a change in the organizational form of Prime Property Fund Midco, LLC from a limited liability company to a limited partnership, which is controlled by a new general partner entity that is wholly owned and managed by PRIME LP, (ii) the addition of language providing that a mandatory redemption of an investor's interests in PRIME LP is permitted only if the General Partner reasonably determines that such redemption is necessary or advisable to comply with applicable legal, regulatory, tax, accounting or other similar requirements, (iii) the removal of a provision that described the valuation methods to be used in the event of any distributions in kind to align with the LLC Agreement, which does not include such provision, (iv) the addition of language clarifying the allocation of the Management Fee payable by PRIME LLC and PRIME LP, (v) the addition of language providing that the General Partner of PRIME LP will not unreasonably withhold its consent to affiliate transfers and (vi) the addition of a covenant setting forth certain obligations of the General Partner of PRIME LP to use commercially reasonable efforts to avoid the recognition of effectively connected income by a Limited Partner that is not a "U.S. person," in each case for U.S. federal income tax purposes (other than income realized by PRIME LP with respect to its investment in PRIME LLC, including, for the avoidance of doubt, REIT capital gain dividends). The updated Structure Chart is attached separately as Exhibit A. The updated Summary of Terms is attached separately as Exhibit B, and a redline of the updated Summary of Terms against the draft included in the Investor Notice is attached separately as Exhibit C. The updated Partnership Agreement is attached separately as Exhibit D, and a redline of the updated Partnership Agreement against the draft included in the Investor Notice is attached separately as Exhibit E. The updated Partnership Agreement now includes conflicts disclosure in Schedule A, which is consistent with the latest conflicts disclosure provided in the Offering

Memorandum. No further changes to the Structure Chart, Summary of Terms or the Partnership Agreement are anticipated.

CONFLICTS OF INTEREST

The Investor Notice describes certain risks and actual or potential conflicts of interest associated with the Proposed Restructuring and discusses certain U.S. tax considerations that are relevant to the Proposed Restructuring and to owning interests in PRIME LP after the consummation of the Proposed Restructuring. The Investment Adviser encourages you to carefully review and consider all of this information.

The Investment Adviser encourages you to consult with your own legal, financial, accounting and tax advisors regarding the terms and conditions of the Proposed Restructuring and PRIME LP to the extent you deem necessary or appropriate.

NEXT STEPS

As noted above, under the LLC Agreement, the Proposed Restructuring requires the affirmative vote of at least two-thirds of PRIME LLC's outstanding Voting Shares. Pursuant to the terms of the LLC Agreement, for such vote to be effective, Consent Forms signed by a sufficient number of Shareholders must be delivered to PRIME LLC and the Investment Adviser within 60 days of the delivery of the earliest dated Consent Form to PRIME LLC.

As described in the Investor Notice, if the Proposed Restructuring receives the requisite affirmative vote of at least two-thirds of PRIME LLC's outstanding Voting Shares, a Post-Approval Response Package will be sent to each Voting Shareholder for completion, consisting of two parts: (i) the Letter of Transmittal and (ii) the Tax Basis Form (each as further described in the Investor Notice). The Letter of Transmittal is required for you to exchange your existing interests in PRIME LLC for new interests in PRIME LP. In the Letter of Transmittal, you will be asked to make certain customary representations and warranties to confirm your eligibility to invest in PRIME LP. The Tax Basis Form will require information relating to each investor's tax basis in its PRIME LLC interests. Assuming the Proposed Restructuring receives the affirmative vote of at least two-thirds of PRIME's outstanding Voting Shares (within 60 days of the delivery of the earliest dated Consent Form to PRIME LLC), the Investment Adviser expects to provide you with the Post-Approval Response Package in March 2026. You will be required to complete, execute and return a duly completed Post-Approval Response Package on or before the deadline set forth therein, which is expected to be 60 days from the delivery date of the Post-Approval Response Package. As noted above, the Proposed Restructuring is currently expected to be completed on or around June 30, 2026. However, the exact date of the Proposed Restructuring will be determined by the Investment Adviser.

If you have any questions or concerns regarding the Proposed Restructuring, please contact primerestructure@morganstanley.com.

Sincerely,

Morgan Stanley Real Estate Advisor, Inc.

NONE OF THE INVESTMENT ADVISER OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES AND/OR REPRESENTATIVES, OR ANYONE ELSE ON BEHALF OF ANY OF THE FOREGOING, HAS PROVIDED OR WILL PROVIDE ANY RECOMMENDATION TO ANY INVESTOR AS TO WHETHER OR NOT TO CONSENT TO THE PROPOSED RESTRUCTURING. SUCH DECISIONS MUST SOLELY BE MADE ON THE BASIS OF EACH INVESTOR'S OWN WORK AND ANALYSIS OF THE INFORMATION HEREIN AND THE OTHER INFORMATION PROVIDED IN CONNECTION WITH THE PROPOSED RESTRUCTURING (INCLUDING ANY INFORMATION YOU MAY OBTAIN UPON CONSULTING WITH THE INVESTMENT ADVISER, AT YOUR ELECTION, ON ANY QUESTIONS YOU MAY HAVE WITH RESPECT TO THE PROPOSED RESTRUCTURING).

CONSENT FORM

Prime Property Fund, LLC

The Investment Adviser is seeking your consent to the Proposed Restructuring as described in the attached letter (the "**Letter**") and the Investor Notice.

Capitalized terms used in this Consent Form and not defined herein have the meanings assigned to such terms in the Letter.

Please indicate your consent by checking the appropriate box below.

☐ **CONSENT PROVIDED** – The undersigned hereby consents to the Proposed Restructuring as more fully described in the Letter and the Investor Notice.

☐ CONSENT WITHHELD – The undersigned hereby does not consent to the foregoing.

_____
Name of Shareholder

By: _____

Name: _____

Title: _____

Date: _____

Please send this Consent electronically via e-mail attachment at your earliest convenience, but no later than **5:00 pm (New York time) on Friday, March 13, 2026**, by e-mail to primerestructure@morganstanley.com, with a copy to prime@davispolk.com.

EXHIBIT A

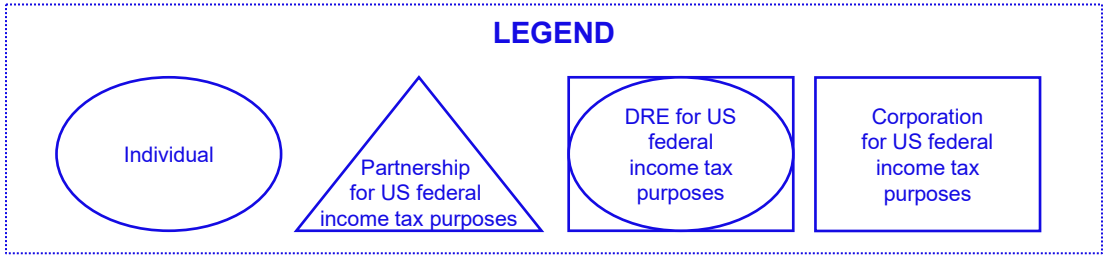
STRUCTURE CHART

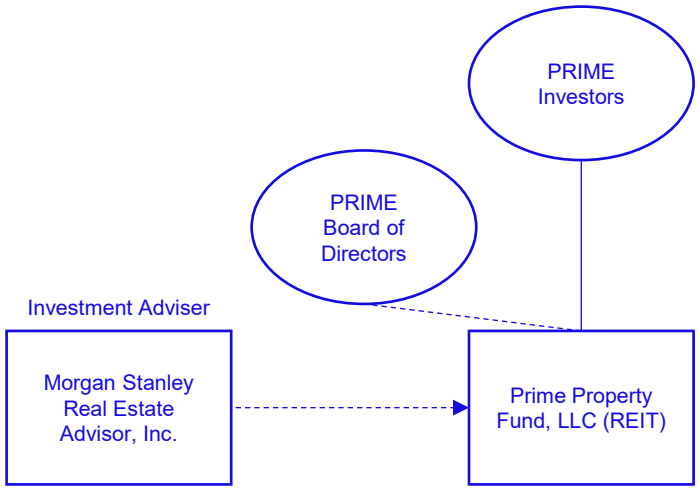
Davis Polk

Prime Property Fund, LLC
Restructuring Steps

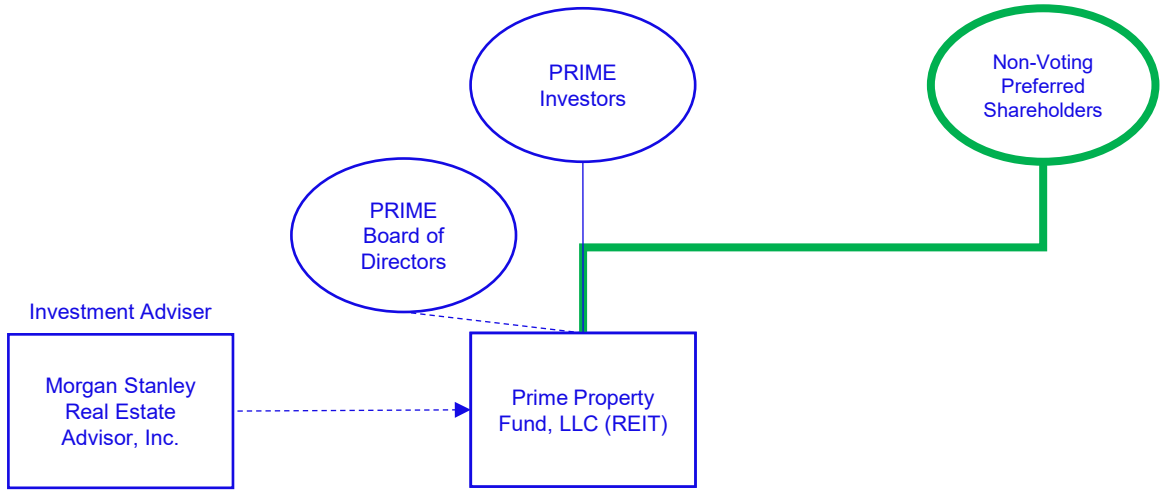
January 12, 2026

Current Structure



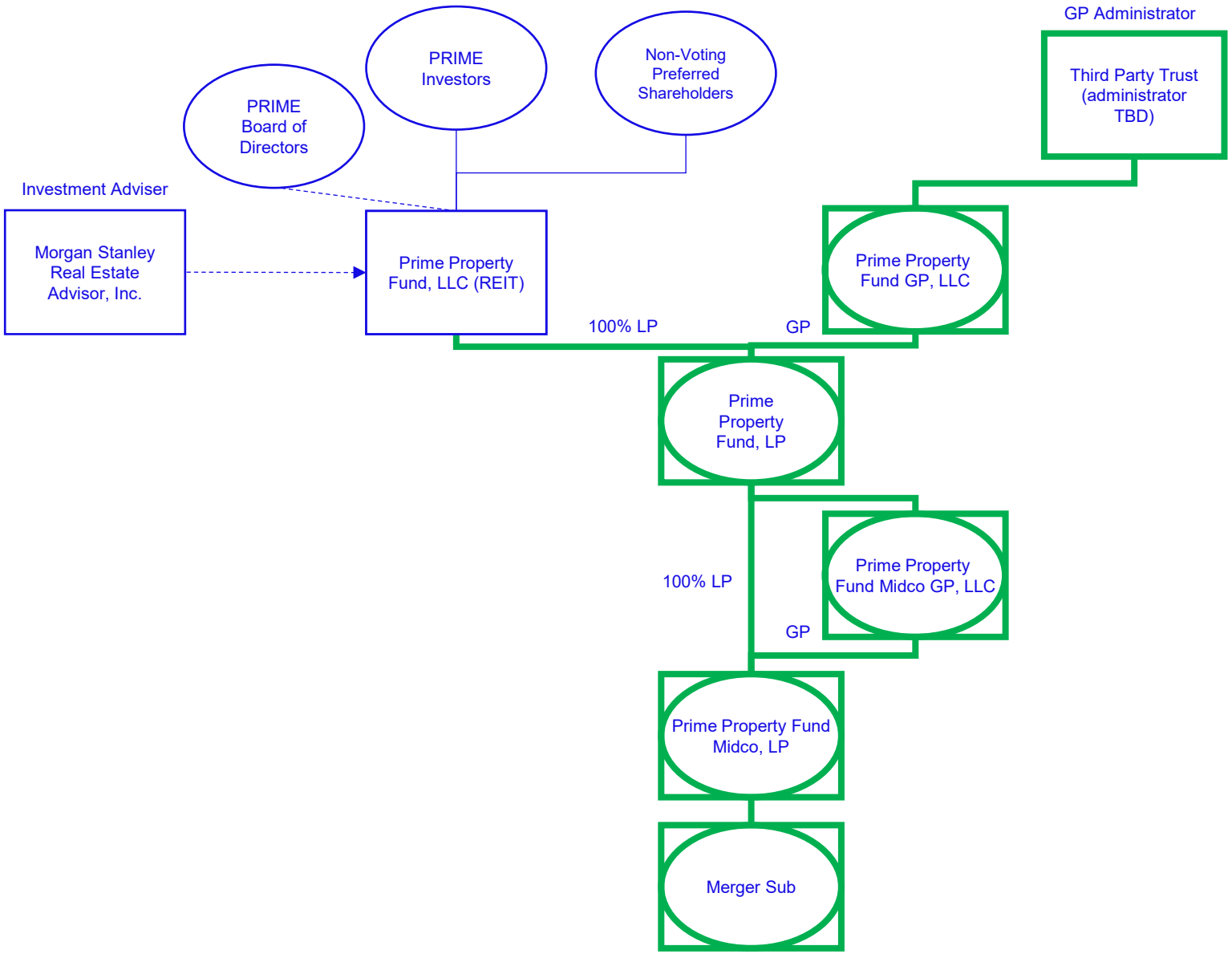


Step 1: Issuance of new non-voting preferred interests



- Prime Property Fund, LLC ("PRIME LLC") issues new non-voting preferred interests to 125 different holders.

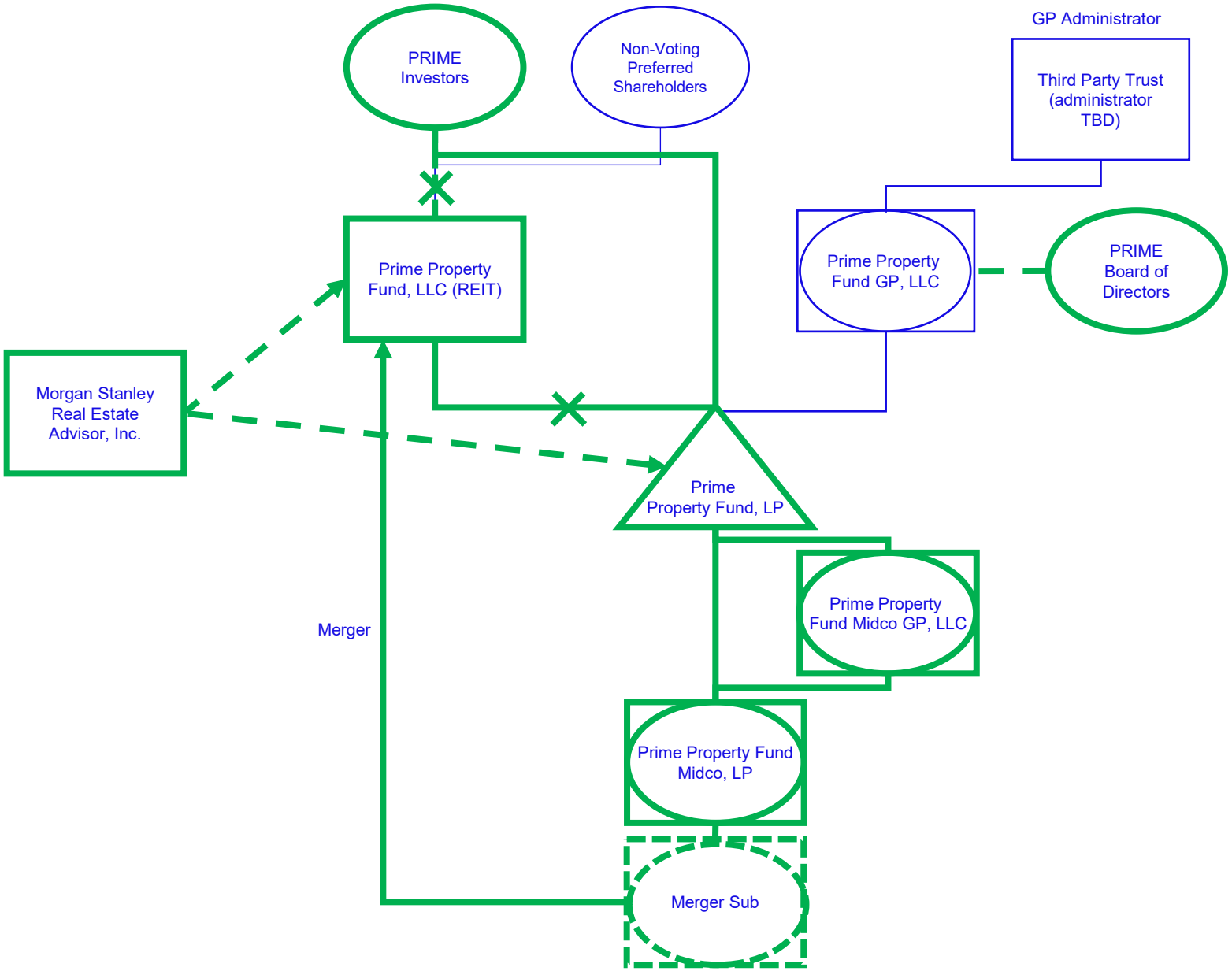
Step 2: Formation of New Entities*



- PRIME LLC forms Prime Property Fund, LP ("PRIME LP"), a Delaware limited partnership, and admits Prime Property Fund GP, LLC ("PPF GP") as the non-economic general partner of PRIME LP.
- PRIME LP forms (i) Prime Property Fund Midco GP, LLC ("PPF Midco GP"), a Delaware limited liability company, and (ii) Prime Property Fund Midco, LP ("PRIME Midco"), a Delaware limited partnership, and admits PPF Midco GP as the non-economic general partner of PRIME Midco.
- PRIME Midco forms a Delaware limited liability company (the "Merger Sub")
- PPF GP will be owned and administrated by a third party trust.

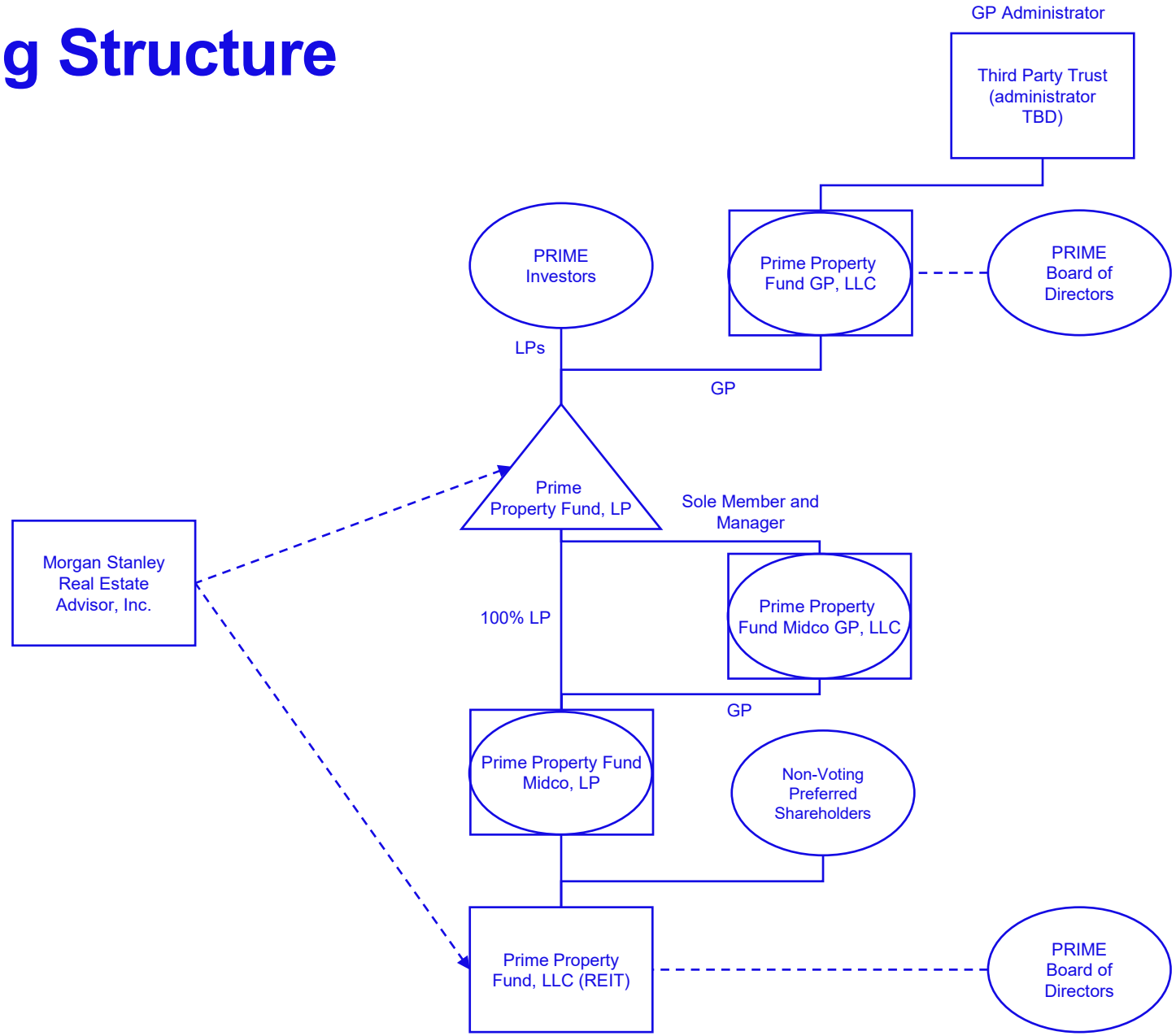
* Governance arrangements of the various entities are described on Slide 5.

Step 3: Merger of Merger Sub with and into PRIME LLC



- Merger Sub merges with and into PRIME LLC with PRIME LLC surviving the merger as a REIT held by PRIME Midco and the non-voting preferred shareholders.
- In connection with the merger, existing PRIME investors (other than holders of the non-voting preferred interests issued in Step 1) will exchange their existing interests in PRIME LLC for new interests in PRIME LP.
- As a result of this step, PRIME LP becomes a partnership for U.S. federal income tax purposes.
- PRIME LP is expected to obtain a DC REIT certificate from PRIME LLC.

Ending Structure



Governance:

- PPF GP will be governed by a board of directors, the initial members of which will be the same as PRIME LLC's current board of directors.
- PPF GP will be the sole (non-economic) general partner of PRIME LP.
- PRIME LP will be the sole member and manager of PPF Midco GP.
- PPF Midco GP will be the sole (non-economic) general partner of PRIME Midco.
- PRIME LLC will be governed by a board of directors elected by PRIME Midco, as the holder of all of the voting common interests in PRIME LLC. The initial board of directors of PRIME LLC will consist of the same members as PRIME LLC's current board of directors.
- MSREA will be an advisor to both PRIME LP and PRIME LLC.

EXHIBIT B

SUMMARY OF TERMS OF PRIME LP

Summary of Terms of Prime Property Fund, LP (the "Partnership")

The following is presented as a summary of the Partnership's key terms only, and is subject to, and qualified in its entirety by reference to, the more detailed provisions of the amended and restated limited partnership agreement of the Partnership (as may be amended, amended and restated, and/or otherwise modified from time to time, the "**Partnership Agreement**"). This summary of terms is being furnished on a confidential basis and may not be reproduced, in whole or in part, or distributed to any other party, without the prior written consent of the Partnership's general partner. This summary of terms does not constitute an offer to sell or a solicitation of an offer to buy an interest in the Partnership or any other product, vehicle or account, which will only be made pursuant to a final confidential private placement memorandum (the "**Memorandum**") for the Partnership or such other product, vehicle or account, and which should be reviewed carefully prior to making an investment decision. To the extent that the terms herein are inconsistent with those of the Partnership Agreement, or additional terms are contained in the Partnership Agreement, the Partnership Agreement will control. Capitalized terms used but not defined in this summary of terms have the meanings set forth in the draft Partnership Agreement provided with this summary.

THE PARTNERSHIP

The Partnership is a perpetual life, open-ended, commingled vehicle, that will make investments in accordance with its investment objective as described in "— Investment Objective" below. Limited partners of the Partnership are referred to herein as the "Limited Partners" and, together with the General Partner (as defined below), are referred to herein as the "Partners."

THE GENERAL PARTNER

The general partner of the Partnership is Prime Property Fund GP, LLC, a Delaware limited liability company.

THE ADVISER

The Partnership's adviser is Morgan Stanley Real Estate Advisor, Inc., a Delaware corporation (the "**Adviser**"). The Adviser is a registered investment adviser under the U.S. Investment Adviser's Act of 1940, as amended (the "**Advisers Act**").

THE OFFERING; ELIGIBLE INVESTORS

LP units of the Partnership will be offered pursuant to the Memorandum.

The offering is expected to be made on a private placement basis to potential investors who meet certain financial criteria and suitability requirements so as to qualify them, at a minimum, as: (i) "accredited investors" within the meaning of Regulation D promulgated under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and (ii) "qualified clients" as defined in Rule 205-3 promulgated under the Advisers Act.

The General Partner reserves the right to decline or reject, in whole or in part, subscriptions from any investor in accordance with the applicable policies of the Partnership in effect from time to time.

MINIMUM INVESTMENT

The minimum subscription for each potential new investor is $10 million, subject to the discretion of the General Partner to accept a lesser amount.

INVESTMENT OBJECTIVE

The Partnership seeks to achieve in the long term an aggregate annual return on invested equity of 8% to 10%,

gross of fees, and 6.75% to 8.75%, net of fees, by investing in real estate and real estate-related investments, broadly defined, with the majority of the return being realized from income, with modest appreciation, and using leverage when appropriate. The Partnership seeks to generate a return above the median of comparable core equity real estate funds and seeks to outperform the NFI-ODCE on an annual basis. There is no assurance, however, that these objectives will be met. Historical returns are not predictive of future results and there can be no assurance that the Partnership will achieve comparable or any returns.

FUND STRUCTURE

The Partnership is a Delaware limited partnership that will hold interests indirectly in Prime Property Fund, LLC ("**PRIME LLC**"), which has elected to be treated as a REIT for U.S. federal income tax purposes. Although not currently expected, the Partnership may form one or more additional REIT subsidiaries to invest in REIT-eligible assets, which REIT subsidiaries would be directly or indirectly owned by the Partnership.

Each Limited Partner will be required to provide to the Partnership such information as the General Partner may reasonably request to determine the effect of that Limited Partner's ownership of LP Units on the ability of PRIME LLC to qualify as a "domestically-controlled" REIT that is not a "pension-held" REIT.

FEEDER VEHICLES

The Adviser or its affiliates may organize "feeder" vehicles whose sole investment purpose would be to invest in the Partnership, including: (i) a vehicle (an "**Employee Fund**") to be offered principally to employees of Morgan Stanley and its affiliates and (ii) other vehicle(s) to be offered to various types of investors in order to accommodate any specific tax, legal, or regulatory requirements applicable to them.

In connection with any matters to be voted on or consented to by any such vehicle as a Limited Partner in the Partnership, the General Partner may, in its discretion, establish the terms of such vehicle to provide (for all or certain matters) that (i) all the LP Units held by such vehicle will be voted as a single block in the manner determined by the majority (or other specified) vote of the investors in such vehicle or (ii) the investors will have no voting rights with respect to how the LP Units held by the vehicle will be voted on the underlying Partnership matter, and, in the case of (ii), that such LP Units held by the vehicle will automatically be voted on the underlying Partnership matter in the same proportion (for, against, abstain) as the LP Units voted by the other Limited Partners in the Partnership.

PARALLEL VEHICLES

The General Partner or its affiliates may establish one or more additional parallel investment vehicles or other arrangements for certain types of investors (each such vehicle or arrangement, a "**Parallel Vehicle**"), which will in all material respects invest proportionately in each Investment (based on the relative net asset values of the Partnership and the Parallel Vehicles at the time of the initial acquisition of such Investment) and dispose of Investments on substantially the same terms and conditions and at substantially the same time as the Partnership, in each case, subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements. The economic terms of each Parallel Vehicle will be no more favorable than those of the Partnership, subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements.

Certain fees, costs and expenses (including those of the type set forth in or otherwise contemplated by the definition of Partnership Expenses) will be attributable both to the Partnership (and the feeder vehicles, if any) and to the Parallel Vehicles (and the feeder vehicles of such Parallel Vehicles, if any). Subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements, the Partnership and each Parallel Vehicle will share in (i) expenses related to Investments in proportion to their relative interests in the Investments to which they relate and (ii) other Partnership Expenses *pro rata* based on the relative net asset values of the Partnership and the Parallel Vehicles; provided that the General Partner may allocate certain fees, costs and expenses among the Partnership and the Parallel Vehicles on a different basis, including to certain (but not all) of these entities, if the General Partner determines in good faith that such other basis is more equitable.

OMNIBUS LETTER

The General Partner will execute a letter (the "**Omnibus Letter**") addressed to the Limited Partners relating to certain matters with respect to the management, administration, operations or affairs of the Partnership. The provisions of the Omnibus Letter are intended to supplement the Partnership Agreement and the terms of the Omnibus Letter shall control in the event of any conflict between such terms and the terms of the Partnership Agreement. The General Partner reserves the right to reflect any relevant provisions of the Omnibus Letter directly in the Partnership Agreement. Copies of subsequent supplements to the Omnibus Letter will be provided to all Limited Partners. The General Partner agreed to execute the Omnibus Letter at the request of certain Limited Partners, although the terms of the Omnibus Letter are for the benefit of all Limited Partners. Pursuant to the terms of the Omnibus Letter, the General Partner is restricted from entering into any side letters or similar documents with any Limited Partner.

PRICE OF AND PAYMENT FOR LP UNITS

The per share price for LP Units sold in the Offering is the NAV per LP Unit. All LP Units subscribed for by new investors will be required to be fully paid for in cash upon

issuance unless other timing arrangements are entered into in writing by the General Partner in its discretion with the applicable investor.

NAV PER LP UNIT

The NAV per LP Unit of the LP Units is established monthly (or more frequently, as needed) by the General Partner based on the following calculation methodology which may be modified from time to time by the General Partner with notice to the Board (as defined below):

- ***Net Asset Value Calculation.*** On any given determination date, the Net Asset Value ("**NAV**") of the Partnership will equal the aggregate value of (i) the Partnership's interests in real estate properties (as determined in accordance with the procedures described in "Property Valuation Procedure" below), *plus* (ii) all other assets of the Partnership, *minus* (iii) the Partnership's indebtedness (as determined in accordance with the procedures described in "Debt Valuations" below) and other outstanding balance sheet obligations, in each case as of the determination date.

- ***General NAV per LP Unit Calculation.*** On any given determination date, the NAV per LP Unit will equal the NAV divided by the number of outstanding LP Units, in each case as of the end of the immediately preceding calendar month or, if the determination takes place on a calendar month-end date, as of such determination date.

VALUATION POLICY

All values for the assets of the Partnership and the NAV of the Partnership will be established by the Adviser in accordance with the investment valuation policy of the Partnership (the "**Valuation Policy**"). The Adviser established the Partnership's initial Valuation Policy and may propose modification of the Valuation Policy from time to time, subject to approval of the Board by a majority vote.

DEBT VALUATIONS

The Partnership intends to engage Chatham Financial ("**Chatham**") to provide independent fair values for mortgages in accordance with FASB ASC Topic 820, Fair Value Measurement and Disclosures (formally SFAS 157), as may be amended and interpreted ("**ASC 820**"). For unsecured notes payable, feedback will be solicited from knowledgeable market participants. This feedback will be used to calculate the fair value for the private placement note issuances using a mark-model-approach. The present value of future cash flows based on these rates will be used to calculate the fair value.

These debt valuations will be reviewed and approved by the General Partner's COO. The difference between the fair value and the balance outstanding is the market valuation adjustment.

PROPERTY VALUATION PROCEDURE

In determining the value of the Partnership's interests in real estate properties, all properties owned by the Partnership

(other than those acquired during the then-current calendar quarter) are valued on a quarterly basis by independent appraisers engaged by the Board on behalf of the Partnership. The Adviser has the ultimate responsibility for determining asset value based on these appraisals. In addition, the Adviser is responsible for updating the asset values from such appraisals on a monthly basis (to be used in the determination of NAV) based on material items occurring since the last quarterly update. A list of individual asset values, together with a summary of any adjustments made to the independent appraisals by the Adviser, are furnished to the Board which has direct access to all appraisals and supporting materials. Although the Board reviews the policies and process, individual valuation and NAV overall are subject to approval of the Adviser and not the Board. The cost of these appraisals is borne by the Partnership.

The Adviser has created the Valuation Committee to oversee the valuation process described above. The Valuation Committee seeks to ensure that best practices are adopted and adhered to in carrying out the valuation process and that the Valuation Policy is applied on a consistent basis among all of the Partnership's real estate investments. The Valuation Committee is comprised of representatives of the Adviser and its affiliates that are not officers of the General Partner. The Adviser reserves the right to appoint and remove members of the committee, change the scope of the committee's responsibilities, and to disband the committee at any time, in its discretion.

USE OF PROCEEDS

Proceeds from the sale of LP Units to new investors pursuant to an Offering will generally be used to reduce outstanding indebtedness, to acquire new Investments for the Partnership, to redeem shares from existing investors, to fund dividend payments and/or to provide a reserve to satisfy the Partnership's expenses.

GOVERNANCE

Background. Prior to September 15, 2011, the Adviser was designated as "Manager" of PRIME LLC under PRIME LLC's operating agreement and, except for those matters expressly set forth in PRIME LLC's operating agreement for which board or shareholder approval was required, the Adviser had exclusive power and authority over the conduct of PRIME LLC's management, business, operations and affairs.

Morgan Stanley became a bank holding company under the U.S. Bank Holding Company Act of 1956, as amended (the "**BHCA**"), in September 2008. In order to comply with the requirements of the BHCA relating to the role of the Adviser with respect to PRIME LLC, based on confirmation received from the legal staff of the Federal Reserve in this regard, PRIME LLC's governance structure was revised by amending its operating agreement, effective September 15, 2011.

Current Governance. The governance of the Partnership is intended to be substantively similar to the governance of PRIME LLC immediately prior to the Restructuring Transaction. Pursuant to the Partnership Agreement, the Adviser is the Partnership's investment adviser retained by, and subject to oversight and replacement by, the General Partner. Overall management authority with respect to the Partnership is vested in the General Partner, which is overseen by an independent board of directors (the "**Board**").

The General Partner has generally delegated to the Adviser all investment management authority and powers and day-to-day administration authority, as well as the rights, power and authority specified in the Partnership Agreement to be within the rights, power or authority of or to be carried out by the "General Partner," as such term is used in the Partnership Agreement.

Certain specified key matters are subject to approval of the full Board, and, in some cases, to approval by the Independent Directors. The Adviser's term as investment adviser may be terminated as described in "Summary of Terms of the Partnership—Term as Adviser" below.

The Board will be initially comprised of four individual Directors, no more than one of whom will be an Affiliated Director. The number of Directors may be increased or decreased by a majority vote of the Directors, but the number of Independent Directors will always constitute 75% or more of the Board.

The Adviser controls the designation, removal and replacement of the Affiliated Director. Each Independent Director serves for a one-year term. On an annual basis, the Limited Partners vote on the election of the Independent Directors, who are nominated by the Board. Independent Director vacancies will be filled by nominees selected by the Board who may solicit the recommendations of the Adviser

Reinstatement of Prior Governance. In the event the Adviser ceases to be an affiliate of a bank holding company, the Adviser may, without the consent of any Limited Partner, amend the terms of the Partnership Agreement to institute substantively similar terms for the Partnership as were in place for PRIME LLC prior to September 15, 2011, and to take any action it has determined in good faith to be necessary or desirable in order to give effect to the foregoing, including making or procuring structural, operating or other changes to or in the Partnership. A summary of material differences to the governance structure of the Partnership that will apply upon such reinstatement is set forth in Appendix A.

Authority as Adviser. Pursuant to delegation by the General Partner, the Adviser has the power and authority to take any and all investment management actions on behalf of the Partnership (other than those specified actions for which approval of the Board or Limited Partners is required as specified below). As part of such authority, the Adviser has discretionary authority to acquire, manage and dispose of Investments for the Partnership, generally subject to investment guidelines adopted by the Board. The Adviser reserves the right to procure from or outsource to third parties certain services to be provided to the Partnership.

Actions by the Board of Directors. The Board has the power and authority to take the following specified actions for the Partnership upon a vote of *a majority of the Directors*:

- removing the Adviser (with or without cause) at any time upon 90 days' notice, and upon such removal appointing a new investment adviser in accordance with applicable law;
- reviewing the investment performance of the Partnership on a quarterly basis;
- monitoring the Adviser's performance of its overall administrative and investment management responsibilities;
- approving the Partnership's incurrence of debt on a consolidated basis in excess of 50% of the gross value of the Partnership's assets at the time the debt is incurred;
- removing an Independent Director for cause (for which purposes the director in question will abstain from voting);
- determining any change in the compensation of the Directors;
- establishing and modifying from time to time the distribution policy for the Partnership;
- approving any public offering of LP Units by the Partnership;
- engaging or changing, upon the Adviser's recommendation, the independent appraisers and independent auditors of the Partnership;
- changing, upon the Adviser's recommendation, the asset valuation policy of the Partnership;
- changing the name of the Partnership, the registered office and agent of the Partnership, the location of

the principal office of the Partnership and the address of the Partnership;

- dissolving the Partnership;
- undertaking a merger, consolidation or sale of all or substantially all of the assets of the Partnership; and
- approving any material amendment to the Partnership Agreement for which approval of the Limited Partners will not be sought.

The Board also has the power and authority to take the following specified actions for the Partnership upon a vote of *a majority of the Independent Directors*:

- removing the Adviser for the Partnership (with the concurrence of Limited Partners three-quarters (75%) of the outstanding LP Units) and a majority of the Limited Partners by numbers;
- replacing the Adviser with a successor investment adviser in accordance with applicable law, in the event of the Adviser's removal or resignation;
- modifying, with the approval of the Adviser, the terms of the Partnership's governing documents relating to the Adviser's investment management authority, role or scope of services as Adviser or management fees;
- approving the terms of: (i) any purchase or sale of an investment by the Partnership from or to the Adviser or its affiliate or from or to any entity advised or represented by the Adviser or any of its affiliates in the applicable transaction (a "**Morgan Stanley Client**"); (ii) any debt financing of a the Partnership investment arranged by the Adviser from an affiliate of the Adviser or from a Morgan Stanley Client; (iii) any investment made by the Partnership that is arranged or contemplated by the Adviser as a co-investment with an affiliate of the Adviser or with a Morgan Stanley Client (except that no such approval will be required where such co-investment is on substantially *pari passu* terms); or (iv) any lease of a Partnership investment property involving more than 50,000 square feet to an affiliate of the Adviser or to a Morgan Stanley Client;
- approving the retention of any affiliate of the Adviser to provide services to the Partnership not expressly contemplated in the Partnership Agreement and the terms of such services by such affiliate; however, no such approval will be needed so long as the foregoing services are on market terms and are disclosed to the Board in reasonable detail each quarter;
- resolving any other conflict of interest situations that are brought before the Independent Directors by the Adviser; and
- approving a reduced management fee for investors investing in the Partnership indirectly through the Employee Fund (described in "Feeder Vehicles" above).

LIMITED PARTNERS/ VOTING RIGHTS

Each Limited Partner is entitled to one vote per LP Unit (or fractional vote based upon a fraction thereof) on the following matters:

- upon a vote of at least a majority of the LP Units cast, the election and removal of Independent Directors;

- upon a vote of at least two-thirds (66 2/3%) of the outstanding LP Units, ratification of a decision by the Board to effect any merger, consolidation, sale of all or substantially all of the assets or dissolution of the Partnership;

- upon a vote of at least three-quarters (75%) of the outstanding LP Units and a majority of the holders of LP Units by number, the removal of the Adviser for the Partnership (with the concurrence of a majority of the Independent Directors); and

- upon a vote of at least two-thirds (66 2/3%) of the outstanding LP Units, the approval of amendments to the Partnership's governing documents proposed by the General Partner, other than amendments that are purely ministerial or administrative in nature or other amendments that do not adversely impact the rights of the Limited Partners (which may be approved by the Board) and other than amendments that are expressly within the Board's authority as described in "Governance" above.

Any vote or approval by the Limited Partners may take place at a meeting or by written consent.

LIQUIDITY

The Partnership will be established as a private investment vehicle, and the Adviser has no current intention of offering LP Units to the public. Although there is no assurance that the LP Units will ever be listed on any exchange or clearinghouse or that a market (public or private) will develop for the LP Units, LP Units may be redeemed or transferred, subject to the conditions described below.

REDEMPTIONS

All Limited Partners have the right to request a redemption of LP Units on a quarterly basis, subject to the conditions described further below. A redemption request received before the end of a calendar quarter will be processed so as to be scheduled for payment generally at (or shortly after) the end of the next calendar quarter in accordance with the Partnership's quarterly redemption process. The Partnership will redeem LP Units at the then NAV per LP Unit on the day of redemption (as distinguished from the NAV per LP Unit at the time the redemption request was made) to the extent that the request was received prior to the end of the preceding quarter and the Partnership has sufficient cash available to honor requests, consistent with applicable REIT rules and principles of prudent management. Redemption requests are irrevocable, although the General Partner may permit a Limited Partner to rescind a redemption request (or reduce the number of LP Units subject to such redemption request) if the General Partner deems that granting such permission is in the best interests of the Partnership.

There is no guarantee, however, that cash will be available at any particular time to fund a particular redemption request, and the Partnership will be under no obligation to make such cash available. If sufficient cash is not available to redeem all requested redemptions, as determined by the Adviser in its sole judgment, the Partnership will redeem the LP Units of all investors that have requested a redemption out of available cash on a pro rata basis (based on the number of outstanding LP Units held by each redeeming investor), subject to compliance with tax rules applicable to PRIME LLC's qualification as a REIT. To the extent that less than the desired amount of an investor's LP Units is redeemed, the investor will be deemed to have made a redemption request for the next scheduled redemption.

To the extent any redemption request, if fulfilled, would cause PRIME LLC to fail to be treated as a domestically-controlled REIT or a "pension-held" REIT, the General Partner may, at its discretion, delay such redemption or take such other actions as it considers appropriate.

The General Partner may make redemptions at any time in its discretion upon notice to the Limited Partners if the General Partner reasonably determines that a redemption is necessary or advisable to comply with legal, regulatory, tax, accounting or other similar requirements, including to permit any REIT Subsidiary to maintain (or to avoid jeopardizing) its qualification as a REIT.

Any LP Units subject to a mandatory redemption will be redeemed prior to any other LP Units subject to an outstanding redemption request.

Upon the giving of such notice, such Limited Partner will be required to withdraw as a Limited Partner and shall cease to be a Limited Partner of the Partnership for all purposes, except for its right to receive the applicable amount related to the redemption of its LP Units.

OWNERSHIP LIMITATIONS

No Limited Partner is permitted to own in excess of 9.9% of the LP Units of the Partnership except with the approval of the General Partner, which may be conditioned on the provision of certain additional representations and undertakings. Additional limitations on LP Unit ownership may result from the considerations described under "Transfers" below.

TRANSFERS

A Limited Partner may not sell, assign, pledge, hypothecate, or otherwise transfer all or any portion of its LP Units except with the prior written consent of the General Partner, which may be withheld for any reason or no reason, provided that the General Partner will not unreasonably withhold such consent with respect to a proposed Transfer by a Limited Partner of all or any of its LP Units or its interest in the Partnership to an Affiliate of such Limited Partner, and subject to various other limitations including compliance with certain securities and tax law requirements.

DISTRIBUTIONS

The General Partner may (but shall not be obligated to) cause the Partnership to make distributions to the Partners at any time, in amounts of any of the Partnership's assets available therefor, as determined by the General Partner in its sole and absolute discretion to be appropriate. All distributions will be made to the Partners ratably in proportion to the number of LP Units held by them. Unless otherwise determined by the General Partner in its discretion, the General Partner expects to cause PRIME LLC to distribute to the Partnership, and in turn the Partnership to pay to the Limited Partners quarterly distributions equal to at least 90% of PRIME LLC's REIT taxable income (with certain adjustments and excluding net capital gain). The General Partner may change the Partnership's distribution policy from time to time, subject to compliance with tax rules applicable to PRIME LLC's qualification as a REIT.

The distributions will be paid in cash, in-kind (subject to the applicable provisions of the Partnership Agreement) or, for those Limited Partners that elect to participate in the distribution reinvestment plan (see "Distribution Reinvestment Plan" below), will be reinvested in additional LP Units.

The General Partner may, in its discretion, solicit the consent of the Limited Partners to a distribution process whereby the Limited Partners would be deemed to have received undistributed amounts and to have contributed such amounts back to the Partnership on the same day in exchange for LP Units. If sufficient consents are obtained in any such solicitation, the cash distributions required to be paid by PRIME LLC in order for PRIME LLC to qualify as a REIT generally may be reduced.

The General Partner may withhold from any distribution amounts necessary to pay the Management Fee as well as for any required tax withholdings. Taxes paid or withheld that are allocable to one or more Partners will be deemed to have been distributed to such Partners.

DISTRIBUTION REINVESTMENT PLAN

Limited Partners may participate in a distribution reinvestment plan under which all or a designated portion of distributions will automatically be reinvested in additional LP Units. The number of LP Units issued under the distribution reinvestment plan will be determined based on the NAV per LP Unit as of the reinvestment date. The Partnership will use reinvestment proceeds to make new Investments, to fund redemptions and for general Partnership purposes.

Limited Partners are entitled to change their election with regard to participation in the dividend reinvestment plan at any time on at least 90 days' advance written notice to the General Partner.

INVESTMENT MANAGEMENT FEE

Under the investment management fee arrangement between the Partnership and the Adviser, the Partnership and its Subsidiaries will pay the Adviser management fees

comprised of: (i) base management fees (the "**Base Fees**") and (ii) an incentive management fee (the "**Incentive Fee**"). Subject to the limits described below with respect to the maximum Base Fees, the General Partner may determine in its sole and absolute discretion whether the Partnership or a Subsidiary will pay a Management Fee.

It is expected that each of the Partnership and PRIME LLC will pay a Base Fee. The Base Fees will be paid in cash quarterly in arrears at the end of each calendar quarter. The cumulative amount of Base Fees payable will not exceed an aggregated amount, calculated with respect to each Limited Partner, determined by multiplying the applicable fee rate (as specified below), by the incremental NAV per LP Unit attributable to such Limited Partner's applicable LP Units.

The amount of the cumulative Base Fees payable to the Adviser in respect of each Limited Partner will be determined on a quarterly basis and cannot cause the Limited Partner and each of its Aggregated Partners to bear effective blended Base Fees rate in excess of the Fee Rate limit below:

Incremental aggregate NAV per LP Unit, together with the aggregate NAV per LP Unit of such Limited Partner's Aggregated Partners	**Fee Rate Limit (of the applicable NAV per LP Unit)**
Less than US $200 million	84 basis points per annum (or 21 basis points per calendar quarter)
Equal to or greater than US$ 200 million and less than US$ 400 million	74 basis points per annum (or 18.5 basis points per calendar quarter)
Equal to or greater than US$ 400 million	64 basis points per annum (or 16 basis points per calendar quarter)

"**Aggregated Partner**" means, with respect to any Limited Partner, any other Limited Partner that the General Partner determines in good faith (i) is an Affiliate of such Limited Partner, (ii) is formed by the same sponsor as such Limited Partner or (iii) is a discretionary client of the same investment adviser or manager as such Limited Partner with respect to their investment in the Partnership For the avoidance of doubt, Limited Partners will not be considered Aggregated Partners of one another solely by virtue of utilizing the same advisory consultant with respect to their investment in the Partnership.

In order to facilitate the calculation of the NAV per LP Unit in accordance with and to give effect to applicable provisions of the Partnership Agreement (including the Fee Rate limit on the cumulative Base Fees), the Partnership may, in the sole discretion of the General Partner, (A) withhold amounts that are otherwise distributable to each Limited Partner in order to pay Base Fees payable by the Partnership or a Subsidiary allocable to such Limited Partner or (B) redeem or reduce the number of LP Units (including any fractional amounts thereof) held by each Limited Partner with an aggregate NAV attributable to such LP Units up to the amount of combined Base Fees payable by the Partnership or a Subsidiary allocable to such Limited Partner.

The Incentive Fee is subject to a cap, *i.e.*, the Incentive Fee payable at the end of each calendar year will not exceed 25 basis points per annum of the average monthly NAV for the calendar year.

The Incentive Fee accrues on a monthly basis over a calendar year and the monthly accrual equals the product of $\mathbf{X * Y * Z * 1/12}$, where:

- X = 5.0%;

- Y = NAV (as of the beginning of that month); and
- Z = "Comparable Property NOI Growth" for that month.[1]

The Incentive Fee is payable at or promptly after the end of each calendar year and is equal to the aggregate amount of the Incentive Fee (including any negative amounts) accrued for each month of the calendar year. If the Incentive Fee for the calendar year, as calculated above, is equal to a negative number, then no Incentive Fee will be paid to the Adviser, but such negative number will not be taken into account in the Incentive Fee calculations for the subsequent calendar year.

TERM AS ADVISER

Under the Advisory Agreements, the Adviser's term as investment adviser of the Partnership and any Subsidiary will be automatically renewed annually, except that the term may end earlier if (i) the term is modified with the approval of the Adviser and a majority of the Independent Directors, (ii) the Adviser resigns on at least 90 days' prior written notice to the Board, (iii) the term is terminated by a majority vote of the Independent Directors with the concurrence of at least 75% in interest of the outstanding LP Units and a majority of the holders of LP Units by number or (iv) the Adviser is removed by a majority vote of the Board (with or without cause) at any time upon 90 days' notice. In the event of (ii), (iii) or (iv) above, the Independent Directors will choose a successor investment adviser by majority vote, subject to applicable law.

[1] "Comparable Property NOI Growth" for a given calendar month is the growth, expressed as a percentage, of (i) the aggregate income after operating expenses have been deducted, but before deducting income taxes, financing expenses, fund expenses and capital expenditures (the "NOI") generated by Included Investments that month, over (ii) the aggregate NOI generated by the same Included Investments during the same calendar month in the preceding year. For these purposes, "Included Investments" means each real estate asset held directly or indirectly by the Partnership for at least 13 months prior to the end of that month (for the avoidance of doubt, including any real estate for which there was any expansion, redevelopment or similar change during the prior 13 months); provided that if any such real estate asset is a development asset (*i.e.*, either undeveloped land or a previously developed real estate asset that is subject to a development or redevelopment project where the budgeted costs of such project exceed 50% of the value of such asset immediately prior to undertaking such project), such real estate asset will only be considered held once its development has been completed (*i.e.*, a certificate of occupancy or equivalent document has been obtained); and provided further that "Included Investments" shall not include AMLI Operating Company, Safeguard Operating Company or any other future Investment deemed to be an operating company.

EXCLUSIVITY HELD BY OTHER MSREI CLIENTS

Morgan Stanley sponsors, manages or advises other alternative investment funds and investment programs, accounts, businesses and other clients that have or will have active investment programs that are focused on real estate investing or otherwise may make real estate investments. The Adviser and its affiliates within MSREI have adopted an allocation policy to attempt to allocate investment opportunities among their clients in a fair and equitable manner.

Prospective investors should be aware that MSREI advises North Haven Real Estate Fund X Global-T, L.P., a pooled investment vehicle, organized as an Alberta, Canada limited partnership, that makes opportunistic real estate and real estate-related investments on a global basis (together with its parallel, predecessor and any successor funds that have an opportunistic strategy, MSREI's "**Opportunistic Funds**"). With respect to each investment opportunity that is deemed by MSREI to be an "opportunistic" real estate investment opportunity, the Opportunistic Funds and certain investors who have or are granted in the future co-investment rights or other investors that MSREI determines to offer co-investment alongside the Opportunistic Funds, will be accorded a preference and will have the right to make all or part of any such investment before it is offered to the Partnership. Furthermore, other funds or products may in the future be sponsored by Morgan Stanley or its affiliates that may have a preference.

Prospective investors should be aware that MSREI sponsors North Haven Net REIT ("**NetREIT"),** a pooled investment vehicle, organized as a Maryland statutory trust, that invests in high-quality commercial real estate assets that are primarily long-term leased under net lease structures to tenants for whom the properties are mission critical and, to a lesser extent and on a tactical basis, commercial real estate debt-related assets. As such, investment opportunities that are appropriate for the Partnership may also be appropriate for NetREIT, and there is no assurance that the Partnership will be allocated those investments it wishes to pursue. To the extent there are investment opportunities that meet the investment parameters of both the Partnership and NetREIT, investment opportunities will be allocated according to the Allocation Policy. Nonetheless, conflicts of interest may arise with respect to the potential allocation of an investment opportunity made available to MSREI where such opportunity may be suitable for both the Partnership and NetREIT.

ARRANGEMENTS WITH AFFILIATES OF THE ADVISER

The Partnership and PRIME LLC may enter into various types of transactions or arrangements with affiliates of the Adviser, or otherwise retain affiliates of the Adviser to provide services. Such services will typically include those that are ancillary to the Partnership's investment or financing activities or that are customarily provided in connection with the acquisition, disposition, leasing, financing or management of properties. By acquiring LP Units in the Partnership, each Limited Partner will be deemed to have acknowledged the existence of certain actual and potential conflicts of interest as will be disclosed in the Partnership's Memorandum. The Partnership Agreement will expressly provide for and authorize the conflicts of interest, transactions and arrangements subject to certain rules. See also "Governance" above for information on approvals required for certain of such transactions or arrangements.

ADVISORY COMMITTEE

The Partnership will establish an Advisory Committee consisting of significant investors in the Partnership appointed by the General Partner. The Advisory Committee will meet at least once each year to review the Partnership's investment portfolio and significant developments involving the Partnership. The Advisory Committee serves on an advisory basis only and its recommendations and advice are non-binding on the General Partner, the Adviser, the Board and the Partnership. Advisory Committee members are determined and appointed, and may be removed, by the General Partner in its discretion.

To the extent any Limited Partner (i) is at any time holding LP Units with an aggregate corresponding subscription amount equal to or greater than $150 million and (ii) is not at such time represented by a participating member of the Advisory Committee, such Limited Partner will be provided at its request with any notice and other documents provided to members of the Advisory Committee, as and when so provided, and shall be entitled to have, at its request with reasonable notice, a representative attend any meeting of the Advisory Committee as an observer provided that any such Limited Partner acknowledges in writing to the General Partner that all travel and related costs associated with such attendance shall be borne by such Limited Partner and not by the Partnership.

PARTNERSHIP EXPENSES

The Partnership will pay all of its and the General Partner's respective operating expenses, including, but not limited to: (i) the Management Fees; (ii) all Reimbursable Investment Adviser Professional Expenses (defined below); (iii) Restructuring Expenses (other than Excess Restructuring Expenses)(each as defined below); (iv) any fees or compensation payable to the Independent Directors, and expenses payable to all Directors, for service on the Board; (v) all costs and expenses incurred in connection with the holding of the Partnership's annual meeting, meetings of the Board, meetings of the Advisory Committee and the Advisory Committee Members and meetings of the Limited Partners, including travel costs, entertainment and other

similar fees, costs and expenses of the Advisory Committee or the Limited Partners; (vi) costs and expenses related to the engagement of third-party consultants, advisors and service providers (including affiliates of the Adviser) by the Partnership and the General Partner, including costs and expenses incurred in connection with obtaining legal, tax, appraisal or accounting, insurance advisory, property management, fund administration, custody or depositary advice or services (including property management fees and expenses, including base fees, leasing commissions, incentive fees and financing fees); all fees, costs and expenses (including travel, meals, accommodations, and reasonable research and market data expenses and ancillary costs thereto) incurred in sourcing, conducting due diligence investigations into, purchasing, acquiring, developing, negotiating, structuring, monitoring, custody, hedging, financing, insuring managing and disposing of, or attempting to dispose of, actual (or potential) Investments, including the expenses incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of any environmental, social and governance related programs and initiatives (in respect of Investments, prospective Investments and/or the Partnership); expenses incurred in connection with environmental, social and governance tracking tools, climate risk assessments and any other assessments, measurements, advice or reports conducted as part of implementing, monitoring and maintaining of certain environmental, social and governance related programs and initiatives, costs for external financial, legal, accounting, technology (including technology-related services), consulting or other advisers, or any lenders and other financing sources and other costs and fees in connection with transactions which are not consummated, including reverse break-up fees and lost deposits, duplicating, postage, delivery, and communications charges, costs of appraisal services (including obtaining an independent valuation of, or fairness opinion relating to, Investments or other assets), valuation advisers, engineering and environmental assessment services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such fees, costs and expenses by entities in which the Partnership invests or other third parties); (vii) third party out-of-pocket expenses incurred by the General Partner or the Adviser (and third-party firms whose professionals work in the Adviser's offices, use the Adviser's email address and devote all or substantially all of their working time to funds or accounts managed by the Adviser and its affiliates) in connection with Investments or proposed Investments and other costs and expenses in connection with the acquisition, underwriting, market research, financing, operation, ownership, management, development, redevelopment, refinancing, sale, leasing or other disposition of Investments; (viii) the Partnership's allocable share of travel expenses, including travel expenses incurred in connection with evaluating and negotiating potential Investments (whether or not consummated) and monitoring actual Investments and other Partnership matters (including costs and expenses of accommodations

and meals, costs and expenses related to attending trade association meetings, conferences or similar meetings for purposes of evaluating actual or potential investment opportunities, and with respect to travel on non-commercial aircraft, costs of travel at a comparable business class commercial airline rate); (ix) communications charges, costs of appraisal services (including obtaining an independent valuation of Investments or other assets), valuation advisers, engineering and environmental services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Partnership invests or other third-parties); (x) costs and expenses (including brokerage fees, commissions, insurance premiums) relating to any fidelity bond and insurance policies of all types (including directors' and officers' liability insurance and errors and omissions insurance), or such other insurance relating to the affairs of the Partnership; (xi) all expenses incurred in connection with any litigation, indemnification or extraordinary expense or liability relating to the affairs of the Partnership or any Subsidiary (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; (xii) all expenses for indemnity or contribution payable by the Partnership to any Person; (xiii) all expenses incurred in connection with the collection of amounts due to the Partnership or any Subsidiary from any Person (xiv) expenses related to legal and regulatory compliance for the Partnership, the General Partner or the Adviser relating to the Partnership's investment activities (including, without limitation, Partnership-related compliance obligations and, if needed, reports, disclosures, filings and notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive); (xv) all expenses incurred in connection with and any principal, interest or other amounts owing in respect of any indebtedness or guarantees of the Partnership or any Subsidiary or any proposed or definitive credit facility or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Partnership or any Subsidiary or related to any Investment), including the repayment of amounts under such indebtedness, guarantees, credit facilities or other credit arrangements; (xvi) expenses associated with portfolio and risk management including interest rate hedging; (xvii) expenses of dissolving and winding up the Partnership; (xviii) expenses incurred in connection with preparation of financial statements; (xix) fees, costs and expenses related to the organization and maintenance of any entity used to acquire, hold or dispose of one or more Investment(s) (including, for the avoidance of doubt, any Subsidiary or portfolio entity) or otherwise facilitating the Partnership's investment activities including, without limitation, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including personnel of the Adviser or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, or other overhead expenses in connection therewith; (xx) legal entity management expenses; (xxi) fees or other governmental

charges relating to administration of the Partnership, the General Partner and the Adviser; (xxii) fees, costs and expenses incurred in connection with any amendments, restatements, or other modifications to, and compliance with, the Partnership Agreement, the Advisory Agreements, confirmation letters with Limited Partners or any other constituent or related documents of the Partnership, the General Partner and the Adviser, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the Advisory Committee or preparation of other materials in connection with compliance (or monitoring compliance) with such documents (including, for the avoidance of doubt, any such documents as related to subsidiaries of the Partnership); (xxiii) any taxes imposed on the Partnership or any Subsidiary, including any taxes imposed on the Partnership or any Subsidiary in the capacity of withholding agent with respect to a Partner (and any interest, penalties or expenses relating to any such taxes), except to the extent such taxes are attributable or otherwise allocable to a Partner under the Partnership Agreement, and costs and expenses of preparing and filing tax returns on behalf of the Partnership and/or such Subsidiary in any jurisdiction in which the Partnership or such Subsidiary is required or deems it advisable to file tax returns or information with the applicable tax authorities and all costs and expenses incurred in connection with any tax audit, investigation, settlement or other proceedings in respect of the Partnership and/or such Subsidiary; (xxiv) any sales, value added, goods and services or other similar taxes (a "**GST**") to the extent that the Partnership or any entity used to acquire, hold or dispose of any investments (including any Subsidiary and/or any portfolio entity) is required by applicable law to pay, withhold or deduct such amounts from any payments of the Base Fees or Incentive Fee, so that the net amounts of Base Fees and/or Incentive Fees actually received by the Adviser (and/or such entity) after such payment, withholding, deduction or imposition of such GST (including any such payment, withholding, deduction or imposition from or with respect to such additional amounts) equal the required amount of Base Fees and/or Incentive Fees otherwise payable under the Advisory Agreements; (xxv) all administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Partners of checks, financial reports, performance reports, tax returns, communications and notices required pursuant to this Agreement, treasury, cash management, analytics and related information technology services provided to the Partnership and all other costs and expenses in relation to maintaining or compliance with the tax or legal status of the Partnership, the General Partner or the Adviser; (xxvi) the organization of any Parallel Vehicle or Feeder Vehicle; (xxvii) expenses of offering LP Units and any applicable taxes, including expenses associated with updating the offering and marketing materials, expenses associated with printing the materials and expenses relating to documentation with potential investors (other than travel expenses related thereto); (xxviii) the fees, costs and

expenses of any legal counsel or other advisors retained by, or at the direction or for the benefit of, the Advisory Committee; (xxix) fees, commissions, costs and expenses relating to the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "**AIFM Directive**"), the Swiss Collective Investment Schemes Act ("**CISA**") or any other non-U.S. law, rule, regulation or requirement including as any of the foregoing may be implemented by any laws, rules, regulations or interpretations of countries or jurisdictions, in each case as amended, or any successor laws, rules or regulations thereto including reports, ongoing compliance, administrators, custodians, agents, representatives, depositaries, paying agents and other service providers engaged to comply with the AIFM Directive, CISA, or any other non-U.S. law, rule, regulation or requirements, the organization or maintenance of any entity used in connection with compliance with the AIFM Directive by the Partnership, any Parallel Vehicle or any feeder vehicle (including any entity that is an affiliate of the Adviser established to be an authorized "alternative investment fund manager" of the Partnership, any Parallel Vehicle or any feeder vehicle within the meaning of the AIFM Directive) as well as any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, other overhead expenses in connection therewith and/or fees for services, or, in the event a third party authorized "alternative investment fund manager" is engaged, the costs and expenses associated therewith, as applicable; and (xxx) all other costs and expenses relating to the business of the Partnership.

"**Restructuring Expenses**" means the fees, costs and expenses incurred by the Partnership, the Adviser and its affiliates in connection with the Restructuring Transaction, including all fees, costs and expenses relating to: (i) the preparation of disclosures and consents of the shareholders in PRIME LLC; (ii) other communications with such shareholders; (iii) the preparation and review of PRIME LLC's second amended and restated limited liability company agreement, the Partnership Agreement, the merger agreement and other transaction documents required to effectuate the Restructuring Transaction; (iv) the preparation of Board materials relating to the Restructuring Transaction; (v) the formation of the Partnership and the General Partner; (vi) the exchange of interests in PRIME LLC for interests in the Partnership; and (vii) the structuring of the Restructuring Transaction.

"**Excess Restructuring Expenses**" means any amounts of Restructuring Expenses in excess of $2,000,000.

The Adviser is solely responsible for and shall pay for all of the Adviser's compensation of officers, members and employees of the Adviser and related overhead expenses (including office and related expenses), except for internal legal, accounting, insurance and other professional costs and expenses associated with the operation of the Partnership and that would be normally provided by outside

professionals so long as such costs and expenses are on market terms (such internal professional costs and expenses, "**Reimbursable Investment Adviser Professional Expenses**"), and Excess Restructuring Expenses.

Cost and expenses including, but not limited to property management fees, base fees, leasing commissions, incentive fees and financing fees are paid by the Partnership. Affiliates of the Adviser may be retained to provide these services on reasonable and customary terms at market rates, and any variance would require approval by a majority of the Independent Directors. MSREI reserves the right to procure from or outsource to third parties certain services to be provided to the Partnership.

INDEMNIFICATION

The Partnership will indemnify the General Partner, the Adviser, each of their respective affiliates and each of their and their respective affiliates' employees, officers, directors, agents, stockholders, members and partners, and any person who serves at the request of the General Partner or the Adviser on behalf of the Partnership as an officer, director, partner, employee or agent of the Partnership or any affiliated entity (each of the foregoing, other than members of the Board and the Advisory Committee, a "**GP/IA Indemnified Person**"), and each member of the Board and the Advisory Committee (each of the foregoing, including each Adviser Affiliate, an "**Indemnitee**") from and against any claim, liability, loss, damage or expense ("**Loss**") incurred by such Indemnitee on behalf of the Partnership or in furtherance of the interests of the Partnership or otherwise arising out of, or in connection with, the Partnership, except for Losses arising from such Indemnitee's own fraud, willful misconduct or gross negligence or, in the case of the General Partner, the Adviser or a GP/IA Indemnified Person, breach of its applicable standard of care (*i.e.*, to manage the Partnership's assets with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims).

LEVERAGE

PRIME LLC may incur debt as part of its continuing operations. Debt may be secured or unsecured. In no event will PRIME LLC's consolidated leverage exceed 50% of the gross value of PRIME LLC's assets at the time debt is incurred, unless the Board determines otherwise.

AUDITS

The financial statements of the Partnership will be prepared in accordance with accounting principles generally accepted in the United States and will be audited annually by a nationally recognized, independent accounting firm. These standards currently require the Partnership to report its investments at fair value. There can be no assurance that the fair value basis of accounting will remain the applicable standard for the Partnership. The cost of the annual audit is borne by the Partnership.

U.S. TAX CONSIDERATIONS

The Partnership is classified as a partnership for U.S. federal income tax purposes and, consequently, the character of the income of the Partnership will flow through to the Partners. The Partnership will hold interests indirectly in PRIME LLC, which has elected to be treated as a REIT for U.S. federal income tax purposes. Tax-exempt investors are not expected to incur unrelated business taxable income ("UBTI") solely as a result of income the Partnership receives from PRIME LLC. However, non-U.S. investors should be aware that an investment in the Partnership may give rise to effectively connected income ("ECI") attributable to certain distributions that the Partnership may receive from PRIME LLC.

Each prospective investor should consult with its own tax advisor regarding all U.S. federal, state, local and non-U.S. tax considerations applicable to owning LP Units. PRIME LLC expects to comply with all requirements necessary to maintain its tax status as a REIT and to be treated as a "domestically-controlled" REIT, and as an entity that is not a "pension-held" REIT.

The Adviser will use commercially reasonable efforts to operate PRIME LLC in such a way that PRIME LLC will be treated as a REIT and as a "domestically-controlled" REIT and will not be treated as a "pension-held" REIT, unless the General Partner shall have determined that it is no longer in the best interests of the Partnership for PRIME LLC to qualify or to attempt to qualify as a REIT, a "domestically-controlled" REIT and/or an entity that is not a "pension-held" REIT, as applicable. The Adviser may seek and rely on the advice of qualified counsel, accountants or other experts as may be deemed necessary or appropriate by the Adviser under the particular circumstances, and seeking, obtaining and acting in reasonable reliance on such advice shall be deemed to satisfy the requirement of using "commercially reasonable efforts" as described above.

ERISA

The General Partner will use commercially reasonable efforts to operate the Partnership so that it qualifies as an "operating company" and if the General Partner decides not to, or cannot, operate the Partnership as an "operating company," the General Partner will use commercially reasonable efforts to restrict Benefit Plan Investors (as defined in the Memorandum) to under 25% of the total value of each class of equity LP Units (not including investments by the General Partner, the Adviser, certain other persons and their affiliates); therefore, the Partnership's assets are not expected to be deemed to be "plan assets" subject to ERISA. The General Partner, however, is obligated under the Partnership Agreement to manage the Partnership's assets in accordance with the prudence standard generally applicable to the management of assets subject to ERISA (see "Standard of Care" below).

If at any time the assets of the Partnership are deemed to be "plan assets" for purposes of ERISA, then to the extent

permitted by law and necessary in order to comply with ERISA, the General Partner shall acknowledge to each Limited Partner that is subject to Part 4 of Title I of ERISA that the General Partner is a fiduciary of such Limited Partner with respect to the assets of the Partnership and each such Limited Partner will be solicited to affirm the appointment of the General Partner as an "investment manager," as such term is defined in Section 3(38) of ERISA, with respect to such assets.

STANDARD OF CARE

The General Partner will manage the Partnership's assets with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. While the General Partner is not currently obligated to meet the fiduciary standards required under ERISA, the General Partner's standard of care described above tracks the prudence standard generally applicable to the management of assets subject to ERISA. See "ERISA" above.

RISK FACTORS AND CONFLICTS OF INTEREST

Prospective investors should be aware that an investment in the Partnership is subject to potential risks, including the risk of loss of principal and conflicts of interest and that they may be required to bear the financial risk of their investment for a significant period of time.

Prospective investors should carefully review the risk factors and potential conflicts of interest discussed in the Memorandum and the Supplements prior to deciding to invest in the Partnership.

REPORTS

The Adviser will provide Limited Partners with annual audited financial statements and quarterly unaudited statements which include a description of the Partnership's current financial position, any significant developments during the quarter and the Adviser's views of the Partnership's short-term prospects.

LEGAL COUNSEL

Davis Polk & Wardwell LLP

APPENDIX A

Reinstatement of Prior Fund Governance Structure

As described above in "Governance of the Partnership," if and as soon as the Adviser ceases to be an affiliate of a bank holding company, the Adviser may, without the consent of any Limited Partner, amend the terms of the Partnership Agreement to institute substantively similar terms for the Partnership as were in place for PRIME LLC prior to September 15, 2011, and to take any action it has determined in good faith to be necessary or desirable in order to give effect to the foregoing, including making or procuring structural, operating or other changes to or in the Partnership. The material changes to the Partnership's governance structure upon this reinstatement are described below.

- The Adviser or an affiliate thereof will assume ownership and control of the General Partner.
- Except as otherwise set forth in the Partnership Agreement (including Section 6.11 thereof with respect to matters over which the Board has authority and Section 7.06 thereof with respect to matters for which Limited Partner action is required), the General Partner will have exclusive power and authority over the conduct of the Partnership's management, business, operations and affairs.
- The General Partner and/or the Adviser, as applicable, will have all investment management authority and powers, day-to-day administration authority, as well as the rights, power and authority specified in the Partnership Agreement to be within the rights, power or authority of or to be carried out by the "General Partner," subject to the limitations on such rights, power and authority specified in the Partnership Agreement, including pursuant to Sections 6.11 and 7.06 thereof.
- The scope of the Board's authority will be as set forth in Section 6.11 of the Partnership Agreement, except as set forth below.
- Board approval will not be required in order for the General Partner to (a) change the name of the Partnership, the registered office and agent of the Partnership under the Delaware Act, the location of the principal office of the Partnership, or the address of the Partnership; (b) adopt or change the distribution policy; (c) dissolve the Partnership; (d) effect a merger, consolidation or sale of all or substantially all of the assets of the Partnership; or (e) make any material amendment to the Partnership Agreement for which approval of the Limited Partners will not be sought.
- The Board will consist of five Directors, no more than two of whom may be Affiliated Directors. The number of Directors may be increased by a majority vote of the Directors; provided that the number of Independent Directors will at all times constitute a majority of the Board.
- Limited Partners will vote on an annual basis, pursuant to Section 7.06 of the Partnership Agreement, on the election of the Independent Directors, who will be nominated by the Adviser or the General Partner. Independent Director vacancies will be filled by nominees selected by the Adviser or the General Partner and voted upon by a majority of Directors. A decision to remove an Independent Director for cause will be determined by a vote of the remaining Directors.
- The Adviser and the General Partner may be removed by the Board upon a vote of a majority of the Independent Directors, with the concurrence of Limited Partners holding at least three-quarters (75%) of the outstanding LP Units and a majority of the Limited Partners by number. Neither the Adviser nor the General Partner will be removable by the Board without Limited Partner action.

EXHIBIT C

SUMMARY OF TERMS OF PRIME LP IN REDLINE FORMAT AGAINST THE DRAFT SUMMARY OF TERMS ATTACHED TO INVESTOR NOTICE

SUMMARY OF TERMS OF PRIME PROPERTY FUND, LP (THE "PARTNERSHIP")

The following is presented as a summary of the Partnership's key terms only, and is subject to, and qualified in its entirety by reference to, the more detailed provisions of the amended and restated limited partnership agreement of the Partnership (as may be amended, amended and restated, and/or otherwise modified from time to time, the "**Partnership Agreement**"). This summary of terms is being furnished on a confidential basis and may not be reproduced, in whole or in part, or distributed to any other party, without the prior written consent of the Partnership's general partner. This summary of terms does not constitute an offer to sell or a solicitation of an offer to buy an interest in the Partnership or any other product, vehicle or account, which will only be made pursuant to a final confidential private placement memorandum (the "**Memorandum**") for the Partnership or such other product, vehicle or account, and which should be reviewed carefully prior to making an investment decision. To the extent that the terms herein are inconsistent with those of the Partnership Agreement, or additional terms are contained in the Partnership Agreement, the Partnership Agreement will control. Capitalized terms used but not defined in this summary of terms have the meanings set forth in the draft Partnership Agreement provided with this summary.

THE PARTNERSHIP	The Partnership is a perpetual life, open-ended, commingled vehicle, that will make investments in accordance with its investment objective as described in "— Investment Objective" below. Limited partners of the Partnership are referred to herein as the "Limited Partners" and, together with the General Partner (as defined below), are referred to herein as the "Partners."
THE GENERAL PARTNER	The general partner of the Partnership is Prime Property Fund GP, LLC, a Delaware limited liability company.
THE ADVISER	The Partnership's adviser is Morgan Stanley Real Estate Advisor, Inc., a Delaware corporation (the "**Adviser**"). The Adviser is a registered investment adviser under the U.S. Investment Adviser's Act of 1940, as amended (the "**Advisers Act**").
THE OFFERING; ELIGIBLE INVESTORS	LP units of the Partnership will be offered pursuant to the Memorandum. The offering is expected to be made on a private placement basis to potential investors who meet certain financial criteria and suitability requirements so as to qualify them, at a minimum, as: (i) "accredited investors" within the meaning of Regulation D promulgated under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and (ii) "qualified clients" as defined in Rule 205-3 promulgated under the Advisers Act. The General Partner reserves the right to decline or reject, in whole or in part, subscriptions from any investor in accordance with the applicable policies of the Partnership in effect from time to time.
MINIMUM INVESTMENT	The minimum subscription for each potential new investor is $10 million, subject to the discretion of the General Partner to accept a lesser amount.
INVESTMENT OBJECTIVE	The Partnership seeks to achieve in the long term an

aggregate annual return on invested equity of 8% to 10%, gross of fees, and 6.75% to 8.75%, net of fees, by investing in real estate and real estate-related investments, broadly defined, with the majority of the return being realized from income, with modest appreciation, and using leverage when appropriate. The Partnership seeks to generate a return above the median of comparable core equity real estate funds and seeks to outperform the NFI-ODCE on an annual basis. There is no assurance, however, that these objectives will be met. Historical returns are not predictive of future results and there can be no assurance that the Partnership will achieve comparable or any returns.

FUND STRUCTURE

The Partnership is a Delaware limited partnership that will hold interests indirectly in Prime Property Fund, LLC ("**PRIME LLC**"), which has elected to be treated as a REIT for U.S. federal income tax purposes. Although not currently expected, the Partnership may form one or more additional REIT subsidiaries to invest in REIT-eligible assets, which REIT subsidiaries would be directly or indirectly owned by the Partnership.

Each Limited Partner will be required to provide to the Partnership such information as the General Partner may reasonably request to determine the effect of that Limited Partner's ownership of LP Units on the ability of PRIME LLC to qualify as a "domestically-controlled" REIT that is not a "pension-held" REIT.

FEEDER VEHICLES

The Adviser or its affiliates may organize "feeder" vehicles whose sole investment purpose would be to invest in the Partnership, including: (i) a vehicle (an "**Employee Fund**") to be offered principally to employees of Morgan Stanley and its affiliates and (ii) other vehicle(s) to be offered to various types of investors in order to accommodate any specific tax, legal, or regulatory requirements applicable to them.

In connection with any matters to be voted on or consented to by any such vehicle as a Limited Partner in the Partnership, the General Partner may, in its discretion, establish the terms of such vehicle to provide (for all or certain matters) that (i) all the LP Units held by such vehicle will be voted as a single block in the manner determined by the majority (or other specified) vote of the investors in such vehicle or (ii) the investors will have no voting rights with respect to how the LP Units held by the vehicle will be voted on the underlying Partnership matter, and, in the case of (ii), that such LP Units held by the vehicle will automatically be voted on the underlying Partnership matter in the same proportion (for, against, abstain) as the LP Units voted by the other Limited Partners in the Partnership.

PARALLEL VEHICLES

The General Partner or its affiliates may establish one or more additional parallel investment vehicles or other arrangements for certain types of investors (each such vehicle or arrangement, a "**Parallel Vehicle**"), which will in all material respects invest proportionately in each Investment (based on the relative net asset values of the Partnership and the Parallel Vehicles at the time of the initial acquisition of such Investment) and dispose of Investments on substantially the same terms and conditions and at substantially the same time as the Partnership, in each case, subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements. The economic terms of each Parallel Vehicle will be no more favorable than those of the Partnership, subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements.

Certain fees, costs and expenses (including those of the type set forth in or otherwise contemplated by the definition of Partnership Expenses) will be attributable both to the Partnership (and the feeder vehicles, if any) and to the Parallel Vehicles (and the feeder vehicles of such Parallel Vehicles, if any). Subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements, the Partnership and each Parallel Vehicle will share in (i) expenses related to Investments in proportion to their relative interests in the Investments to which they relate and (ii) other Partnership Expenses *pro rata* based on the relative net asset values of the Partnership and the Parallel Vehicles; provided that the General Partner may allocate certain fees, costs and expenses among the Partnership and the Parallel Vehicles on a different basis, including to certain (but not all) of these entities, if the General Partner determines in good faith that such other basis is more equitable.

OMNIBUS LETTER

The General Partner will execute a letter (the "**Omnibus Letter**") addressed to the Limited Partners relating to certain matters with respect to the management, administration, operations or affairs of the Partnership. The provisions of the Omnibus Letter are intended to supplement the Partnership Agreement and the terms of the Omnibus Letter shall control in the event of any conflict between such terms and the terms of the Partnership Agreement. The General Partner reserves the right to reflect any relevant provisions of the Omnibus Letter directly in the Partnership Agreement. Copies of subsequent supplements to the Omnibus Letter will be provided to all Limited Partners. The General Partner agreed to execute the Omnibus Letter at the request of certain Limited Partners, although the terms of the Omnibus Letter are for the benefit of all Limited Partners. Pursuant to the terms of the Omnibus Letter, the General Partner is restricted from entering into any side letters or similar documents with any Limited Partner.

PRICE OF AND PAYMENT FOR LP UNITS

The per share price for LP Units sold in the Offering is the NAV per LP Unit. All LP Units subscribed for by new investors will be required to be fully paid for in cash upon issuance unless other timing arrangements are entered into in writing by the General Partner in its discretion with the applicable investor.

NAV PER LP UNIT

The NAV per LP Unit of the LP Units is established monthly (or more frequently, as needed) by the General Partner based on the following calculation methodology which may be modified from time to time by the General Partner with notice to the Board (as defined below):

- ***Net Asset Value Calculation.*** On any given determination date, the Net Asset Value ("**NAV**") of the Partnership will equal the aggregate value of (i) the Partnership's interests in real estate properties (as determined in accordance with the procedures described in "Property Valuation Procedure" below), *plus* (ii) all other assets of the Partnership, *minus* (iii) the Partnership's indebtedness (as determined in accordance with the procedures described in "Debt Valuations" below) and other outstanding balance sheet obligations, in each case as of the determination date.

- ***General NAV per LP Unit Calculation.*** On any given determination date, the NAV per LP Unit will equal the NAV divided by the number of outstanding LP Units, in each case as of the end of the immediately preceding calendar month or, if the determination takes place on a calendar month-end date, as of such determination date.

VALUATION POLICY

All values for the assets of the Partnership and the NAV of the Partnership will be established by the Adviser in accordance with the investment valuation policy of the Partnership (the "**Valuation Policy**"). The Adviser established the Partnership's initial Valuation Policy and may propose modification of the Valuation Policy from time to time, subject to approval of the Board by a majority vote.

DEBT VALUATIONS

The Partnership intends to engage Chatham Financial ("**Chatham**") to provide independent fair values for mortgages in accordance with FASB ASC Topic 820, Fair Value Measurement and Disclosures (formally SFAS 157), as may be amended and interpreted ("**ASC 820**"). For unsecured notes payable, feedback will be solicited from knowledgeable market participants. This feedback will be used to calculate the fair value for the private placement note issuances using a mark-model-approach. The present value of future cash flows based on these rates will be used to calculate the fair value.

These debt valuations will be reviewed and approved by the General Partner's COO. The difference between the fair value and the balance outstanding is the market valuation adjustment.

PROPERTY VALUATION PROCEDURE

In determining the value of the Partnership's interests in real estate properties, all properties owned by the Partnership (other than those acquired during the then-current calendar quarter) are valued on a quarterly basis by independent appraisers engaged by the Board on behalf of the Partnership. The Adviser has the ultimate responsibility for determining asset value based on these appraisals. In addition, the Adviser is responsible for updating the asset values from such appraisals on a monthly basis (to be used in the determination of NAV) based on material items occurring since the last

quarterly update. A list of individual asset values, together with a summary of any adjustments made to the independent appraisals by the Adviser, are furnished to the Board which has direct access to all appraisals and supporting materials. Although the Board reviews the policies and process, individual valuation and NAV overall are subject to approval of the Adviser and not the Board. The cost of these appraisals is borne by the Partnership.

The Adviser has created the Valuation Committee to oversee the valuation process described above. The Valuation Committee seeks to ensure that best practices are adopted and adhered to in carrying out the valuation process and that the Valuation Policy is applied on a consistent basis among all of the Partnership's real estate investments. The Valuation Committee is comprised of representatives of the Adviser and its affiliates that are not officers of the General Partner. The Adviser reserves the right to appoint and remove members of the committee, change the scope of the committee's responsibilities, and to disband the committee at any time, in its discretion.

USE OF PROCEEDS

Proceeds from the sale of LP Units to new investors pursuant to an Offering will generally be used to reduce outstanding indebtedness, to acquire new Investments for the Partnership, to redeem shares from existing investors, to fund dividend payments and/or to provide a reserve to satisfy the Partnership's expenses.

GOVERNANCE

Background. Prior to September 15, 2011, the Adviser was designated as "Manager" of PRIME LLC under PRIME LLC's operating agreement and, except for those matters expressly set forth in PRIME LLC's operating agreement for which board or shareholder approval was required, the Adviser had exclusive power and authority over the conduct of PRIME LLC's management, business, operations and affairs.

Morgan Stanley became a bank holding company under the U.S. Bank Holding Company Act of 1956, as amended (the "**BHCA**"), in September 2008. In order to comply with the requirements of the BHCA relating to the role of the Adviser with respect to PRIME LLC, based on confirmation received from the legal staff of the Federal Reserve in this regard, PRIME LLC's governance structure was revised by amending its operating agreement, effective September 15, 2011.

Current Governance. The governance of the Partnership is intended to be substantively similar to the governance of PRIME LLC immediately prior to the Restructuring Transaction. Pursuant to the Partnership Agreement, the Adviser is the Partnership's investment adviser retained by, and subject to oversight and replacement by, the General Partner. Overall management authority with respect to the Partnership is vested in the General Partner, which is overseen by an independent board of directors (the "**Board**").

The General Partner has generally delegated to the Adviser all investment management authority and powers and day-to-day administration authority, as well as the rights, power and authority specified in the Partnership Agreement to be within the rights, power or authority of or to be carried out by the "General Partner," as such term is used in the Partnership Agreement.

Certain specified key matters are subject to approval of the full Board, and, in some cases, to approval by the Independent Directors. The Adviser's term as investment adviser may be terminated as described in "Summary of Terms of the Partnership—Term as Adviser" below.

The Board will be initially comprised of four individual Directors, no more than one of whom will be an Affiliated Director. The number of Directors may be increased or decreased by a majority vote of the Directors, but the number of Independent Directors will always constitute 75% or more of the Board.

The Adviser controls the designation, removal and replacement of the Affiliated Director. Each Independent Director serves for a one-year term. On an annual basis, the Limited Partners vote on the election of the Independent Directors, who are nominated by the Board. Independent Director vacancies will be filled by nominees selected by the Board who may solicit the recommendations of the Adviser

Reinstatement of Prior Governance. In the event the Adviser ceases to be an affiliate of a bank holding company, the Adviser may, without the consent of any Limited Partner, amend the terms of the Partnership Agreement to institute substantively similar terms for the Partnership as were in place for PRIME LLC prior to September 15, 2011, and to take any action it has determined in good faith to be necessary or desirable in order to give effect to the foregoing, including making or procuring structural, operating or other changes to or in the Partnership. A summary of material differences to the governance structure of the Partnership that will apply upon such reinstatement is set forth in Appendix A.

Authority as Adviser. Pursuant to delegation by the General Partner, the Adviser has the power and authority to take any and all investment management actions on behalf of the Partnership (other than those specified actions for which approval of the Board or Limited Partners is required as specified below). As part of such authority, the Adviser has discretionary authority to acquire, manage and dispose of Investments for the Partnership, generally subject to investment guidelines adopted by the Board. The Adviser reserves the right to procure from or outsource to third parties certain services to be provided to the Partnership.

Actions by the Board of Directors. The Board has the power and authority to take the following specified actions for the Partnership upon a vote of *a majority of the Directors*:

- removing the Adviser (with or without cause) at any time upon 90 days' notice, and upon such removal appointing a new investment adviser in accordance with applicable law;
- reviewing the investment performance of the Partnership on a quarterly basis;
- monitoring the Adviser's performance of its overall administrative and investment management responsibilities;
- approving the Partnership's incurrence of debt on a consolidated basis in excess of 50% of the gross value of the Partnership's assets at the time the debt is incurred;
- removing an Independent Director for cause (for which purposes the director in question will abstain from voting);
- determining any change in the compensation of the Directors;
- establishing and modifying from time to time the distribution policy for the Partnership;
- approving any public offering of LP Units by the Partnership;
- engaging or changing, upon the Adviser's recommendation, the independent appraisers and independent auditors of the Partnership;
- changing, upon the Adviser's recommendation, the asset valuation policy of the Partnership;
- changing the name of the Partnership, the registered office and agent of the Partnership, the location of the principal office of the Partnership and the address of the Partnership;
- dissolving the Partnership;
- undertaking a merger, consolidation or sale of all or substantially all of the assets of the Partnership; and
- approving any material amendment to the Partnership

Agreement for which approval of the Limited Partners will not be sought.

The Board also has the power and authority to take the following specified actions for the Partnership upon a vote of *a majority of the Independent Directors*:

- removing the Adviser for the Partnership (with the concurrence of Limited Partners three-quarters (75%) of the outstanding LP Units) and a majority of the Limited Partners by numbers;
- replacing the Adviser with a successor investment adviser in accordance with applicable law, in the event of the Adviser's removal or resignation;
- modifying, with the approval of the Adviser, the terms of the Partnership's governing documents relating to the Adviser's investment management authority, role or scope of services as Adviser or management fees;
- approving the terms of: (i) any purchase or sale of an investment by the Partnership from or to the Adviser or its affiliate or from or to any entity advised or represented by the Adviser or any of its affiliates in the applicable transaction (a "**Morgan Stanley Client**"); (ii) any debt financing of a the Partnership investment arranged by the Adviser from an affiliate of the Adviser or from a Morgan Stanley Client; (iii) any investment made by the Partnership that is arranged or contemplated by the Adviser as a co-investment with an affiliate of the Adviser or with a Morgan Stanley Client (except that no such approval will be required where such co-investment is on substantially *pari passu* terms); or (iv) any lease of a Partnership investment property involving more than 50,000 square feet to an affiliate of the Adviser or to a Morgan Stanley Client;
- approving the retention of any affiliate of the Adviser to provide services to the Partnership not expressly contemplated in the Partnership Agreement and the terms of such services by such affiliate; however, no such approval will be needed so long as the foregoing services are on market terms and are disclosed to the Board in reasonable detail each quarter;
- resolving any other conflict of interest situations that are brought before the Independent Directors by the Adviser; and
- approving a reduced management fee for investors investing in the Partnership indirectly through the Employee Fund (described in "Feeder Vehicles" above).

LIMITED PARTNERS/ VOTING RIGHTS

Each Limited Partner is entitled to one vote per LP Unit (or fractional vote based upon a fraction thereof) on the following matters:

- upon a vote of at least a majority of the LP Units cast, the election and removal of Independent Directors;

- upon a vote of at least two-thirds (66 2/3%) of the outstanding LP Units, ratification of a decision by the Board to effect any merger, consolidation, sale of all or substantially all of the assets or dissolution of the Partnership;

- upon a vote of at least three-quarters (75%) of the outstanding LP Units and a majority of the holders of LP Units by number, the removal of the Adviser for the Partnership (with the concurrence of a majority of the Independent Directors); and

- upon a vote of at least two-thirds (66 2/3%) of the outstanding LP Units, the approval of amendments to the Partnership's governing documents proposed by the General Partner, other than amendments that are purely ministerial or administrative in nature or other amendments that do not adversely impact the rights of the Limited Partners (which may be approved by the Board) and other than amendments that are expressly within the Board's authority as described in "Governance" above.

Any vote or approval by the Limited Partners may take place at a meeting or by written consent.

LIQUIDITY

The Partnership will be established as a private investment vehicle, and the Adviser has no current intention of offering LP Units to the public. Although there is no assurance that the LP Units will ever be listed on any exchange or clearinghouse or that a market (public or private) will develop for the LP Units, LP Units may be redeemed or transferred, subject to the conditions described below.

REDEMPTIONS

All Limited Partners have the right to request a redemption of LP Units on a quarterly basis, subject to the conditions described further below. A redemption request received before the end of a calendar quarter will be processed so as to be scheduled for payment generally at (or shortly after) the end of the next calendar quarter in accordance with the Partnership's quarterly redemption process. The Partnership will redeem LP Units at the then NAV per LP Unit on the day of redemption (as distinguished from the NAV per LP Unit at the time the redemption request was made) to the extent that the request was received prior to the end of the preceding quarter and the Partnership has sufficient cash available to honor requests, consistent with applicable REIT rules and principles of prudent management. Redemption requests are irrevocable, although the General Partner may permit a Limited Partner to rescind a redemption request (or reduce the number of LP Units subject to such redemption request) if the General Partner deems that granting such permission is in the best interests of the Partnership.

There is no guarantee, however, that cash will be available at any particular time to fund a particular redemption request, and the Partnership will be under no obligation to make such cash available. If sufficient cash is not available to redeem all requested redemptions, as determined by the Adviser in its sole judgment, the Partnership will redeem the LP Units of all investors that have requested a redemption out of available cash on a pro rata basis (based on the number of outstanding

LP Units held by each redeeming investor), subject to compliance with tax rules applicable to PRIME LLC's qualification as a REIT. To the extent that less than the desired amount of an investor's LP Units is redeemed, the investor will be deemed to have made a redemption request for the next scheduled redemption.

To the extent any redemption request, if fulfilled, would cause PRIME LLC to fail to be treated as a domestically-controlled REIT or a "pension-held" REIT, the General Partner may, at its discretion, delay such redemption or take such other actions as it considers appropriate.

The General Partner may make redemptions at any time in its discretion upon notice to the Limited Partners~~, including~~ if the General Partner reasonably determines~~, in its sole discretion,~~ that a redemption is necessary or advisable to comply with legal, regulatory, tax, accounting or other similar requirements, including to permit any REIT Subsidiary to maintain (or to avoid jeopardizing) its qualification as a REIT.

Any LP Units subject to a mandatory redemption will be redeemed prior to any other LP Units subject to an outstanding redemption request.

Upon the giving of such notice, such Limited Partner will be required to withdraw as a Limited Partner and shall cease to be a Limited Partner of the Partnership for all purposes, except for its right to receive the applicable amount related to the redemption of its LP Units.

OWNERSHIP LIMITATIONS

No Limited Partner is permitted to own in excess of 9.9% of the LP Units of the Partnership except with the approval of the General Partner, which may be conditioned on the provision of certain additional representations and undertakings. Additional limitations on LP Unit ownership may result from the considerations described under "Transfers" below.

TRANSFERS

A Limited Partner may not sell, assign, pledge, hypothecate, or otherwise transfer all or any portion of its LP Units except with the prior written consent of the General Partner, which may be withheld for any reason or no reason, provided that the General Partner will not unreasonably withhold such consent with respect to a proposed Transfer by a Limited Partner of all or any of its LP Units or its interest in the Partnership to an Affiliate of such Limited Partner, and subject to various other limitations including compliance with certain securities and tax law requirements.

DISTRIBUTIONS

The General Partner may (but shall not be obligated to) cause the Partnership to make distributions to the Partners at any time, in amounts of any of the Partnership's assets available therefor, as determined by the General Partner in its sole and absolute discretion to be appropriate. All distributions will be made to the Partners ratably in proportion to the number of LP Units held by them. Unless otherwise determined by the General Partner in its discretion, the General Partner expects to cause PRIME LLC to distribute to the Partnership, and in turn the Partnership to pay to the Limited Partners quarterly distributions equal to at least 90% of PRIME LLC's REIT

taxable income (with certain adjustments and excluding net capital gain). The General Partner may change the Partnership's distribution policy from time to time, subject to compliance with tax rules applicable to PRIME LLC's qualification as a REIT.

The distributions will be paid in cash, in-kind (subject to the applicable provisions of the Partnership Agreement) or, for those Limited Partners that elect to participate in the distribution reinvestment plan (see "Distribution Reinvestment Plan" below), will be reinvested in additional LP Units.

The General Partner may, in its discretion, solicit the consent of the Limited Partners to a distribution process whereby the Limited Partners would be deemed to have received undistributed amounts and to have contributed such amounts back to the Partnership on the same day in exchange for LP Units. If sufficient consents are obtained in any such solicitation, the cash distributions required to be paid by PRIME LLC in order for PRIME LLC to qualify as a REIT generally may be reduced.

The General Partner may withhold from any distribution amounts necessary to pay the Management Fee as well as for any required tax withholdings. Taxes paid or withheld that are allocable to one or more Partners will be deemed to have been distributed to such Partners.

DISTRIBUTION REINVESTMENT PLAN

Limited Partners may participate in a distribution reinvestment plan under which all or a designated portion of distributions will automatically be reinvested in additional LP Units. The number of LP Units issued under the distribution reinvestment plan will be determined based on the NAV per LP Unit as of the reinvestment date. The Partnership will use reinvestment proceeds to make new Investments, to fund redemptions and for general Partnership purposes.

Limited Partners are entitled to change their election with regard to participation in the dividend reinvestment plan at any time on at least 90 days' advance written notice to the General Partner.

INVESTMENT MANAGEMENT FEE

Under the investment management fee arrangement between the Partnership and the Adviser, the Partnership and its Subsidiaries will pay the Adviser ~~a~~ management ~~fee~~fees comprised of~~ two separate components~~: (i) ~~a~~ base management ~~fee~~fees (the "**Base ~~Fee~~Fees**") and (ii) an incentive management fee (the "**Incentive Fee**")~~; provided, however, that~~. Subject to the limits described below with respect to the maximum Base Fees, the General Partner may determine in its sole and absolute discretion ~~that~~whether the Partnership or a Subsidiary will pay a ~~portion of the management fee, in which case the management fee payable by the Partnership will be reduced by an amount equal to such portion of the management fee paid by such Subsidiary~~Management Fee.

~~The~~It is expected that each of the Partnership and PRIME LLC will pay a Base Fee. The Base Fees will be paid in cash quarterly in arrears at the end of each calendar quarter. The cumulative amount of Base ~~Management Fee~~Fees payable will

~~be~~not exceed an aggregated amount, calculated with respect to each Limited Partner~~ that is subject to the Base Fee~~, determined by multiplying the applicable fee rate (as specified below), by the incremental NAV per LP Unit attributable to such Limited Partner's applicable LP Units.

The amount of the cumulative Base ~~Fee~~Fees payable ~~by the Partnership~~ to the Adviser in respect of each Limited Partner will be determined on a quarterly basis and ~~calculated according to the fee rates set out below (i.e., such that~~cannot cause the Limited Partner and each of its Aggregated Partners ~~bears an~~to bear effective blended Base ~~Management Fee~~Fees rate~~)~~ in excess of the Fee Rate limit below:

Incremental aggregate NAV per LP Unit, together with the aggregate NAV per LP Unit of such Limited Partner's Aggregated Partners	**Fee Rate Limit (of the applicable NAV per LP Unit)**
Less than US $200 million	84 basis points per annum (or 21 basis points per calendar quarter)
Equal to or greater than US$ 200 million and less than US$ 400 million	74 basis points per annum (or 18.5 basis points per calendar quarter)
Equal to or greater than US$ 400 million	64 basis points per annum (or 16 basis points per calendar quarter)

"**Aggregated Partner**" means, with respect to any Limited Partner, any other Limited Partner that the General Partner determines in good faith (i) is an Affiliate of such Limited Partner, (ii) is formed by the same sponsor as such Limited Partner or (iii) is a discretionary client of the same investment adviser or manager as such Limited Partner with respect to their investment in the Partnership For the avoidance of doubt, Limited Partners will not be considered Aggregated Partners of one another solely by virtue of utilizing the same advisory consultant with respect to their investment in the Partnership.

In order to facilitate the calculation of the NAV per LP Unit in accordance with and to give effect to applicable provisions of the Partnership Agreement (including ~~any fee discounts~~the Fee Rate limit on the cumulative Base ~~Fee~~Fees), the Partnership may, in the sole discretion of the General Partner, (A) withhold amounts that are otherwise distributable to each Limited Partner in order to pay ~~the~~ Base ~~Fee~~Fees payable by the Partnership ~~in respect of~~or a Subsidiary allocable to such Limited Partner or (B) redeem or reduce the number of LP Units (including any fractional amounts thereof) held by each Limited Partner with an aggregate NAV attributable to such LP Units up to the amount of combined Base ~~Fee~~Fees payable by the Partnership ~~in respect of~~or a Subsidiary allocable to such Limited Partner.

The Incentive Fee is subject to a cap, *i.e.*, the Incentive Fee payable at the end of each calendar year will not exceed 25 basis points per annum of the average monthly NAV for the calendar year.

The Incentive Fee accrues on a monthly basis over a calendar year and the monthly accrual equals the product of **X * Y * Z * 1/12**, where:

- X = 5.0%;
- Y = NAV (as of the beginning of that month); and
- Z = "Comparable Property NOI Growth" for that

month.[1]

The Incentive Fee is payable at or promptly after the end of each calendar year and is equal to the aggregate amount of the Incentive Fee (including any negative amounts) accrued for each month of the calendar year. If the Incentive Fee for the calendar year, as calculated above, is equal to a negative number, then no Incentive Fee will be paid to the Adviser, but such negative number will not be taken into account in the Incentive Fee calculations for the subsequent calendar year.

TERM AS ADVISER

Under the Advisory ~~Agreement~~Agreements, the Adviser's term as investment adviser of the Partnership and any Subsidiary will be automatically renewed annually, except that the term may end earlier if (i) the term is modified with the approval of the Adviser and a majority of the Independent Directors, (ii) the Adviser resigns on at least 90 days' prior written notice to the Board, (iii) the term is terminated by a majority vote of the Independent Directors with the concurrence of at least 75% in interest of the outstanding LP Units and a majority of the holders of LP Units by number or (iv) the Adviser is removed by a majority vote of the Board (with or without cause) at any time upon 90 days' notice. In the event of (ii), (iii) or (iv) above, the Independent Directors will choose a successor investment adviser by majority vote, subject to applicable law.

[1] "Comparable Property NOI Growth" for a given calendar month is the growth, expressed as a percentage, of (i) the aggregate income after operating expenses have been deducted, but before deducting income taxes, financing expenses, fund expenses and capital expenditures (the "NOI") generated by Included Investments that month, over (ii) the aggregate NOI generated by the same Included Investments during the same calendar month in the preceding year. For these purposes, "Included Investments" means each real estate asset held directly or indirectly by the Partnership for at least 13 months prior to the end of that month (for the avoidance of doubt, including any real estate for which there was any expansion, redevelopment or similar change during the prior 13 months); provided that if any such real estate asset is a development asset (*i.e.*, either undeveloped land or a previously developed real estate asset that is subject to a development or redevelopment project where the budgeted costs of such project exceed 50% of the value of such asset immediately prior to undertaking such project), such real estate asset will only be considered held once its development has been completed (*i.e.*, a certificate of occupancy or equivalent document has been obtained); and provided further that "Included Investments" shall not include AMLI Operating Company, Safeguard Operating Company or any other future Investment deemed to be an operating company.

EXCLUSIVITY HELD BY OTHER MSREI CLIENTS

Morgan Stanley sponsors, manages or advises other alternative investment funds and investment programs, accounts, businesses and other clients that have or will have active investment programs that are focused on real estate investing or otherwise may make real estate investments. The Adviser and its affiliates within MSREI have adopted an allocation policy to attempt to allocate investment opportunities among their clients in a fair and equitable manner.

Prospective investors should be aware that MSREI advises North Haven Real Estate Fund X Global-T, L.P., a pooled investment vehicle, organized as an Alberta, Canada limited partnership, that makes opportunistic real estate and real estate-related investments on a global basis (together with its parallel, predecessor and any successor funds that have an opportunistic strategy, MSREI's "**Opportunistic Funds**"). With respect to each investment opportunity that is deemed by MSREI to be an "opportunistic" real estate investment opportunity, the Opportunistic Funds and certain investors who have or are granted in the future co-investment rights or other investors that MSREI determines to offer co-investment alongside the Opportunistic Funds, will be accorded a preference and will have the right to make all or part of any such investment before it is offered to the Partnership. Furthermore, other funds or products may in the future be sponsored by Morgan Stanley or its affiliates that may have a preference.

Prospective investors should be aware that MSREI sponsors North Haven Net REIT ("**NetREIT"),** a pooled investment vehicle, organized as a Maryland statutory trust, that invests in high-quality commercial real estate assets that are primarily long-term leased under net lease structures to tenants for whom the properties are mission critical and, to a lesser extent and on a tactical basis, commercial real estate debt-related assets. As such, investment opportunities that are appropriate for the Partnership may also be appropriate for NetREIT, and there is no assurance that the Partnership will be allocated those investments it wishes to pursue. To the extent there are investment opportunities that meet the investment parameters of both the Partnership and NetREIT, investment opportunities will be allocated according to the Allocation Policy. Nonetheless, conflicts of interest may arise with respect to the potential allocation of an investment opportunity made available to MSREI where such opportunity may be suitable for both the Partnership and NetREIT.

ARRANGEMENTS WITH AFFILIATES OF THE ADVISER

The Partnership and PRIME LLC may enter into various types of transactions or arrangements with affiliates of the Adviser, or otherwise retain affiliates of the Adviser to provide services. Such services will typically include those that are ancillary to the Partnership's investment or financing activities or that are customarily provided in connection with the acquisition, disposition, leasing, financing or management of properties. By acquiring LP Units in the Partnership, each Limited Partner will be deemed to have acknowledged the existence of certain actual and potential conflicts of interest as will be disclosed in the Partnership's Memorandum. The Partnership Agreement will expressly provide for and authorize the conflicts of interest, transactions and arrangements subject to certain rules. See also "Governance" above for information on approvals required for certain of such transactions or arrangements.

ADVISORY COMMITTEE

The Partnership will establish an Advisory Committee consisting of significant investors in the Partnership appointed by the General Partner. The Advisory Committee will meet at least once each year to review the Partnership's investment portfolio and significant developments involving the Partnership. The Advisory Committee serves on an advisory basis only and its recommendations and advice are non-binding on the General Partner, the Adviser, the Board and the Partnership. Advisory Committee members are determined and appointed, and may be removed, by the General Partner in its discretion.

To the extent any Limited Partner (i) is at any time holding LP Units with an aggregate corresponding subscription amount equal to or greater than $150 million and (ii) is not at such time represented by a participating member of the Advisory Committee, such Limited Partner will be provided at its request with any notice and other documents provided to members of the Advisory Committee, as and when so provided, and shall be entitled to have, at its request with reasonable notice, a representative attend any meeting of the Advisory Committee as an observer provided that any such Limited Partner acknowledges in writing to the General Partner that all travel and related costs associated with such attendance shall be borne by such Limited Partner and not by the Partnership.

PARTNERSHIP EXPENSES

The Partnership will pay all of its and the General Partner's respective operating expenses, including, but not limited to: (i) the Management ~~Fee~~Fees; (ii) all Reimbursable Investment Adviser Professional Expenses (defined below); (iii) Restructuring Expenses (other than Excess Restructuring Expenses)(each as defined below); (iv) any fees or compensation payable to the Independent Directors, and expenses payable to all Directors, for service on the Board; (v) all costs and expenses incurred in connection with the holding of the Partnership's annual meeting, meetings of the Board, meetings of the Advisory Committee and the Advisory Committee Members and meetings of the Limited Partners, including travel costs, entertainment and other similar fees, costs and expenses of the Advisory Committee or the Limited Partners; (vi) costs and expenses related to the engagement of third-party consultants, advisors and service providers (including affiliates of the Adviser) by the Partnership and the

General Partner, including costs and expenses incurred in connection with obtaining legal, tax, appraisal or accounting, insurance advisory, property management, fund administration, custody or depositary advice or services (including property management fees and expenses, including base fees, leasing commissions, incentive fees and financing fees); all fees, costs and expenses (including travel, meals, accommodations, and reasonable research and market data expenses and ancillary costs thereto) incurred in sourcing, conducting due diligence investigations into, purchasing, acquiring, developing, negotiating, structuring, monitoring, custody, hedging, financing, insuring managing and disposing of, or attempting to dispose of, actual (or potential) Investments, including the expenses incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of any environmental, social and governance related programs and initiatives (in respect of Investments, prospective Investments and/or the Partnership); expenses incurred in connection with environmental, social and governance tracking tools, climate risk assessments and any other assessments, measurements, advice or reports conducted as part of implementing, monitoring and maintaining of certain environmental, social and governance related programs and initiatives, costs for external financial, legal, accounting, technology (including technology-related services), consulting or other advisers, or any lenders and other financing sources and other costs and fees in connection with transactions which are not consummated, including reverse break-up fees and lost deposits, duplicating, postage, delivery, and communications charges, costs of appraisal services (including obtaining an independent valuation of, or fairness opinion relating to, Investments or other assets), valuation advisers, engineering and environmental assessment services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such fees, costs and expenses by entities in which the Partnership invests or other third parties); (vii) third party out-of-pocket expenses incurred by the General Partner or the Adviser (and third-party firms whose professionals work in the Adviser's offices, use the Adviser's email address and devote all or substantially all of their working time to funds or accounts managed by the Adviser and its affiliates) in connection with Investments or proposed Investments and other costs and expenses in connection with the acquisition, underwriting, market research, financing, operation, ownership, management, development, redevelopment, refinancing, sale, leasing or other disposition of Investments; (viii) the Partnership's allocable share of travel expenses, including travel expenses incurred in connection with evaluating and negotiating potential Investments (whether or not consummated) and monitoring actual Investments and other Partnership matters (including costs and expenses of accommodations and meals, costs and expenses related to attending trade association meetings, conferences or similar meetings for purposes of evaluating actual or potential investment opportunities, and with respect to travel on non-commercial aircraft, costs of travel at a comparable business class commercial airline rate); (ix) communications charges, costs of appraisal services (including obtaining an independent valuation of Investments or other assets),

valuation advisers, engineering and environmental services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Partnership invests or other third-parties); (x) costs and expenses (including brokerage fees, commissions, insurance premiums) relating to any fidelity bond and insurance policies of all types (including directors' and officers' liability insurance and errors and omissions insurance), or such other insurance relating to the affairs of the Partnership; (xi) all expenses incurred in connection with any litigation, indemnification or extraordinary expense or liability relating to the affairs of the Partnership or any Subsidiary (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; (xii) all expenses for indemnity or contribution payable by the Partnership to any Person; (xiii) all expenses incurred in connection with the collection of amounts due to the Partnership or any Subsidiary from any Person (xiv) expenses related to legal and regulatory compliance for the Partnership, the General Partner or the Adviser relating to the Partnership's investment activities (including, without limitation, Partnership-related compliance obligations and, if needed, reports, disclosures, filings and notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive); (xv) all expenses incurred in connection with and any principal, interest or other amounts owing in respect of any indebtedness or guarantees of the Partnership or any Subsidiary or any proposed or definitive credit facility or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Partnership or any Subsidiary or related to any Investment), including the repayment of amounts under such indebtedness, guarantees, credit facilities or other credit arrangements; (xvi) expenses associated with portfolio and risk management including interest rate hedging; (xvii) expenses of dissolving and winding up the Partnership; (xviii) expenses incurred in connection with preparation of financial statements; (xix) fees, costs and expenses related to the organization and maintenance of any entity used to acquire, hold or dispose of one or more Investment(s) (including, for the avoidance of doubt, any Subsidiary or portfolio entity) or otherwise facilitating the Partnership's investment activities including, without limitation, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including personnel of the Adviser or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, or other overhead expenses in connection therewith; (xx) legal entity management expenses; (xxi) fees or other governmental charges relating to administration of the Partnership, the General Partner and the Adviser; (xxii) fees, costs and expenses incurred in connection with any amendments, restatements, or other modifications to, and compliance with, the Partnership Agreement, the Advisory ~~Agreement~~Agreements, confirmation letters with Limited Partners or any other constituent or related documents of the Partnership, the General Partner and the Adviser, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the Advisory Committee or

preparation of other materials in connection with compliance (or monitoring compliance) with such documents (including, for the avoidance of doubt, any such documents as related to subsidiaries of the Partnership); (xxiii) any taxes imposed on the Partnership or any Subsidiary, including any taxes imposed on the Partnership or any Subsidiary in the capacity of withholding agent with respect to a Partner (and any interest, penalties or expenses relating to any such taxes), except to the extent such taxes are attributable or otherwise allocable to a Partner under the Partnership Agreement, and costs and expenses of preparing and filing tax returns on behalf of the Partnership and/or such Subsidiary in any jurisdiction in which the Partnership or such Subsidiary is required or deems it advisable to file tax returns or information with the applicable tax authorities and all costs and expenses incurred in connection with any tax audit, investigation, settlement or other proceedings in respect of the Partnership and/or such Subsidiary; (xxiv) any sales, value added, goods and services or other similar taxes (a "**GST**") to the extent that the Partnership or any entity used to acquire, hold or dispose of any investments (including any Subsidiary and/or any portfolio entity) is required by applicable law to pay, withhold or deduct such amounts from any payments of the Base ~~Fee~~Fees or Incentive Fee, so that the net amounts of Base Fees and/or Incentive Fees actually received by the Adviser (and/or such entity) after such payment, withholding, deduction or imposition of such GST (including any such payment, withholding, deduction or imposition from or with respect to such additional amounts) equal the required amount of Base Fees and/or Incentive Fees otherwise payable under the Advisory ~~Agreement~~Agreements; (xxv) all administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Partners of checks, financial reports, performance reports, tax returns, communications and notices required pursuant to this Agreement, treasury, cash management, analytics and related information technology services provided to the Partnership and all other costs and expenses in relation to maintaining or compliance with the tax or legal status of the Partnership, the General Partner or the Adviser; (xxvi) the organization of any Parallel Vehicle or Feeder Vehicle; (xxvii) expenses of offering LP Units and any applicable taxes, including expenses associated with updating the offering and marketing materials, expenses associated with printing the materials and expenses relating to documentation with potential investors (other than travel expenses related thereto); (xxviii) the fees, costs and expenses of any legal counsel or other advisors retained by, or at the direction or for the benefit of, the Advisory Committee; (xxix) fees, commissions, costs and expenses relating to the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "**AIFM Directive**"), the Swiss Collective Investment Schemes Act ("**CISA**") or any other non-U.S. law, rule, regulation or requirement including as any of the foregoing may be implemented by any laws, rules, regulations or interpretations of countries or jurisdictions, in each case as amended, or any successor laws, rules or regulations thereto including reports, ongoing compliance, administrators, custodians, agents, representatives, depositaries, paying agents and other service providers engaged to comply with the AIFM Directive, CISA, or any

other non-U.S. law, rule, regulation or requirements, the organization or maintenance of any entity used in connection with compliance with the AIFM Directive by the Partnership, any Parallel Vehicle or any feeder vehicle (including any entity that is an affiliate of the Adviser established to be an authorized "alternative investment fund manager" of the Partnership, any Parallel Vehicle or any feeder vehicle within the meaning of the AIFM Directive) as well as any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, other overhead expenses in connection therewith and/or fees for services, or, in the event a third party authorized "alternative investment fund manager" is engaged, the costs and expenses associated therewith, as applicable; and (xxx) all other costs and expenses relating to the business of the Partnership.

"**Restructuring Expenses**" means the fees, costs and expenses incurred by the Partnership, the Adviser and its affiliates in connection with the Restructuring Transaction, including all fees, costs and expenses relating to: (i) the preparation of disclosures and consents of the shareholders in PRIME LLC; (ii) other communications with such shareholders; (iii) the preparation and review of PRIME LLC's second amended and restated limited liability company agreement, the Partnership Agreement, the merger agreement and other transaction documents required to effectuate the Restructuring Transaction; (iv) the preparation of Board materials relating to the Restructuring Transaction; (v) the formation of the Partnership and the General Partner; (vi) the exchange of interests in PRIME LLC for interests in the Partnership; and (vii) the structuring of the Restructuring Transaction.

"**Excess Restructuring Expenses**" means any amounts of Restructuring Expenses in excess of $2,000,000.

The Adviser is solely responsible for and shall pay for all of the Adviser's compensation of officers, members and employees of the Adviser and related overhead expenses (including office and related expenses), except for internal legal, accounting, insurance and other professional costs and expenses associated with the operation of the Partnership and that would be normally provided by outside professionals so long as such costs and expenses are on market terms (such internal professional costs and expenses, "**Reimbursable Investment Adviser Professional Expenses**"), and Excess Restructuring Expenses.

Cost and expenses including, but not limited to property management fees, base fees, leasing commissions, incentive fees and financing fees are paid by the Partnership. Affiliates of the Adviser may be retained to provide these services on reasonable and customary terms at market rates, and any variance would require approval by a majority of the Independent Directors. MSREI reserves the right to procure from or outsource to third parties certain services to be provided to the Partnership.

INDEMNIFICATION

The Partnership will indemnify the General Partner, the Adviser, each of their respective affiliates and each of their

and their respective affiliates' employees, officers, directors, agents, stockholders, members and partners, and any person who serves at the request of the General Partner or the Adviser on behalf of the Partnership as an officer, director, partner, employee or agent of the Partnership or any affiliated entity (each of the foregoing, other than members of the Board and the Advisory Committee, a "**GP/IA Indemnified Person**"), and each member of the Board and the Advisory Committee (each of the foregoing, including each Adviser Affiliate, an "**Indemnitee**") from and against any claim, liability, loss, damage or expense ("**Loss**") incurred by such Indemnitee on behalf of the Partnership or in furtherance of the interests of the Partnership or otherwise arising out of, or in connection with, the Partnership, except for Losses arising from such Indemnitee's own fraud, willful misconduct or gross negligence or, in the case of the General Partner, the Adviser or a GP/IA Indemnified Person, breach of its applicable standard of care (*i.e.*, to manage the Partnership's assets with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims).

LEVERAGE

PRIME LLC may incur debt as part of its continuing operations. Debt may be secured or unsecured. In no event will PRIME LLC's consolidated leverage exceed 50% of the gross value of PRIME LLC's assets at the time debt is incurred, unless the Board determines otherwise.

AUDITS

The financial statements of the Partnership will be prepared in accordance with accounting principles generally accepted in the United States and will be audited annually by a nationally recognized, independent accounting firm. These standards currently require the Partnership to report its investments at fair value. There can be no assurance that the fair value basis of accounting will remain the applicable standard for the Partnership. The cost of the annual audit is borne by the Partnership.

U.S. TAX CONSIDERATIONS

The Partnership is classified as a partnership for U.S. federal income tax purposes and, consequently, the character of the income of the Partnership will flow through to the Partners. The Partnership will hold interests indirectly in PRIME LLC, which has elected to be treated as a REIT for U.S. federal income tax purposes. Tax-exempt investors are not expected to incur unrelated business taxable income ("UBTI") solely as a result of income the Partnership receives from PRIME LLC. However, non-U.S. investors should be aware that an investment in the Partnership may give rise to effectively connected income ("ECI") attributable to certain distributions that the Partnership may receive from PRIME LLC.

Each prospective investor should consult with its own tax advisor regarding all U.S. federal, state, local and non-U.S. tax considerations applicable to owning LP Units. PRIME LLC expects to comply with all requirements necessary to maintain its tax status as a REIT and to be treated as a "domestically-controlled" REIT, and as an entity that is not a

"pension-held" REIT.

The Adviser will use commercially reasonable efforts to operate PRIME LLC in such a way that PRIME LLC will be treated as a REIT and as a "domestically-controlled" REIT and will not be treated as a "pension-held" REIT, unless the General Partner shall have determined that it is no longer in the best interests of the Partnership for PRIME LLC to qualify or to attempt to qualify as a REIT, a "domestically-controlled" REIT and/or an entity that is not a "pension-held" REIT, as applicable. The Adviser may seek and rely on the advice of qualified counsel, accountants or other experts as may be deemed necessary or appropriate by the Adviser under the particular circumstances, and seeking, obtaining and acting in reasonable reliance on such advice shall be deemed to satisfy the requirement of using "commercially reasonable efforts" as described above.

ERISA

The General Partner will use commercially reasonable efforts to operate the Partnership so that it qualifies as an "operating company" and if the General Partner decides not to, or cannot, operate the Partnership as an "operating company," the General Partner will use commercially reasonable efforts to restrict Benefit Plan Investors (as defined in the Memorandum) to under 25% of the total value of each class of equity LP Units (not including investments by the General Partner, the Adviser, certain other persons and their affiliates); therefore, the Partnership's assets are not expected to be deemed to be "plan assets" subject to ERISA. The General Partner, however, is obligated under the Partnership Agreement to manage the Partnership's assets in accordance with the prudence standard generally applicable to the management of assets subject to ERISA (see "Standard of Care" below).

If at any time the assets of the Partnership are deemed to be "plan assets" for purposes of ERISA, then to the extent permitted by law and necessary in order to comply with ERISA, the General Partner shall acknowledge to each Limited Partner that is subject to Part 4 of Title I of ERISA that the General Partner is a fiduciary of such Limited Partner with respect to the assets of the Partnership and each such Limited Partner will be solicited to affirm the appointment of the General Partner as an "investment manager," as such term is defined in Section 3(38) of ERISA, with respect to such assets.

STANDARD OF CARE

The General Partner will manage the Partnership's assets with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. While the General Partner is not currently obligated to meet the fiduciary standards required under ERISA, the General Partner's standard of care described above tracks the prudence standard generally applicable to the management of assets subject to ERISA. See "ERISA" above.

RISK FACTORS AND CONFLICTS OF INTEREST	Prospective investors should be aware that an investment in the Partnership is subject to potential risks, including the risk of loss of principal and conflicts of interest and that they may be required to bear the financial risk of their investment for a significant period of time. Prospective investors should carefully review the risk factors and potential conflicts of interest discussed in the Memorandum and the Supplements prior to deciding to invest in the Partnership.
REPORTS	The Adviser will provide Limited Partners with annual audited financial statements and quarterly unaudited statements which include a description of the Partnership's current financial position, any significant developments during the quarter and the Adviser's views of the Partnership's short-term prospects.
LEGAL COUNSEL	Davis Polk & Wardwell LLP

APPENDIX A

Reinstatement of Prior Fund Governance Structure

As described above in "Governance of the Partnership," if and as soon as the Adviser ceases to be an affiliate of a bank holding company, the Adviser may, without the consent of any Limited Partner, amend the terms of the Partnership Agreement to institute substantively similar terms for the Partnership as were in place for PRIME LLC prior to September 15, 2011, and to take any action it has determined in good faith to be necessary or desirable in order to give effect to the foregoing, including making or procuring structural, operating or other changes to or in the Partnership. The material changes to the Partnership's governance structure upon this reinstatement are described below.

- The Adviser or an affiliate thereof will assume ownership and control of the General Partner.
- Except as otherwise set forth in the Partnership Agreement (including Section 6.11 thereof with respect to matters over which the Board has authority and Section 7.06 thereof with respect to matters for which Limited Partner action is required), the General Partner will have exclusive power and authority over the conduct of the Partnership's management, business, operations and affairs.
- The General Partner and/or the Adviser, as applicable, will have all investment management authority and powers, day-to-day administration authority, as well as the rights, power and authority specified in the Partnership Agreement to be within the rights, power or authority of or to be carried out by the "General Partner," subject to the limitations on such rights, power and authority specified in ~~this~~the Partnership Agreement, including pursuant to Sections 6.11 and 7.06 thereof.
- The scope of the Board's authority will be as set forth in Section 6.11 of the Partnership Agreement, except as set forth below.
- Board approval will not be required in order for the General Partner to (a) change the name of the Partnership, the registered office and agent of the Partnership under the Delaware Act, the location of the principal office of the Partnership, or the address of the Partnership; (b) adopt or change the distribution policy; (c) dissolve the Partnership; (d) effect a merger, consolidation or sale of all or substantially all of the assets of the Partnership; or (e) make any material amendment to the Partnership Agreement for which approval of the Limited Partners will not be sought.
- The Board will consist of five Directors, no more than two of whom may be Affiliated Directors. The number of Directors may be increased by a majority vote of the Directors; provided that the number of Independent Directors will at all times constitute a majority of the Board.
- Limited Partners will vote on an annual basis, pursuant to Section 7.06 of the Partnership Agreement, on the election of the Independent Directors, who will be nominated by the Adviser or the General Partner. Independent Director vacancies will be filled by nominees selected by the Adviser or the General Partner and voted upon by a majority of Directors. A decision to remove an Independent Director for cause will be determined by a vote of the remaining Directors.
- The Adviser and the General Partner may be removed by the Board upon a vote of a majority of the Independent Directors, with the concurrence of Limited Partners holding at least three-quarters (75%) of the outstanding LP Units and a majority of the Limited Partners by number. Neither the Adviser nor the General Partner will be removable by the Board without Limited Partner action.

EXHIBIT D

PARTNERSHIP AGREEMENT

THE LP UNITS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA OR UNDER THE LAWS OF ANY NON-U.S. JURISDICTION AND MAY NOT BE SOLD, EXCHANGED, TRANSFERRED, ASSIGNED, CONVEYED, PLEDGED, MORTGAGED, ENCUMBERED, HYPOTHECATED, SWAPPED, DISPOSED OF, SEVERED OR OTHERWISE ALIENATED WITHOUT COMPLIANCE WITH APPLICABLE U.S. FEDERAL, U.S. STATE OR NON-U.S. SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. IN ADDITION, ANY SUCH TRANSFER OR OTHER DISPOSITION OF SUCH LP UNITS IS RESTRICTED AS PROVIDED IN THIS AGREEMENT.

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

OF

PRIME PROPERTY FUND, LP

Dated as of [●], [___]

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AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP dated as of [●], 2025 of Prime Property Fund, LP, a Delaware limited partnership (the "**Partnership**").

WHEREAS, the Partnership was formed pursuant to the provisions of the Delaware Act and the existence of the Partnership commenced upon the filing with the Secretary of State of the State of Delaware of a Certificate of Limited Partnership (the "**Certificate**"), on [●], in accordance with the provisions of such law;

WHEREAS, Prime Property Fund GP, LLC, a Delaware limited liability company, as general partner of the Partnership (the "**General Partner**"), and [Insert Name of Initial Limited Partner], as initial limited partner (the "**Initial Limited Partner**"), entered into an initial agreement of limited partnership dated as of [●] (the "**Initial Agreement**") relating to the Partnership;

WHEREAS, the Partnership was established as a wholly-owned subsidiary of Prime Property Fund, LLC, a Delaware limited liability company ("**Prime LLC**"), and Prime Property Fund Midco, LP, a Delaware limited partnership ("**Prime Midco LP**") was established as a wholly-owned subsidiary of the Partnership, and [Prime Property Merger Sub], a Delaware limited liability company ("**Merger Sub**"), was established as a wholly-owned subsidiary of Prime Midco LP, in each case for the purpose of completing a restructuring that will result in the Partnership indirectly holding substantially all of the interests in Prime LLC and the members of Prime LLC becoming limited partners of the Partnership (the "**Restructuring Transaction**");

WHEREAS, immediately prior to the entry into this Agreement, Merger Sub merged with and into Prime LLC, with Prime LLC surviving the merger as an indirect subsidiary of the Partnership;

WHEREAS, pursuant to such merger, Prime LLC Shares were converted into the right to receive LP Units and, concurrently herewith, Original Shareholders are being admitted as limited partners of the Partnership, subject to such Original Shareholders' completion of Letters of Transmittal and qualification as eligible to hold LP Units;

WHEREAS, the parties hereto desire to, and hereby do, amend and restate the Initial Agreement in its entirety;

NOW, THEREFORE, the parties hereto hereby agree that the Initial Agreement is amended and restated in its entirety as follows:

ARTICLE 1
DEFINITIONS; INTERPRETATION

Section 1.01. *Definitions.* The following terms, as used herein, have the following meanings:

"Advisers Act" means the U.S. Investment Advisers Act of 1940, as amended from time to time.

"**Advisory Agreement**" means an investment advisory agreement entered into among the Partnership, the General Partner, and/or a Subsidiary, on the one hand, and the Investment Adviser, on the other hand, as such agreement may be amended from time to time.

"Advisory Committee" shall have the meaning set forth in Section 7.10(a).

"Advisory Committee Member" shall have the meaning set forth in Section 7.10(a).

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such other Person; *provided* that neither the Partnership nor any other Person with respect to which the Investment Adviser acts as investment adviser or investment manager shall be considered an Affiliate of the Investment Adviser. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled by" shall have the correlative meanings.

"**Affiliated Directors**" means Directors that are not Independent Directors.

"**Aggregated Partner**" shall mean, with respect to any Limited Partner, any other Limited Partner that the General Partner determines in good faith (i) is an Affiliate of such Limited Partner, (ii) is formed by the same sponsor as such Limited Partner or (iii) is a discretionary client of the same investment adviser or manager as such Limited Partner with respect to their investment in the Partnership. For the avoidance of doubt, Limited Partners shall not be considered Aggregated Partners of one another solely by virtue of utilizing the same advisory consultant with respect to their investment in the Partnership.

"**Agreement**" means this Amended and Restated Agreement of Limited Partnership of the Partnership, as amended from time to time in accordance with the terms hereof.

"**AIFM Directive**" shall have the meaning set forth in Section 4.05(b).

"**Asset FMV**" means, as of the relevant date of determination, with respect to any asset, the value of such asset as reasonably determined in good faith by the General Partner assuming such asset was sold in an arm's-length transaction between a willing buyer and a willing seller occurring on the date of valuation, taking into account all relevant factors determinative of value (and giving effect to any transfer taxes payable in connection with such sale). For all purposes hereunder, the determination of the Asset FMV by the General Partner shall be deemed conclusive, final and binding on all Partners (and shall not be subject to collateral attack for any reason).

"**Base Management Fees**" shall have the meaning set forth in Section 4.04(a).

"**Board**" means the Board of Directors of the General Partner.

"**Book Value**" means, with respect to any of the Partnership's property, unless otherwise determined by the General Partner, the Partnership's adjusted basis for federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulations Sections 1.704-l(b)(2)(iv)(d)-(g) and (m).

"**Business Day**" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized by law to be closed.

"**Capital Contributions**" means, with respect to any Partner, the amount of cash, cash equivalents or the Asset FMV of other assets, securities or property (net of any liabilities) which such Partner contributes or is deemed to have contributed to the Partnership with respect to any LP Unit pursuant to Article 3.

"**Certificate**" shall have the meaning set forth in the recitals to this Agreement.

"**CISA**" shall have the meaning set forth in Section 4.05(b).

"**Closing**" shall have the meaning set forth in Section 2.09.

"**Code**" means the United States Internal Revenue Code of 1986.

"**Comp Store NOI Growth**" shall have the meaning set forth in Section 4.03(h).

"**Delaware Act**" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C §17-101 *et seq*. (as amended from time to time).

"**Director**" shall have the meaning set forth in Section 6.01(a).

"**Distribution**" means each distribution made by the Partnership to a Partner, whether in cash, property or securities of the Partnership and whether by liquidating distribution, redemption, repurchase or otherwise; *provided, however*, that none of the following shall be a Distribution: (a) any repurchase by the General Partner of any LP Unit in connection with Section 3.13, (b) any recapitalization or exchange of LP Units, and any subdivision (by interest split or otherwise) or any combination (by reverse LP Unit split or otherwise) of any outstanding LP Unit; *provided* that all Partners holding the same class of LP Unit are treated equally in connection with any of the foregoing transactions, (c) any repurchase or redemption of LP Units pursuant to any right of first refusal or other repurchase right or obligation of the General Partner, (d) any repurchase or redemption of LP Units from any Partner or (e) any fees, expenses or other amounts paid to a Partner (or any Affiliate of any Partner) that are not in respect of such Partner's LP Units.

"**Distribution Reinvestment Plan**" shall have the meaning set forth in Section 3.08.

"**Domestically-Controlled REIT**" means a "domestically-controlled REIT" as defined in Section 897(h)(4)(B) of the Code.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Excess Restructuring Expenses**" means any amounts of Restructuring Expenses in excess of $2,000,000.

"**Fiscal Year**" shall have the meaning set forth in Section 2.06.

"**General Partner**" shall have the meaning set forth in the recitals to this Agreement.

"**GP/IA Indemnified Persons**" shall have the meaning set forth in Section 8.01(a).

"**Government Agency**" shall have the meaning set forth in Section 9.05.

"**Incentive Management Fee**" shall have the meaning set forth in Section 4.03(h).

"**Included Investments**" shall have the meaning set forth in Section 4.03(h).

"**Indemnified Persons**" shall have the meaning set forth in Section 8.01(a).

"**Independent Directors**" means Directors that are not directors, officers or employees of the Investment Adviser or its Affiliates and who do not have a material business relationship with the Investment Adviser or its Affiliates.

"**Initial Agreement**" shall have the meaning set forth in the recitals of this Agreement.

"**Effective Date**" means the date of this Agreement.

"**Employee Fund**" shall have the meaning set forth in Section 4.03(e).

"**Feeder Vehicle**" shall have the meaning set forth in Section 4.03(e).

"**Initial Capital**" shall have the meaning set forth in Section 3.09(a).

"**Initial Limited Partner**" shall have the meaning set forth in the recitals to this Agreement.

"**Investment Adviser**" means Morgan Stanley Real Estate Advisor, Inc., a Delaware corporation, in its capacity as investment adviser of the Partnership, or any successor investment adviser of the Partnership.

"**Investment Adviser Client**" shall have the meaning set forth in Section 6.11(c).

"**Investment Adviser Expenses**" shall have the meaning set forth in Section 4.05(a).

"**Investment Company Act**" means the Investment Company Act of 1940.

"**Investment Guidelines**" means the general parameters for the Partnership's investments, borrowings and operations, initially as set forth in the Offering Memorandum and thereafter as recommended by the Investment Adviser from time to time and adopted by the Board.

"**Investments**" means real estate and real estate-related investments or other investments located in the United States directly or indirectly acquired by the Partnership (including the assets, properties, instruments or interests underlying such investments).

"**Joint Venture**" means an arrangement (whether involving a REIT, corporation, partnership, limited liability company, trust or other entity or otherwise) through which the Partnership makes an investment in conjunction with a third party in one or more Investments.

"**Law**" means each provision of any applicable federal, state or local law, statute, ordinance, order, code, rule or regulation, promulgated or issued by any Government Agency.

"**Letter of Transmittal**" means the letter of transmittal entered into by and among [Prime LLC, the Partnership, the General Partner, the Investment Adviser and each Limited Partner that is an Original Shareholder].

"**Limited Partner**" means, at any time, any Person who holds LP Units and is at such time admitted to the Partnership as a limited partner in accordance with the terms of this Agreement and is shown as such on the books and records of the Partnership.

"**Losses**" means items of the Partnership's loss and deduction determined according to Section 3.09.

"**LP Unit**" means an interest held by a Partner of the Partnership representing a fractional portion of the interests of all Partners of the Partnership.

"**Management Fee**" shall have the meaning set forth in Section 4.04(a).

"**Member Nonrecourse Debt Minimum Gain**" means partner nonrecourse debt minimum gain as defined in Treasury Regulation 1.704-2(i)(2).

"**Minimum Gain**" means the partnership minimum gain determined pursuant to Treasury Regulations Section 1.704-2(d).

"**90%-Adjusted REIT Taxable Income**" means, with respect to a period, the excess of the amount described in Section 857(a)(1)(A) of the Code for Prime LLC over the amount described in Section 857(a)(1)(B) of the Code for Prime LLC, in each case with references in such Code provisions to "taxable year" being replaced by the applicable period (if the applicable period is not the tax year of Prime LLC).

"**NAV**" means on any given date the net asset value of the Partnership as determined as follows: the aggregate value of (x) the Partnership's Investments (as determined in accordance with Section 5.05) as of such date *plus* (y) all other assets of the Partnership as of such date *minus* (z) the Partnership Indebtedness and other outstanding balance sheet obligations as of such date, determined in accordance with generally accepted accounting principles in the United States.

"**NAV per LP Unit**" means:

(i) on any given date other than a calendar month-end date, (x) the NAV of the Partnership as of the end of the immediately preceding calendar month *divided by* (y) the number of outstanding LP Units as of the end of the immediately preceding calendar month; or

(ii) on any given date that is a calendar month-end date, (x) the NAV of the Partnership as of such date *divided by* (y) the number of outstanding LP Units as of such date.

"**NOI**" shall have the meaning set forth in [Section 4.04(c)].

"**Non-U.S. Partner**" means a Partner that is a "foreign person" as such term is utilized in Section 897(h)(4)(B) of the Code.

"**OFAC**" shall have the meaning set forth in Section 3.06(d).

"**Offering Memorandum**" means the Confidential Offering Memorandum relating to offering of the limited partnership interests in the Partnership (as amended, supplemented or updated from time to time).

"**Omnibus Letter**" shall have the meaning set forth in Section 4.03(h).

"**Original Shareholder**" means a Limited Partner that was a holder of Prime LLC Shares immediately prior to the date hereof and that received LP Units on the Effective Date in exchange for such Prime LLC Shares pursuant to the Restructuring Transaction.

"**Parallel Vehicle**" shall have the meaning set forth in Section 4.03(f).

"**Partners**" shall mean the General Partner together with the Limited Partners.

"**Partnership**" means Prime Property Fund, LP, a Delaware limited partnership, as such limited partnership may from time to time be constituted.

"**Partnership Expenses**" shall have the meaning set forth in Section 4.05(b).

"**Partnership Indebtedness**" means any indebtedness incurred by the Partnership or any Subsidiary; *provided* that for any Subsidiary that is not directly or indirectly wholly-owned by the Partnership, only the pro rata portion (based on the Partnership's ownership of such Subsidiary) of the indebtedness incurred by any such Subsidiary shall be included as Partnership Indebtedness.

"**Partnership Representative**" shall have the meaning set forth in Section 12.01(a).

"**Partnership Tax Audit Rules**" means Sections 6221 through 6241 of the Code, as amended by the Bipartisan Budget Act of 2015, together with any binding administrative guidance issued thereunder or successor provisions and any similar provision of state or local tax laws.

"**Patriot Act**" shall have the meaning set forth in Section 3.06(d).

"**Pension-Held REIT**" means a "pension-held REIT" as defined in Section 856(h)(3)(D) of the Code.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**Plan Assets Regulation**" means the plan assets regulation issued by the U.S. Department of Labor at 29 C.F.R. §2510.3-101.

"**Prime LLC**" shall have the meaning set forth in the recitals to this Agreement.

"**Prime LLCA**" shall have the meaning set forth in Section 4.04(c).

"**Prime LLC Shares**" means voting limited liability company interests in Prime LLC.

"**Prime Rate**" means a rate equal to the rate published by the by *The Wall Street Journal* as the U.S. "prime rate" or, if no such rate is published therein, the rate quoted from time to time by a New York money bank selected by the General Partner.

"**Profits**" means items of the Partnership's income and gain determined according to Section 3.07.

"**Purported Record Transferee**" shall have the meaning set forth in Section 11.01.

"**Redemption Date**" shall have the meaning set forth in Section 3.06(b).

"**Redemption Request**" shall have the meaning set forth in Section 3.06(a).

"**Register of Partners**" means the register of Partners of the Partnership, as amended from time to time.

"**Reimbursable Investment Adviser Professional Expenses**" shall have the meaning set forth in Section 4.05(a).

"**REIT**" means a real estate investment trust under Sections 856 through 860 of the Code.

"**REIT Rules**" means the provisions of the Code and related regulations applicable to REITs (including Sections 856 through 859 of the Code and related regulations).

"**Restriction Termination Date**" means the first day after the Effective Date on which the Partnership determines that it is no longer in the best interests of Prime LLC to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations under Article 10 of this Agreement is no longer required in order for Prime LLC to qualify as a REIT.

"**Restructuring Expenses**" shall mean the fees, costs and expenses incurred by the Partnership, the Investment Adviser and its affiliates in connection with the Restructuring Transaction, including all fees, costs and expenses relating to: (i) the preparation of disclosures and consents of the Original Shareholders; (ii) other communications with the Original Shareholders; (iii) the preparation and review of Prime LLC's second amended and restated limited liability company agreement, this Agreement, the merger agreement and other transaction documents required to effectuate the Restructuring Transaction; (iv) the preparation of Board materials relating to the Restructuring Transaction; (v) the formation of the Partnership and the General Partner; (vi) the exchange of interests in Prime LLC for interests in the Partnership; and (vii) the structuring of the Restructuring Transaction.

"**Restructuring Transaction**" shall have the meaning set forth in the recitals of this agreement.

"**Subscribing Limited Partner**" means a Limited Partner that purchases LP Units for a cash purchase price. For the avoidance of doubt, an Original Shareholder that becomes a Limited Partner pursuant to the Restructuring Transaction may also be a Subscribing Limited Partner with respect to LP Units acquired for a cash purchase at a Subsequent Closing pursuant to a Subscription Agreement.

"**Subscription Agreement**" means the Subscription Agreement entered into between the Partnership, the General Partner and each Subscribing Limited Partner.

"**Subsequent Closing**" shall have the meaning set forth in Section 2.09.

"**Subsidiaries**" shall have the meaning set forth in Section 5.04.

"**VCOC**" shall have the meaning set forth in Section 4.03(a).

Section 1.02. *Interpretation.* Any reference in this Agreement to a statute shall be to such statute, as amended from time to time and to the rules and regulations promulgated thereunder. Any reference to any agreement, document or

instrument, including this Agreement, means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with its terms. Unless the context otherwise requires, (i) all references made in this Agreement to a Section, Schedule or an Exhibit are to a Section, Schedule or an Exhibit of or to this Agreement, (ii) "**or**" is disjunctive but not necessarily exclusive, (iii) "**will**" shall be deemed to have the same meaning as the word "**shall**" and (iv) words in the singular include the plural and *vice versa*. Whenever the words "**include**," "**includes**" or "**including**" are used in this Agreement, they shall be deemed to be followed by the words "**without limitation**", whether or not so followed. All references to "$" or dollar amounts are to lawful currency of the United States of America, unless otherwise expressly stated.

ARTICLE 2
ORGANIZATION

Section 2.01. *Continuation of the Partnership.* The General Partner is authorized to and hereby agrees to continue the Partnership as a limited partnership under and pursuant to the Delaware Act. In addition, the General Partner shall execute and file all requisite documents and instruments to enable the Partnership to qualify to do business as a foreign limited liability company in each jurisdiction in which, in the reasonable judgment of the General Partner, such qualification may be necessary or appropriate for the conduct of the business of the Partnership.

Section 2.02. *Name.* From the date hereof, the name of the Partnership shall be "Prime Property Fund, LP." The General Partner may change the name of the Partnership with five days' prior written notice to the Board.

Section 2.03. *Registered Office and Registered Agent.* The registered office of the Partnership required by the Delaware Act to be maintained in the State of Delaware shall be the office of the initial registered agent named in the Certificate or such other office (which need not be a place of business of the Partnership) as the General Partner may designate from time to time in the manner provided by law. The registered agent of the Partnership in the State of Delaware shall be the initial registered agent named in the Certificate or such other Person or Persons as the General Partner may designate from time to time in the manner provided by law. The principal office of the Partnership shall be at such place as the General Partner may designate from time to time, which need not be in the State of Delaware and the Partnership shall maintain there the records required to be maintained under Section 15-403 of the Delaware Act and shall keep information concerning the street address of such principal office at the registered office of the Partnership in the State of Delaware. The Partnership may have such other offices as the General Partner may designate from time to time. Notwithstanding the foregoing, the General Partner shall provide the Board with five days' prior written notice before changing the Partnership's address.

Section 2.04. *Purpose.* The purpose of the Partnership shall be to, indirectly through Prime LLC or as otherwise determined by the General Partner, (i) identify potential Investments, (ii) acquire, hold, improve, develop, re-develop, construct, maintain, operate, manage, lease, mortgage, finance, refinance, sell, exchange, dispose of and otherwise deal in and exercise control over the Investments or over the property or other assets, instruments or interests relating to or underlying the Investments and (iii) pending utilization or disbursement of funds, to invest such funds in accordance with the terms of this Agreement. The Partnership shall have the power to do any and all acts necessary, appropriate, desirable, incidental or convenient to or for the furtherance of the purposes described in this Section 2.04, including any and all of the powers that may be exercised on behalf of the Partnership by the General Partner and/or the Investment Adviser pursuant to this Agreement and all of the powers conferred by the laws of the State of Delaware upon a Delaware limited partnership. Notwithstanding any other provision of this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may enter into and perform any Subscription Agreements and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Limited Partner.

Section 2.05. *Term.* The term of the Partnership shall be deemed to have commenced on the date of the filing of the certificate of limited partnership with the office of the Secretary of State of the State of Delaware and shall continue until the earlier of (i) the date on which the Partnership is dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Delaware Act and (ii) such earlier date as dissolution is required pursuant to the Delaware Act. The separate legal existence of the Partnership shall continue until the certificate of limited partnership is cancelled in accordance with the Delaware Act.

Section 2.06. *Fiscal Year.* The fiscal year of the Partnership (the "**Fiscal Year**") for financial statement and federal income tax purposes shall be the same, and shall be the calendar year unless otherwise required by the Code.

Section 2.07. *Limitation on Liability.* Except as otherwise set forth herein or in the Delaware Act, no Limited Partner (or former Limited Partner) shall be obligated to make any contribution of capital to the Partnership or have any liability for the debts and obligations of the Partnership.

Section 2.08. *Title to Partnership Property.* All property of the Partnership, whether real or personal, tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Limited Partner, individually, shall have any direct ownership interest in such property.

Section 2.09. *Closings.* The Partnership may hold closings of the sale of LP Units of the Partnership (each a "**Closing**") at which time Persons may be admitted as Limited Partners pursuant to the provisions provided for herein.

Following the admission of the Original Shareholders on the Effective Date, subsequent Closings shall be held from time to time at the discretion of the General Partner (each a "**Subsequent Closing**").

ARTICLE 3
LP UNITS; REDEMPTIONS; DISTRIBUTIONS; ALLOCATIONS

Section 3.01. *LP Units; Withdrawal of Initial Limited Partner.* On the Effective Date, and subsequent to its execution and delivery of a Letter of Transmittal (which shall be deemed to be a counterpart to this Agreement), each Original Shareholder shall be deemed admitted to the Partnership as a Limited Partner and shall be issued LP Units by the Partnership in accordance with Section 3.03(a). Such LP Units shall be deemed to have been issued by the Partnership to the Original Shareholders in accordance with Section 3.03(a) in exchange for the Original Shareholders' Prime LLC Shares. On the Effective Date, following the admission of the Original Shareholders as limited partners of the Partnership, the Initial Limited Partner shall withdraw as the initial limited partner of the Partnership.

Section 3.02. *Authorization of LP Units; Legends.* (a) The LP Units which the Partnership has authority to issue shall initially consist of an unlimited number of LP Units. The number of LP Units issued and outstanding at any time shall be as set forth on the Register of Partners at such time. All LP Units issued hereunder shall be uncertificated unless otherwise determined by the General Partner in its discretion.

(b) In the event the General Partner determines in its discretion to issue certificates representing the LP Units, in addition to any other legend that may be required, any certificate representing the LP Units shall bear a legend in substantially the following form:

> THIS LP UNIT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY FOREIGN OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE THEREWITH. THIS LP UNIT IS ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP DATED AS OF [●], 202[●], COPIES OF WHICH MAY BE OBTAINED UPON REQUEST FROM THE PARTNERSHIP OR ANY SUCCESSOR THERETO.

Section 3.03. *Subscriptions.* (a) Pursuant to the Restructuring Transaction, each Prime LLC Share held by an Original Shareholder has been converted into the

right to receive 1 LP Unit, subject to such Original Shareholder's completion of a Letter of Transmittal and qualification as eligible to hold LP Units.

(b) Subscribing Limited Partners purchasing LP Units at Subsequent Closings, pursuant to the applicable Subscription Agreement, will pay consideration to the Partnership equal to the amount set forth therein in exchange for a number of LP Units equal to (x) the aggregate consideration paid to the Partnership by such Subscribing Limited Partner at a Subsequent Closing *divided by* (y) the per LP Unit price for LP Units sold at a Subsequent Closing as set forth in Section 3.04.

(c) No Limited Partner shall be required to make any capital contribution to the Partnership other than any contribution required to be made pursuant to this Agreement or its Subscription Agreement, as applicable.

(d) Notwithstanding any other provision contained in this Agreement, the General Partner, in its own name or on behalf of the Partnership, shall be authorized, without the consent of any Person, including any Limited Partner, to take the actions described in Annex A to the Subscription Agreement.

Section 3.04. *Price of LP Units.* (a) The per LP Unit price for LP Units sold after the Effective Date shall be the NAV per LP Unit as of the date of the Closing for the sale of such LP Units.

(b) Payment of the purchase price by Subscribing Limited Partners for LP Units sold after the Effective Date shall be made in full in cash at the applicable Closing unless otherwise provided in the applicable Subscription Agreement; *provided* that payment for LP Units issued in connection with an incentive plan for employees of the Investment Adviser must be made in full in cash at the time of issuance.

Section 3.05. *NAV per LP Unit.* The General Partner shall determine the NAV per LP Unit on a monthly basis or more frequently, as required. The General Partner may modify (as reasonably necessary or advisable to take account of changes in applicable legal or accounting requirements or standards or to conform to industry practice or standards) the methodology for determining the NAV per LP Unit from time to time with notice to the Board (and upon any such modification, the General Partner is authorized to amend this Agreement without the prior written consent of the Board or any Limited Partners to reflect such modification pursuant to the power of attorney contained in Section 13.08).

Section 3.06. *Redemptions.* (a) Subject to the terms and conditions of this Section 3.06, Limited Partners may request a partial or complete redemption of their LP Units by the Partnership in accordance with Section 3.06(b) by providing the General Partner with written notice of the number of LP Units requested to be redeemed (a "**Redemption Request**"). A Redemption Request shall be

irrevocable, *provided*, that the General Partner may permit a Limited Partner to rescind a Redemption Request (or permit a Limited Partner to reduce the number of LP Units subject to a Redemption Request) if the General Partner deems that granting such permission is in the best interests of the Partnership.

(b) Subject to Section 3.06(d), within 5 Business Days after the end of each calendar quarter (the "**Redemption Date**") the Partnership shall redeem the LP Units requested to be redeemed pursuant to a Redemption Request that is received by the General Partner prior to the end of the immediately preceding calendar quarter (and that has not been withdrawn in accordance with Section 3.06(a)), but only to the extent that the Partnership has sufficient cash available to honor such redemption requests as determined by the General Partner in its discretion and subject to compliance with the REIT Rules and the Delaware Act. The redemption price for each such LP Unit shall be the NAV per LP Unit at the Redemption Date, and the redemption price shall be paid to the redeeming Limited Partner on or shortly after the Redemption Date. If, in the sole judgment of the General Partner, sufficient cash is not available as of a particular Redemption Date to satisfy all requested redemptions, the Partnership shall redeem the LP Units of all Limited Partners that have requested a redemption out of cash available to satisfy such requests as determined by the General Partner in its discretion on a pro rata basis (based on the proportionate number of outstanding LP Units held by each such Limited Partner), subject to compliance with the REIT Rules and the Delaware Act.

(c) To the extent that a Limited Partner's redemption request is not completely satisfied as of a particular quarter-end date, such Limited Partner will be deemed to have made a renewed redemption request for the balance of the initial request at the next scheduled redemption date.

(d) To the extent that any redemption request, if fulfilled, would cause Prime LLC to fail to be treated as a Domestically-Controlled REIT, as reasonably determined by the General Partner, the General Partner may, in its discretion, either delay fulfillment of such request until such time as fulfillment of such request would not cause Prime LLC to fail to be treated as a Domestically-Controlled REIT or notify one or more Non-U.S. Partners of such request and give such Non-U.S. Partners the opportunity to request a simultaneous redemption, satisfaction of which will be subject to the availability of cash and to the long-term capital needs of the Partnership as determined by the General Partner in its discretion. To the extent that any redemption request, if fulfilled, would cause Prime LLC to be treated as a Pension-Held REIT, as reasonably determined by the General Partner, the General Partner may, in its discretion, either delay fulfillment of such request until such time as fulfillment of such request would not cause Prime LLC to be treated as a Pension-Held REIT or take such other action as it deems appropriate to avoid Prime LLC being treated as a Pension-Held REIT. To the extent that (i) a redemption request, if fulfilled, would constitute a preferential dividend (within the meaning of Section 562(c) of the Code), as reasonably determined by the General

Partner or (ii) the delay of the fulfillment of a redemption request is determined by the General Partner to be necessary to the Partnership's compliance with Section 3.07 or with the REIT Rules, the General Partner may, in its discretion, either delay fulfillment of such request or take such other action as it deems appropriate in view of the REIT Rules. In addition, the Partnership, by written notice to any Limited Partner, may suspend the redemption rights of such Limited Partner or redeem such Limited Partner's LP Units (at the NAV per LP Unit on the date of redemption) (i) if the General Partner reasonably deems it necessary to do so in order to comply with (A) Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**"), United States Executive Order 13224, or any other relevant anti-money laundering legislation or regulations applicable to the Partnership, the General Partner or any of the Partnership's other service providers or (B) any law, regulation or order administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), including without limitation Subtitle B, Chapter V of Title 31 of the U.S. Code of Federal Regulations or (ii) if so ordered by a competent United States or other court or regulatory authority.

(e) Upon complete redemption of a Limited Partner's LP Units, such Limited Partner shall cease to be a Limited Partner of the Partnership.

(f) The Partnership may at any time, upon written notice to any Limited Partner, call for redemption all or any portion of the LP Units held by such Limited Partner (without the consent of such Limited Partner) in the event the General Partner reasonably determines that such redemption is necessary or advisable to comply with legal, regulatory, tax, accounting or other similar requirements, including in order (i) to permit Prime LLC to maintain (or to avoid jeopardizing) its qualification as a "domestically controlled qualified investment entity" as defined in Section 897 of the Code, (ii) to prevent the Partnership from becoming a "publicly traded partnership" taxable as a corporation, or (iii) to comply with, or to avoid the application of any other applicable Law. A redemption by the Partnership under this Section 3.06(f) shall take priority over other then-outstanding redemption requests of Limited Partners. The payment of redemptions proceeds in connection with a mandatory redemption pursuant to this Section 3.06(f) shall be subject to the other provisions of this Section 3.06.

(g) Each Redemption Request and each redemption by the Partnership pursuant to Section 3.06(f) shall be deemed to be a redemption request from Prime Midco LP, in its capacity as a member of Prime LLC, for an interest in Prime LLC equivalent in value to the LP Units being redeemed.

Section 3.07. *Distributions.*

(a) *General*. The General Partner may (but shall not be obligated to) cause the Partnership to make Distributions to the Partners at any time or from time to time, and in amounts of any of the Partnership's assets available therefor, as

determined by the General Partner in its sole and absolute discretion to be appropriate. Subject to Section 4.04(b)(iii)(A), all Distributions shall be made to the Partners ratably in proportion to the number of LP Units held by them.

(b) *Distribution Policy*. Without limiting the generality of paragraph (a) above, unless otherwise determined by the General Partner in its discretion, the General Partner shall cause Prime LLC to distribute to the Partnership (indirectly through Prime Midco LP), and in turn the Partnership shall pay to the Limited Partners quarterly distributions in cash equal to at least the 90%-Adjusted REIT Taxable Income for such quarter; *provided* that in the case of any quarter other than the first quarter of a tax year of the Partnership, the amount otherwise described in this Section 3.07(b) shall be adjusted to (A) reflect any revisions to the calculations described in this Section 3.07(b) for preceding quarters in such tax year, and (B) otherwise facilitate Prime LLC's compliance with the distribution requirements of the REIT Rules for such tax year; and *provided, further* that (A) this distribution policy may be modified, subject to compliance with the REIT Rules, (1) from time to time by the General Partner upon the recommendation of the General Partner pursuant to Section 6.11(b) (and upon any such modification, the General Partner is authorized to amend this Agreement without the prior written consent of any Limited Partners to reflect such modification pursuant to the power of attorney contained in Section 13.08) or (2) at the General Partner's discretion to reflect a distribution process whereby the Limited Partners would be deemed to have received certain undistributed amounts and to have contributed such amounts back to the Partnership on the same day in exchange for LP Units (*provided* that in the case of clause (2) such distribution process is consented to by holders of at least a majority of the outstanding LP Units upon a solicitation at any time by the General Partner, in its discretion) and/or (B) the General Partner may determine, in its discretion and subject to compliance with the REIT Rules, that Prime LLC shall pay to the Partnership (indirectly through Prime Midco LP), and in turn Partnership shall make a distribution of any amount to the Limited Partners on a date prior to the next date on which a quarterly distribution would ordinarily be paid to such Limited Partners (*provided* that, for the avoidance of doubt, in the case of clause (B) such distribution may, in the General Partner's discretion, be taken into account in determining the amount of any quarterly distributions to be paid subsequent to, but during the tax year that includes, the date of such distribution). For the avoidance of doubt, in the event the General Partner solicits the consent described in the immediately preceding sentence and does not receive the consent of holders of least a majority of the outstanding LP Units, the General Partner shall be permitted, in its discretion, to solicit such consent at any subsequent point(s) in time.

Section 3.08. *Distribution Reinvestment Plan.* Limited Partners may elect to participate in a plan under which all or a designated portion of the distributions that such Limited Partners are entitled to receive shall automatically be reinvested in additional LP Units (the "**Distribution Reinvestment Plan**"). The number of

LP Units issued under the Distribution Reinvestment Plan shall be determined based on the NAV per LP Unit as of the reinvestment date. The Partnership may use reinvestment proceeds to make new Investments, to fund redemptions or for general Partnership purposes, as determined by the General Partner in its discretion. Limited Partners may change their election with regard to participation in the Distribution Reinvestment Plan at any time on at least 90 days advance written notice to the General Partner. An Original Shareholder that elected to participate in the dividend reinvestment plan in Prime LLC immediately prior to the Effective Date shall initially be deemed to have elected to participate in the Distribution Reinvestment Plan unless it elected otherwise in the applicable Letter of Transmittal.

Section 3.09. *Capital Accounts*

(a) *Maintenance of Capital Accounts*. The Partnership shall maintain a separate capital account for each Partner according to the rules of Treasury Regulations Section 1.704-l(b)(2)(iv) (a "**Capital Account**"). For this purpose, the Partnership may, upon the occurrence of any of the events specified in Treasury Regulations Section 1.704-l(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such regulation and Treasury Regulations Section 1.704-l(b)(2)(iv)(g) to reflect a revaluation of the Partnership's property. The General Partner is making such an adjustment to Capital Accounts as of the Effective Date so that the initial Capital Account of each Partner as of the Effective Date shall equal the value of such Partner's equity interest in Prime LLC as of the quarter-end immediately preceding the Effective Date (such amount, the "**Initial Capital**"), as reflected on the Register of Partners.

(b) *Computation of Income, Gain, Loss and Deduction Items*. For purposes of computing the amount of any item of the Partnership's income, gain, loss or deduction to be allocated pursuant to Article 3 and to be reflected in the Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); *provided* that:

(i) The computation of all items of income, gain, loss and deduction shall include those items described in Section 705(a)(1)(B) of the Code or Section 705(a)(2)(B) of the Code and Treasury Regulations Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includable in gross income or are not deductible for federal income tax purposes.

(ii) If the Book Value of any of the Partnership's property is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of the Partnership's property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

(iv) Items of depreciation, amortization and other cost recovery deductions with respect to the Partnership's property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulations Section 1.704-l(b)(2)(iv)(g).

To the extent an adjustment to the adjusted tax basis of any of the Partnership's assets pursuant to Sections 732(d), 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-l(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

Section 3.10. *Negative Capital Accounts*. No Partner shall be required to make any payment to any other Partner or the Partnership by reason of any deficit or negative balance which may exist from time to time in such Partner's Capital Account (including upon and after dissolution of the Partnership).

Section 3.11. *No Withdrawal*. No Person shall be entitled to withdraw or demand the return of any part of such Person's Capital Contributions or Capital Account or to receive any Distribution from the Partnership, except as expressly provided herein.

Section 3.12. *Loans From Partners*. No Partner shall be required to lend any funds to the Partnership or to make any additional contribution of capital to the Partnership, except as otherwise required by Law, this Agreement or any other agreement between such Partner and the Partnership. Any Partner may, with the approval of the General Partner, make loans to the Partnership, and any loan by a Partner to the Partnership shall not be considered to be a Capital Contribution. If any Partner shall advance funds to the Partnership in excess of the amounts required hereunder to be contributed by such Partner to the capital of the Partnership, the advance of such funds shall not result in any increase in the amount of the Capital Account of such Partner. The amount of any such funds shall be debt of the Partnership to such Partner and shall be payable or collectible in accordance with the terms and conditions upon which such funds are advanced.

Section 3.13. *Transfer of Capital Accounts*. The original Capital Account established for each transferee shall be in the same amount as the Capital Account of the Partner (or portion thereof) to which such transferee succeeds, at the time such transferee is admitted as a partner of the Partnership. The Capital Account of any Partner, whose interest in the Partnership shall be increased or decreased by

means of (a) the Transfer to such Partner of all or part of the LP Units of another Partner, or the Transfer by such Partner of all or part of its LP Units to another Partner or (b) the repurchase or forfeiture of LP Units, shall be appropriately adjusted to reflect such Transfer, repurchase or forfeiture. Any reference in this Agreement to a Capital Contribution of or Distribution to any Partner that has succeeded any other Partner shall include any Capital Contributions or Distributions previously made by or to such other Partner on account of the LP Units of such other Partner Transferred to such Partner.

Section 3.14. *Reserves*. Reserves in an amount determined by the General Partner, in its sole and absolute discretion, may be retained out of Capital Contributions, net proceeds from sales or refinancing or net proceeds from operations. Any reserves remaining on the dissolution of the Partnership shall be held until the final liquidation and then distributed to the Partners in accordance with the provisions of Section 11.03.

Section 3.15. *Offsets*. (a) The Partnership may offset (i) any amount otherwise distributable under this Agreement by the Partnership to any Limited Partner against (ii) any amount determined to be payable to the Partnership by such Limited Partner. Any such offset shall be treated for purposes of this Agreement as though (A) the Partnership had made a Distribution to the Limited Partner subject to such offset and (B) such Limited Partner had remitted such Distribution to the Partnership in full or partial payment, as the case may be, of such Limited Partner's liability to the Partnership.

Section 3.16. *Withholding*.

(a) If the Partnership is required by Law to pay any tax that is specifically attributable to the status or identity of a Partner, including amounts in respect of any imputed underpayment (within the meaning of Section 6225 of the Code), federal or state withholding taxes, state personal property taxes, and state unincorporated business taxes, then such Partner shall indemnify and reimburse the Partnership for the amount of such tax (including any interest or penalties). The Partnership may offset Distributions to any Partner that it is otherwise entitled to receive under this Agreement against such Partner's obligation and such offset amounts shall be treated as distributed to such Partner for all purposes of this Agreement. A Partner's obligation to indemnify and reimburse the Partnership under this provision shall survive the Partner's Transfer of its LP Units in the Partnership and the termination, dissolution, liquidation or winding up of the Partnership. The Partnership may pursue remedies against any Partner, including instituting a lawsuit to collect such indemnification and reimbursement with interest calculated at the Prime Rate *plus* four percentage points per annum (but not in excess of the highest rate per annum permitted by Law), compounded on the last day of each fiscal quarter so long as such amount remains unpaid. Any reimbursement made pursuant to this Section 3.16(a) shall increase the Partner's

Capital Account, but shall not be treated as a Capital Contribution for purposes of this Agreement.

(b) The Partnership is authorized to withhold from payments and distributions, or with respect to allocations to the Partners, any amounts required to be withheld under Law (including by using reasonable estimates to determine the amount required to be withheld under Law, as determined by the General Partner in its sole and absolute discretion). All amounts withheld with respect to a Partner shall be treated as if such amounts were distributed to such Partner under this Agreement. The Partnership shall not be liable for any over-withholding in respect of any Partner, and, in the event of any such over-withholding, a Partner's sole recourse shall be as provided under Law.

Section 3.17. *Allocations*.

(a) Except as otherwise provided in this Agreement, or required pursuant to Treasury Regulations Section 1.704-1(b)(1)(i), the Partnership's Profits or Losses for any Fiscal Year (and, if necessary, items of income, gain, loss or deduction included in the determination thereof) shall be allocated among the Partners in a manner consistent with the corresponding Distributions made or to be made pursuant to Section 3.07.

(b) Upon any change in the relative interests of the Partners in the Partnership, whether by reason of the admission or withdrawal of a Partner, the Transfer by any Partner of all or any part of its LP Units, or otherwise, the Partners' respective shares of the Partnership's Profits, Losses and any other Partnership items shall be determined by reference to any method acceptable under the Regulations under Section 706 of the Code, if applicable, as may be determined by the General Partner in its sole and absolute discretion.

Section 3.18. *Special Allocations*. Notwithstanding anything contained herein to the contrary:

(a) If a Partner would at any time receive, but for this Section 3.18(a), an allocation of deduction, loss, or expenditure that would cause or increase a deficit balance in such Partner's Capital Account in excess of any amount of such deficit balance that the Partner is obligated to restore or deemed obligated to restore (as determined in accordance with Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5)), then the portion of such allocation that would cause or increase such deficit Capital Account balance will be specially allocated to the other Partners, if any, with positive Capital Account balances in proportion to such balances. The loss limitation under this Section 3.18(a) is intended to comply with Treasury Regulations Section 1.704-1(b)(2)(ii)(d), including the reductions described in subparagraphs (4), (5) and (6) therein.

(b) If in any Fiscal Year, a Partner receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain (consisting of a *pro rata* portion of each item of Partnership income and gain for such Fiscal Year) will be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit balance in such Partner's Capital Account in excess of any amount of such deficit balance that the Partner is obligated to restore or deemed obligated to restore (as determined in accordance with Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5)) as quickly as possible; *provided* that an allocation pursuant to this Section 3.16(b) will be made only if and to the extent that such Partner would have a Capital Account deficit after all other allocations provided for in this Article 3 have been tentatively made as if this Section 3.16(b) were not in the Agreement. This Section 3.16(b) is intended to qualify and be construed as a "qualified income offset" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and will be interpreted consistently therewith.

(c) If there is a net decrease in Minimum Gain attributed to the Partnership or Partner Nonrecourse Debt Minimum Gain (determined in accordance with the principles of Treasury Regulations Sections 1.704-2(d) and 1.704-2(i)) during any taxable year, the Partners will be allocated items of income and gain attributed to the Partnership for such year (and, if necessary, subsequent years) in an amount equal to their LP Units of such net decrease during such year, determined pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated will be determined in accordance with Treasury Regulations Section 1.704-2(f). This Section 3.16(c) is intended to comply with the Minimum Gain chargeback requirements in such Treasury Regulations and will be interpreted consistently therewith, including that no chargeback will be required to the extent of the exceptions provided in Treasury Regulations Sections 1.704-2(f) and 1.704-2(i)(4).

(d) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) of the Code or Section 743(b) of the Code is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as the result of a distribution to a Partner in complete liquidation of its LP Units, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in accordance with their interests in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Partners to whom such distribution was made in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(e) "Nonrecourse deductions" (as such term is defined by Treasury Regulations Section 1.704-2(b)(1)) with respect to a Fiscal Year shall be allocated among the Partners *pro rata* in accordance with their respective LP Units.

(f) Any "Partner nonrecourse deductions" (which has the same meaning as the term "partner nonrecourse deductions" in Treasury Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2)) with respect to a Fiscal Year shall be allocated to the Partner who bears the economic risk of loss with respect to the "Partner nonrecourse debt" (which has the same meaning as the term "partner nonrecourse debt" in Treasury Regulations Section 1.704-2(b)(4)) to which such Partner nonrecourse deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(g) The allocation provisions set forth in this Article 3 and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and will be interpreted and applied in a manner consistent with such Treasury Regulations, as determined by the Board in its reasonable discretion.

(h) It is the intent of the Partners that, to the extent possible, any special allocations of items of income, gain, loss or deductions pursuant to Section 3.18 (a)-(f) (the "**Regulatory Allocations**") will be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 3.18(h). The Board will make such offsetting special allocations of Partnership income, gain, loss, or deduction in whatever manner it deems appropriate so that the net amount of items allocated to each Partner pursuant to Section 3.17 and this Section 3.18 will, to the extent possible, be equal to the net amount that would have been allocated to each such Partner pursuant to the provisions of Section 3.17 if such special allocations had not occurred. In exercising its discretion under this Section 3.18(h), the Board will take into account future Regulatory Allocations under Section 3.18(c) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 3.18(e) and Section 3.18(f).

Section 3.19. *Tax Allocations.*

(a) *Allocations Generally*. Subject to the other provisions of this Section 3.19, the income, gains, losses, and deductions of the Partnership will be allocated for federal, state and local income tax purposes among the Partners in accordance with the allocation of such income, gains, losses, and deductions among the Partners for computing their Capital Accounts pursuant to Section 3.17 and Section 3.18; except that if any such allocation is not permitted by the Code or other applicable Law, the Partnership's income, gains, losses and deductions will be allocated among the Partners so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) *Code Section 704(c) Allocations*. Items of the Partnership 's taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall be allocated among the Partners in accordance with Section 704(c) of the Code so as to take account of any variation between the

adjusted basis of such property to the Partnership for federal income tax purposes and its Book Value. In addition, if the Book Value of any asset of the Partnership is adjusted pursuant to the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), then subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in accordance with Section 704(c) of the Code. The General Partner shall determine all allocations pursuant to this Section 3.19(b) using any permissible method under Treasury Regulation Section 1.704-3 selected by the General Partner.

(c) *Excess Nonrecourse Liabilities*. For purposes of Section 752 of the Code and the Treasury Regulations thereunder, "excess nonrecourse liabilities" (within the meaning of Treasury Regulations Section 1.752- 3(a)(3)) shall be allocated to the Limited Partners in any manner determined by the General Partner, in its sole discretion, in accordance with Treasury Regulations Section 1.752-3.

(d) Equitable Allocations. Notwithstanding the foregoing, the General Partner may allocate taxable income, gain, loss and deduction with respect to any property of the Partnership, including any gain attributable to any asset owned by any Subsidiary, on a basis that is different from the basis described in the other provisions of this Section 3.19, to the extent the General Partner reasonable determines in its sole and absolute discretion that doing so is required by law or is more appropriate and equitable than allocating such income, gain, loss or deduction on a basis pursuant to the other provisions of this Section 3.19.

(e) *Effect of Allocations*. Allocations pursuant to this Section 3.19 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, Distributions or other items of income, gain, deduction and loss pursuant to any provision of this Agreement.

Section 3.20. *Limitation on Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not be required to make any distribution to a Limited Partner in respect of its interest in the Partnership to the extent that such distribution would violate the Delaware Act or other applicable law.

ARTICLE 4
MANAGEMENT AND OPERATIONS OF THE PARTNERSHIP

Section 4.01. *Management Generally; Standard of Care.* (a) The management, conduct and control of the Partnership shall be vested exclusively in the General Partner (acting directly or through its designated agent), subject to the provisions of Section 4.01(c), and except for any matters expressly set forth in this Agreement with respect to which the Board shall have authority and those matters

expressly set forth in Section 7.06 with respect to which Limited Partner action shall be required, the General Partner shall have the exclusive power and authority over the conduct of the Partnership's management, business, operations and affairs. In addition and without limiting the foregoing, the General Partner shall have the power and authority with regard to Investments of the Partnership as set forth in Article 5. The General Partner shall manage the Partnership's assets with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(b) Except for those matters expressly set forth in Section 7.06 with respect to which Limited Partner action shall be required, the Limited Partners shall have no part, in their capacity as Limited Partners, in the management or control of the Partnership and shall have no authority or right to act on behalf, to sign for or to bind the Partnership in any manner or for any purpose whatsoever or in connection with any matter.

(c) The General Partner shall have the right to delegate, to the fullest extent permitted by applicable law, its rights, power, authority, discretion, duties and responsibilities under this Agreement to any Person. Without limiting the generality of the foregoing, the Limited Partners acknowledge that the General Partner has delegated to the Investment Adviser all investment management authority and powers, day-to-day administration authority, and the rights, power or authority of or to be carried out by the General Partner, subject to the limitations on such rights, power and authority specified in this Agreement and in the applicable Advisory Agreement, including pursuant to Section 6.11 and 7.06 hereof. Except for those matters expressly set forth in Section 6.11 with respect to which the Board shall have authority, it is understood and agreed that whenever the terms of this Agreement require or permit any action be taken or consent to be given by the General Partner, or provide any right to reimbursement to the General Partner, any such action may be performed and any such consent may be granted on behalf of the General Partner by the Investment Adviser and the Investment Adviser shall be entitled to the reimbursement to which the General Partner is entitled under the terms hereof (unless otherwise agreed by the General Partner and the Investment Adviser). The delegation of any obligation to the Investment Adviser pursuant to this Section 4.01 shall not excuse the General Partner from full and timely performance of its obligations under this Agreement. The Investment Adviser so appointed will be subject to all contractual duties and obligations to which the General Partner is subject (including the standard of care set forth in Section 4.01).[1]

[1] **NTD**: The section has been updated to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

(d) Notwithstanding anything to the contrary herein, if and as soon as the Investment Adviser ceases to be an Affiliate of a bank holding company, the Investment Adviser is hereby authorized, without the consent of any Partner, to amend this Agreement in accordance with the principles set forth on Schedule B and to take any action it has determined in good faith to be necessary or desirable in order to give effect to the principles set forth on Schedule B, including making or procuring structural, operating or other changes to or in the Partnership.

(e) To the fullest extent permitted by applicable law, the General Partner may not voluntarily withdraw from the Partnership (within the meaning of the Delaware Act) or be removed as the general partner of the Partnership.

(f) It is expressly agreed and understood that the General Partner's interests in the Partnership (other than the portion thereof that is attributable to its Capital Contributions, if any) is granted in consideration for the provision by the General Partner of services to and for the benefit of the Partnership in the General Partner's capacity as general partner of the Partnership.

Section 4.02. *Authority of the General Partner.* Without limiting the General Partner's general power and authority over the conduct of the Partnership's business, operations and affairs under Section 4.01, the General Partner shall have the power on behalf of and in the name of the Partnership to carry out any and all of the objects and purposes of the Partnership in accordance with, and subject to the limitations contained in, this Agreement and to perform all acts which it may, in its discretion, deem necessary or desirable in connection therewith, including the power to:

(a) identify investment opportunities for the Partnership;

(b) acquire, develop, construct, improve, maintain, own, hold, lend, operate, manage, lease, finance, mortgage, pledge, divide, combine, sell, offer, convey, assign, grant options with respect to, dispose of or otherwise deal in and transact business with respect to Investments;

(c) borrow money, issue (or guarantee) evidences of indebtedness and obtain lines of credit, loan commitments and letters of credit for the account of the Partnership or any Person in which the Partnership has a direct or indirect ownership interest and secure the same by mortgage, pledge or other lien on any assets of the Partnership or a Subsidiary;

(d) enter into, supplement, modify or terminate any interest rate or other derivative instruments (including interest rate swap agreements, interest rate cap agreements or interest rate collar agreements) for the account of the Partnership or any Person in which the Partnership has a direct or indirect ownership interest;

(e) prepay in whole or in part, refinance, recast, increase, modify or extend any liabilities affecting any Investment and in connection therewith execute any extensions or renewals of encumbrances on any or all of the Investments;

(f) negotiate and execute any deed, lease, easement, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, certificate or other instrument in connection with the acquisition, holding, financing, development, construction, management, maintenance, operation, lease, pledge, sale or other disposition of an Investment either directly or through a Subsidiary;

(g) hold any Investment in the name of one or more trustees, nominees or other agents of or for the Partnership or a Subsidiary;

(h) form and structure Investments through Joint Ventures and cause the Partnership or a Subsidiary to be a venturer, partner, stockholder, member, holder of a beneficial interest or other participant or owner in a joint venture, partnership (whether limited or general), corporation, trust, limited liability company or other venture or enterprise;

(i) lend money or other assets of the Partnership or any Subsidiary upon such terms and with (or without) such security as the General Partner shall deem appropriate;

(j) retain or employ and dismiss from retention or employment, any and all Persons providing legal, engineering, environmental, brokerage, consulting, investment advisory, management, artisan, construction, repair or custodian services to the Partnership or any Subsidiary or such other agents on such terms as the General Partner deems necessary or desirable for the management and operation of the Partnership, a Subsidiary or any of their Investments;

(k) recommend to the Board the engagement or dismissal of the independent accountants and auditors and independent appraisers of the Partnership and recommend to the Board changes in the asset valuation policy or appraisal methodology of the Partnership;

(l) incur and pay all expenses and obligations incident to the operation and management of the Partnership or any Subsidiary, including the services referred to in Section 4.02(j), taxes, interest, travel, rent, insurance, supplies, salaries and wages of the Partnership's employees and agents;

(m) make interim investments (which may be made through an agent) of cash reserves and other liquid assets of the Partnership or any Subsidiary prior to their use for Partnership or Subsidiary purposes or distribution to the Limited Partners;

(n) acquire and enter into any contract of insurance necessary or desirable for the protection or conservation of the Partnership, the Subsidiaries and their assets or otherwise in the interest of the Partnership or the Subsidiaries;

(o) open accounts and deposit, maintain and withdraw funds in the name of the Partnership or any Subsidiary in any bank, savings and loan association, brokerage firm or other financial institution;

(p) establish reserves for normal repairs, replacements and contingencies and for any other proper Partnership or Subsidiary purpose;

(q) distribute funds to the Partners by way of dividend or otherwise, all in accordance with the provisions of this Agreement;

(r) bring and defend actions and proceedings at law or equity before any court or other forum or governmental, administrative or other regulatory agency, body or commission or otherwise;

(s) make all elections, investigations, evaluations and decisions, binding the Partnership thereby, that may, in the discretion of the General Partner, be necessary or desirable for the acquisition, management or disposition of Investments by the Partnership or any Subsidiary;

(t) prepare and cause to be prepared reports, statements and other relevant information for distribution to the Partners;

(u) prepare and file all necessary returns, reports and statements and pay all taxes, assessments and other impositions relating to the assets or operations of the Partnership or any Subsidiary;

(v) convene meetings of the Limited Partners for any purpose;

(w) effect a dissolution of the Partnership as provided herein;

(x) enter into and carry out Subscription Agreements with prospective Subscribing Limited Partners at any time, without any further act, approval or vote of any Person at such time;

(y) grant third parties (that are not Limited Partners) an interest (direct or indirect) in any Investment for value; and

(z) act for and on behalf of the Partnership in all matters incidental to the foregoing.

Section 4.03. *Other Authority*. (a) The General Partner agrees to use its commercially reasonable efforts to operate the Partnership in such a way that (i) the Partnership would not be an "investment company" within the meaning of the

Investment Company Act (except for purposes of Sections 12(d)(1)(A)(i) and (B)(i) thereunder), (ii) the Partnership qualifies as an "operating company" (including a venture capital operating company ("**VCOC**") or real estate operating company) under the Plan Assets Regulation or satisfies another exception under the Plan Assets Regulation such that none of the Partnership's assets would be deemed to be "plan assets" for purposes of ERISA, (iii) the General Partner and/or the Investment Adviser would be in compliance with the Advisers Act, (iv) commencing on the Effective Date and prior to any Restriction Termination Date, the status of Prime LLC as a REIT and as a Domestically-Controlled REIT would not be adversely affected and Prime LLC would not be treated as a Pension-Held REIT, unless the Partnership shall have determined that it is no longer in the best interests of the Partnership and Prime LLC to attempt to or to continue to have Prime LLC qualify as a REIT, a Domestically-Held REIT and/or an entity that is not a Pension-Held REIT, as applicable and (v) each of the Partnership, the General Partner and the Investment Adviser would be in compliance with any other material law, regulation or guideline applicable to the Partnership, the General Partner or the Investment Adviser. If at any time the assets of the Partnership are deemed to be "plan assets" for purposes of ERISA, then to the extent permitted by law and necessary in order to comply with ERISA, the General Partner shall acknowledge to each Limited Partner subject to Part 4 of Title I of ERISA that the General Partner is a fiduciary of such Limited Partner with respect to the assets of the Partnership and each such Limited Partner will be solicited to affirm the appointment of the General Partner as an "investment manager," as such term is defined in Section 3(38) of ERISA, with respect to such assets.

(b) The General Partner is hereby authorized, after consultation with the Board, to take any action it has determined in good faith to be necessary or desirable in order for (i) the Partnership not to be in violation of the Investment Company Act and not to be an "Investment Company" required to register under the Investment Company Act, (ii) the Partnership's assets not to be deemed to be "plan assets" for purposes of ERISA, (iii) commencing on the Effective Date and prior to any Restriction Termination Date, the status of Prime LLC as a REIT and as a Domestically-Controlled REIT to not be adversely affected and Prime LLC to not be treated as a Pension-Held REIT or (iv) the Investment Adviser, the General Partner and their respective Affiliates not to be in violation of the Advisers Act or the Partnership, the General Partner or the Investment Adviser not to be in violation of any other material law, regulation or guideline applicable to the Partnership, the General Partner or the Investment Adviser, including, in each case, (w) making any structural, operating or other changes in the Partnership by amending this Agreement, (x) requiring the sale in whole or in part of any Investment or other asset, (y) requiring the sale or redemption of all or a part of such Limited Partner's LP Units or (z) dissolving the Partnership. Any action taken by the General Partner pursuant to this Section 4.03(b) shall not require the approval of the Board or any Limited Partner.

(c) The parties hereby acknowledge and agree that the exercise of "commercially reasonable efforts" by the General Partner for purposes of Section 4.03(a) may include the General Partner's seeking and relying on the advice of qualified counsel, accountants or other experts as may be deemed necessary or appropriate by the General Partner under the particular circumstances and that seeking, obtaining and acting in reasonable reliance on such advice shall be deemed to satisfy the requirements of Section 4.03(a).

(d) Subsequent to any Restriction Termination Date, the General Partner may, in its discretion, determine that such provisions of this Agreement as are intended to facilitate Prime LLC's compliance with the REIT Rules need not be applied or may be applied differently.

(e) The Investment Adviser or its Affiliates may organize one or more "feeder" vehicles whose sole or primary investment purpose would be to invest in LP Units of the Partnership (each, a "**Feeder Vehicle**"), including a Feeder Vehicle (the "**Employee Fund**") to be offered principally to employees of Morgan Stanley and its Affiliates or other Feeder Vehicle(s) to be offered to various types of investors in order to accommodate any specific tax, legal or regulatory requirements applicable to them. In connection with any Partnership matters to be voted on or consented to by any such vehicle as a Limited Partner pursuant to this Agreement, the Investment Adviser may, in its discretion, establish the terms of such vehicle to provide (for all or certain matters) that (A) all the LP Units held by such vehicle will be voted as a single block in the manner determined by the majority (or other specified) vote of the investors in such vehicle or (B) the investors will have no voting rights with respect to how the LP Units held by the vehicle will be voted on the underlying Partnership matter, and that such LP Units held by the vehicle will automatically be voted on the underlying Partnership matter in the same proportion (for, against, abstain) as the LP Units voted by the other Limited Partners. Investors who invest in the Partnership indirectly through the Employee Fund may be subject to a lower management fee than the Management Fee set forth in Section 4.04(h). The Investment Adviser is hereby authorized (but subject to the approval of the Independent Directors as to the structure for such reduced fee, after consultation with counsel) to cause the Partnership to establish and implement such procedures and terms and to take such actions as the General Partner deems necessary or advisable to facilitate the implementation of the foregoing arrangements.

(f) The General Partner or its Affiliates may establish one or more additional parallel investment vehicles or other arrangements for certain types of investors (each such vehicle or arrangement, a "**Parallel Vehicle**"), which will in all material respects invest proportionately in each Investment (based on the relative net asset values of the Partnership and the Parallel Vehicles at the time of the initial acquisition of such Investment) and dispose of Investments on substantially the same terms and conditions and at substantially the same time as the Partnership, in each case, subject to applicable tax, legal, regulatory, accounting or other relevant

considerations, restrictions or requirements. The economic terms of each Parallel Vehicle shall be no more favorable than those of the Partnership, subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements.

(g) The Limited Partners acknowledge and agree that certain fees, costs and expenses (including those of the type set forth in or otherwise contemplated by the definition of Partnership Expenses) will be attributable both to the Partnership (and the Feeder Vehicles, if any) and to the Parallel Vehicles (and the feeder vehicles of such Parallel Vehicles, if any). Subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements, the Partnership and each Parallel Vehicle shall share in (i) expenses related to Investments in proportion to their relative interests in the Investments to which they relate and (ii) other Partnership Expenses *pro rata* based on the relative net asset values of the Partnership and the Parallel Vehicles; *provided* that the General Partner may allocate certain fees, costs and expenses among the Partnership and the Parallel Vehicles on a different basis, including to certain (but not all) of these entities, if the General Partner determines in good faith that such other basis is more equitable.

(h) Notwithstanding any other provision contained in this Agreement, the Partnership, the Investment Adviser and/or the General Partner (on its own behalf or on behalf of the Partnership) may, on the Effective Date and from time to time thereafter as needed, execute, deliver and perform the omnibus letter (the "**Omnibus Letter**") (the current form of which is attached hereto as Exhibit A), as it may be amended from time to time pursuant to its terms (it being understood that any such amendment shall be subject to Section 13.01 as though the Omnibus Letter were part of this Agreement), without any further act, vote or approval of any Person. Notwithstanding any other provision contained in this Agreement, to the extent that the terms of the Omnibus Letter conflict with the terms of this Agreement, the terms of the Omnibus Letter shall control.

Section 4.04. *Management Fee.*[2] (a) In consideration for the services rendered by the Investment Adviser, the Partnership and its Subsidiaries shall pay to the Investment Adviser management fees (the "**Management Fees**"). Subject to the limits in clause (b)(ii) below with respect to the Base Management Fees, the General Partner may determine in its sole and absolute discretion whether the Partnership or a Subsidiary, or a combination thereof, shall pay a Management Fee, and the amount thereof, subject to the terms of this Agreement. The Management Fees shall be comprised of: (i) Base Management Fees as described in Section

[2] **NTD**: The language in this section incorporates the amendments made to this section pursuant to Amendment No. 5 of the PRIME LLCA.

4.04(b) below (the "**Base Management Fees**") and (ii) an incentive management fee as described in Section 4.04(c) below (the "**Incentive Management Fee**").

(b)

(i) The Limited Partners acknowledge and agree that it is expected that each of the Partnership and Prime LLC shall pay a Base Management Fee. The Base Management Fees shall be paid in cash quarterly in arrears at the end of each calendar quarter. The cumulative amount of Base Management Fees payable shall not exceed an aggregate amount, calculated with respect to each Limited Partner, determined by multiplying the applicable fee rate, as determined pursuant to clause (ii) below, by the incremental NAV per LP Unit attributable to such Limited Partner's applicable LP Units.

(ii) The amount of the cumulative Base Management Fees payable to the Investment Adviser in respect of each Limited Partner shall be determined on a quarterly basis and cannot cause the Limited Partner and each of its Aggregated Partners to bear effective blended Base Management Fees rate in excess of the Fee Rate limit below:

Incremental aggregate NAV per LP Unit, together with the aggregate NAV per LP Unit of such Limited Partner's Aggregated Partners	**Fee Rate Limit (of the applicable NAV per LP Unit as of the date indicated in clause (i))**
Less than US$ 200 million	84 basis points per annum (or 21 basis points per calendar quarter)
Equal to or greater than US$ 200 million and less than US$ 400 million	74 basis points per annum (or 18.5 basis points per calendar quarter)
Equal to or greater than US$ 400 million	64 basis points per annum (or 16 basis points per calendar quarter)

(iii) In order to facilitate the calculation of the NAV per LP Unit in accordance with and to give effect to the foregoing provisions (including Fee Rate limit on the cumulative Base Management Fees), the Partnership may, in the sole discretion of the General Partner, (A) withhold amounts that are otherwise distributable to each Limited Partner in order to pay Base Management Fees payable by the Partnership or a Subsidiary allocable to such Limited Partner or (B) redeem or reduce the number of LP Units (including any fractional amounts thereof) held by each Limited Partner

with an aggregate NAV attributable to such LP Units up to the amount of combined Base Management Fees payable by the Partnership or a Subsidiary allocable to such Limited Partner.

(c) The Incentive Management Fee is calculated at the end of each calendar month and is payable annually in arrears at the end of each calendar year. The amount of the Incentive Management Fee calculated at the end of each calendar month shall be equal to (w) 5.0% multiplied by (x) the NAV of the Partnership as of the beginning of such calendar month multiplied by (y) the Comp Store NOI Growth for such calendar month multiplied by (z) a fraction, the numerator of which is 1 and the denominator of which is 12. The amount of the Incentive Management Fee payable at the end of each calendar year shall be equal to the aggregate amount of the Incentive Management Fee (including any negative amount) calculated for each calendar month that year; provided that in no event shall the Incentive Management Fee payable at the end of a calendar year (other than calendar year 2026) exceed 0.25% of the average monthly NAV of the Partnership that year (calculated by dividing (x) the sum total of the NAV of the Partnership as of the beginning of each calendar month that year by (y) 12). For the avoidance of doubt, no Incentive Management Fee shall be payable at the end of any given calendar year if the aggregate amount of the Incentive Management Fee for that year is negative, it being understood and agreed that (i) the Investment Adviser shall have no responsibility to the Partnership, any Partner or any other Person with respect to any such negative amount and (ii) no such negative amount shall be carried over to (or counted in) the next calendar year for purposes of determining the Incentive Management Fee for the next calendar year. It is understood that, for calendar year 2026, the Incentive Management Fee shall be equal to the aggregate amount of the Incentive Management Fee (including any negative amounts) calculated (i) for all calendar months ending on or prior to the date hereof, in accordance with Prime LLC's Amended and Restated Limited Liability Company Agreement, dated as of June 30, 2004, as amended (the "**Prime LLCA**") and (ii) for all calendar months ending after the date hereof, in accordance with this Agreement; provided that in no event will the Incentive Management Fee payable at the end of calendar year 2026 exceed the average of (x) 0.35% of the average monthly NAV of the Partnership for the first six months of 2026 and (y) 0.25% of the average monthly NAV of the Partnership for the last six months of 2026, and for this purpose, treating "NAV of the Company" under the Prime LLCA as NAV of the Partnership for all months ending on or prior to the date hereof.). If the amount of Incentive Management Fee calculated with respect to any month is positive, such amount will accrue as of the end of such month. No Incentive Management Fee shall accrue at the end of any month if the amount of the Incentive Management Fee calculated for such month is negative.

As used herein, the following terms have the following meanings:

"**Comp Store NOI Growth**" means, with respect to any given calendar month (the "**Current Month**"), the growth, expressed as a percentage, of the

aggregate NOI generated by the Included Investments during the Current Month over the aggregate NOI generated by the same Included Investments during the same calendar month in the preceding year (the "**Prior Year's Corresponding Month**"). For purposes of determining Comp Store NOI Growth, with respect to any Included Investment that is not wholly-owned directly or indirectly by the Partnership, only the pro rata portion (based on the Partnership's ownership percentage of such Included Investment) of such Included Investment's NOI shall be included; provided that where the Partnership's ownership percentage of any such Included Investment at the end of the Current Month is different than the Partnership's ownership percentage of such Included Investment at the end of the Prior Year's Corresponding Month, the pro rata portion of such Included Investment's NOI that shall be included for purposes of determining the aggregate NOI for the Prior Year's Corresponding Month shall be determined using the Partnership's ownership percentage of such Included Investment at the end of the Current Month.

"**Included Investment**" means, for purposes of determining the Comp Store NOI Growth for any given calendar month, each real estate asset held directly or indirectly by the Partnership at the end of such calendar month so long as such real estate asset was held directly or indirectly by the Partnership for at least 13 months prior to the end of such calendar month (for the avoidance of doubt, including any real estate asset for which there was any expansion, redevelopment or similar change during the prior 13 months); provided that if any such real estate asset is a development asset (i.e., either undeveloped land or a previously developed real estate asset that is subject to a development or redevelopment project where the budgeted costs of such project exceed 50% of the value of such asset immediately prior to undertaking such project), such real estate asset will only be considered held once its development has been completed (i.e., a certificate of occupancy or equivalent document has been obtained); and provided, further, that "Included Investments" shall not include AMLI Operating Company, Safeguard Operating Company, any future Investment deemed to be an operating company, in each case as set forth in and consistent with the Schedule of Real Estate Investments in the Partnership's audited financial statements and as presented in the Partnership's quarterly reports to Limited Partners.

"**NOI**" means, with respect to any real estate asset, the aggregate income generated by such real estate asset after operating expenses have been deducted, but before deducting income taxes, financing expenses, fund expenses and capital expenditures.

(d) Payment of the Management Fees will be in cash; provided that the Investment Adviser may elect that a portion of the Management Fees be paid by investment in LP Units (based on the NAV per LP Unit at the time of payment of the Management Fee).

Section 4.05. *Partnership Expenses.*

(a) The Investment Adviser shall be solely responsible for and shall pay all Investment Adviser Expenses. Investment Adviser Expenses shall not be treated as expenses of the Partnership and the payment thereof shall not be accounted for as contributions to or income of the Partnership. As used herein, the term "**Investment Adviser Expenses**" means all compensation of officers, members and employees of the Investment Adviser and related overhead expenses (including office and related expenses), except for internal legal, accounting, insurance and other professional costs and expenses associated with the operation of the Partnership and that would be normally provided by outside professionals so long as such costs and expenses are on market terms (such internal professional costs and expenses, "**Reimbursable Investment Adviser Professional Expenses**"), and Excess Restructuring Expenses.

(b) The Partnership shall be responsible for and shall pay (or reimburse the Investment Adviser for, as applicable) all Partnership Expenses. All Partnership Expenses shall be paid out of funds of the Partnership. As used herein, the term "**Partnership Expenses**" means all expenses or obligations of the Partnership or the General Partner or otherwise incurred by the Partnership or the General Partner or the Subsidiaries (or by the Investment Adviser or its Affiliates on behalf of the Partnership or the General Partner) in connection with this Agreement or the Partnership's or the General Partner's business or affairs (other than the Investment Adviser Expenses), including:

(i) the Management Fees;

(ii) all Reimbursable Investment Adviser Professional Expenses;

(iii) Restructuring Expenses (other than Excess Restructuring Expenses);

(iv) any fees or compensation payable to the Independent Directors, and expenses payable to all Directors, for service on the Board;

(v) all costs and expenses incurred in connection with the holding of the Partnership's annual meeting, meetings of the Board, meetings of the Advisory Committee and the Advisory Committee Members and meetings of the Limited Partners, including travel costs, entertainment and other similar fees, costs and expenses of the Advisory Committee or the Limited Partners;

(vi) costs and expenses related to the engagement of third-party consultants, advisors and service providers (including Affiliates of the Investment Adviser engaged pursuant to Section 4.06) by the Partnership and the General Partner, including costs and expenses incurred in connection with obtaining legal, tax, appraisal or accounting, insurance

advisory, property management, fund administration, custody or depositary advice or services (including property management fees and expenses, including base fees, leasing commissions, incentive fees and financing fees); all fees, costs and expenses (including travel, meals, accommodations, and reasonable research and market data expenses and ancillary costs thereto) incurred in sourcing, conducting due diligence investigations into, purchasing, acquiring, developing, negotiating, structuring, monitoring, custody, hedging, financing, insuring, managing and disposing of, or attempting to dispose of, actual (or potential) Investments, including the expenses incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of any environmental, social and governance related programs and initiatives (in respect of Investments, prospective Investments and/or the Partnership); expenses incurred in connection with environmental, social and governance tracking tools, climate risk assessments and any other assessments, measurements, advice or reports conducted as part of implementing, monitoring and maintaining of certain environmental, social and governance related programs and initiatives, costs for external financial, legal, accounting, technology (including technology-related services), consulting or other advisers, or any lenders and other financing sources and other costs and fees in connection with transactions which are not consummated, including reverse break-up fees and lost deposits, duplicating, postage, delivery, and communications charges, costs of appraisal services (including obtaining an independent valuation of, or fairness opinion relating to, Investments or other assets), valuation advisers, engineering and environmental assessment services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such fees, costs and expenses by entities in which the Partnership invests or other third parties);

(vii) third party out-of-pocket expenses incurred by the General Partner or the Investment Adviser (and third-party firms whose professionals work in the Investment Adviser's offices, use the Investment Adviser's email address and devote all or substantially all of their working time to funds or accounts managed by the Investment Adviser and its affiliates) in connection with Investments or proposed Investments and other costs and expenses in connection with the acquisition, underwriting, market research, financing, operation, ownership, management, development, redevelopment, refinancing, sale, leasing or other disposition of Investments;

(viii) the Partnership's allocable share of travel expenses, including travel expenses incurred in connection with evaluating and negotiating potential Investments (whether or not consummated) and monitoring actual Investments and other Partnership matters (including

costs and expenses of accommodations and meals, costs and expenses related to attending trade association meetings, conferences or similar meetings for purposes of evaluating actual or potential investment opportunities, and with respect to travel on non-commercial aircraft, costs of travel at a comparable business class commercial airline rate);

(ix) communications charges, costs of appraisal services (including obtaining an independent valuation of Investments or other assets), valuation advisers, engineering and environmental services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Partnership invests or other third-parties);

(x) costs and expenses (including brokerage fees, commissions, insurance premiums) relating to any fidelity bond and insurance policies of all types (including directors' and officers' liability insurance and errors and omissions insurance), or such other insurance relating to the affairs of the Partnership;

(xi) all expenses incurred in connection with any litigation, indemnification or extraordinary expense or liability relating to the affairs of the Partnership or any Subsidiary (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

(xii) all expenses for indemnity or contribution payable by the Partnership to any Person;

(xiii) all expenses incurred in connection with the collection of amounts due to the Partnership or any Subsidiary from any Person;

(xiv) expenses related to legal and regulatory compliance for the Partnership, the General Partner or the Investment Adviser relating to the Partnership's investment activities (including, without limitation, Partnership-related compliance obligations and, if needed, reports, disclosures, filings and notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive);

(xv) all expenses incurred in connection with and any principal, interest or other amounts owing in respect of any indebtedness or guarantees of the Partnership or any Subsidiary or any proposed or definitive credit facility or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Partnership or any Subsidiary or related to any Investment), including the repayment of amounts under such indebtedness, guarantees, credit facilities or other credit arrangements;

(xvi) expenses associated with portfolio and risk management including interest rate hedging;

(xvii) expenses of dissolving and winding up the Partnership;

(xviii) expenses incurred in connection with preparation of financial statements;

(xix) fees, costs and expenses related to the organization and maintenance of any entity used to acquire, hold or dispose of one or more Investment(s) (including, for the avoidance of doubt, any Subsidiary or portfolio entity) or otherwise facilitating the Partnership's investment activities including, without limitation, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including personnel of the Investment Adviser or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, or other overhead expenses in connection therewith;

(xx) legal entity management expenses;

(xxi) fees or other governmental charges relating to administration of the Partnership, the General Partner and the Investment Adviser;

(xxii) fees, costs and expenses incurred in connection with any amendments, restatements, or other modifications to, and compliance with, the Partnership Agreement, the Advisory Agreements, confirmation letters with Limited Partners or any other constituent or related documents of the Partnership, the General Partner and the Investment Adviser, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the Advisory Committee or preparation of other materials in connection with compliance (or monitoring compliance) with such documents (including, for the avoidance of doubt, any such documents as related to Subsidiaries);

(xxiii) any taxes imposed on the Partnership or any Subsidiary, including any taxes imposed on the Partnership or any Subsidiary in the capacity of withholding agent with respect to a Partner (and any interest, penalties or expenses relating to any such taxes), except to the extent such taxes are attributable or otherwise allocable to a Partner under the Partnership Agreement, and costs and expenses of preparing and filing tax returns on behalf of the Partnership and/or such Subsidiary in any jurisdiction in which the Partnership or such Subsidiary is required or deems it advisable to file tax returns or information with the applicable tax authorities and all costs and expenses incurred in connection with any tax audit, investigation, settlement or other proceedings in respect of the Partnership and/or such Subsidiary;

(xxiv) any sales, value added, goods and services or other similar taxes (a "GST") to the extent that the Partnership or any entity used to acquire, hold or dispose of any investments (including any Subsidiary and/or any portfolio entity) is required by applicable law to pay, withhold or deduct such amounts from any payments of the Base Management Fees or Incentive Management Fee, so that the net amounts of Base Management Fees and/or Incentive Management Fees actually received by the Investment Adviser (and/or such entity) after such payment, withholding, deduction or imposition of such GST (including any such payment, withholding, deduction or imposition from or with respect to such additional amounts) equal the required amount of Base Management Fees and/or Incentive Management Fees otherwise payable under the Advisory Agreements;

(xxv) all administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Partners of checks, financial reports, performance reports, tax returns, communications and notices required pursuant to this Agreement, treasury, cash management, analytics and related information technology services provided to the Partnership and all other costs and expenses in relation to maintaining or compliance with the tax or legal status of the Partnership, the General Partner or the Investment Adviser;

(xxvi) the organization of any Parallel Vehicle or Feeder Vehicle;

(xxvii) expenses of offering LP Units and any applicable taxes, including expenses associated with updating the offering and marketing materials, expenses associated with printing the materials and expenses relating to documentation with potential investors (other than travel expenses related thereto);

(xxviii) the fees, costs and expenses of any legal counsel or other advisors retained by, or at the direction or for the benefit of, the Advisory Committee;

(xxix) fees, commissions, costs and expenses relating to the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "**AIFM Directive**"), the Swiss Collective Investment Schemes Act ("**CISA**") or any other non-U.S. law, rule, regulation or requirement including as any of the foregoing may be implemented by any laws, rules, regulations or interpretations of countries or jurisdictions, in each case as amended, or any successor laws, rules or regulations thereto including reports, ongoing compliance, administrators, custodians, agents, representatives, depositaries, paying agents and other service providers engaged to comply with the AIFM Directive, CISA, or any other non-U.S. law, rule, regulation or requirements, the organization or maintenance of

any entity used in connection with compliance with the AIFM Directive by the Partnership, any Parallel Vehicle or any Feeder Vehicle (including any entity that is an Affiliate of the Investment Adviser established to be an authorized "alternative investment fund manager" of the Partnership, any Parallel Vehicle or any Feeder Vehicle within the meaning of the AIFM Directive) as well as any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, other overhead expenses in connection therewith and/or fees for services, or, in the event a third party authorized "alternative investment fund manager" is engaged, the costs and expenses associated therewith, as applicable; and

(xxx) all other costs and expenses relating to the business of the Partnership.

Section 4.06. *Transactions with Affiliates.* Subject to compliance with Section 6.11(c), in addition to transactions specifically contemplated by this Agreement, the Investment Adviser, when acting on behalf of the Partnership, is hereby authorized to purchase Investments or obtain services from, to sell Investments or provide services to, or otherwise to deal with the Investment Adviser (acting other than in its capacity as investment adviser of the Partnership), any Limited Partner or any Affiliate of any of the foregoing Persons. In connection with any services performed by any of the foregoing Persons for the Partnership or a Subsidiary, such Person shall, subject to compliance with Section 6.11(c), be entitled to be compensated by the Partnership (or such Subsidiary), and the amount of such compensation shall, subject to Section 6.11(c), be determined by the Investment Adviser in its discretion. Each Limited Partner acknowledges and agrees that such purchase or sale of Investments, the performance of such services, other dealings, or the receipt of such compensation may give rise to conflicts of interest between the Partnership and the Limited Partners, on the one hand, and the Investment Adviser or such Affiliate, on the other hand.

Section 4.07. *Other Activities.* (a) Each Limited Partner (i) represents and warrants that such Limited Partner has carefully reviewed and understood the information contained in the Offering Memorandum and (ii) acknowledges and agrees that the General Partner, the Investment Adviser or any of their respective Affiliates may engage, without liability to the Partnership or the Limited Partners, subject to compliance with Section 6.11(c), in any and all of the activities of the type or character described or contemplated in Section 4.06 or in Schedule A hereto, whether or not such activities have or could have an effect on the Partnership's affairs or on any Investment, and that no such activity will in and of itself constitute a breach of any duty owed by any Indemnified Person to the Limited Partners or the Partnership. The General Partner and any officer or employee of the General Partner shall be required to devote only such time to the affairs of the Partnership as the General Partner determines in its reasonable discretion may be necessary or appropriate to manage and operate the Partnership, and each such Person, to the

extent not otherwise directed by the General Partner, shall be free to serve and may be compensated by any other Person or enterprise in any capacity (including serving the Partnership in any capacity other than as a representative or agent of the General Partner) that it may deem appropriate in its discretion.

(b) Each Limited Partner understands and agrees that the General Partner or any Affiliate of the General Partner may engage in "agency cross transactions" as defined in Rule 206(3)-2 ("**Agency Cross Transactions**") promulgated by the Securities and Exchange Commission under the Advisers Act in which the General Partner or such Affiliate acts as a broker for both the Partnership or the Limited Partner and for another person on the other side of the transaction. Each Limited Partner understands and agrees that the General Partner or such Affiliate may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such Agency Cross Transactions. THIS CONSENT, AS TO AGENCY CROSS TRANSACTIONS EFFECTED ON BEHALF OF A LIMITED PARTNER, MAY BE REVOKED AT ANY TIME BY WRITTEN NOTICE FROM THE LIMITED PARTNER TO THE GENERAL PARTNER. THIS CONSENT, AS TO AGENCY CROSS TRANSACTIONS EFFECTED ON BEHALF OF THE PARTNERSHIP, MAY BE REVOKED AT ANY TIME BY WRITTEN NOTICE TO THE GENERAL PARTNER FROM LIMITED PARTNERS HOLDING AT LEAST A MAJORITY OF THE OUTSTANDING LP UNITS.

Section 4.08. *Term of Investment Adviser; Removal of Investment Adviser; Assignment of Investment Adviser's Role.* (a) In accordance with the Advisory Agreements, the Investment Adviser's initial term as investment adviser to the Partnership and any Subsidiary shall expire on the date set forth therein and will automatically be renewed annually thereafter, except that the term may expire earlier if (i) terminated by a majority vote of the Independent Directors with the concurrence of holders of at least three-quarters of the outstanding LP Units and a majority of the Limited Partners by number in accordance with Section 6.11(c) and Section 7.06 (*i.e.*, upon a vote to remove the Investment Adviser pursuant to such Sections), (ii) the term is modified with the approval of the Investment Adviser and a majority of the Independent Directors or (iii) the Investment Adviser resigns on at least 90 days prior written notice to the Board. In the event of a resignation or termination pursuant to clauses (i) or (iii) above, the Independent Directors will choose a successor investment adviser by majority vote in accordance with Section 6.11(c). Notwithstanding the foregoing or anything to the contrary in this Agreement, the Board (by majority vote) may remove the Investment Adviser (with or without cause) at any time upon 90 days notice, and upon such removal (subject to compliance with applicable law) may appoint a new Investment Adviser.

(b) The Investment Adviser may assign its rights under this Agreement (and its role as the Investment Adviser) to any one or more of its Affiliates without the prior consent or approval of the Limited Partners or the Board; *provided* that (i) such Affiliates jointly and severally have assumed all of the Investment Adviser's

obligations under this Agreement in writing and provide a copy of such assumption to the Partnership and (ii) in the absence of the approval of a majority of the Independent Directors pursuant to Section 6.11(c), the Investment Adviser shall remain fully liable to the Partnership with respect to its obligations hereunder. Any such assignment to any Person that is not an Affiliate of the Investment Adviser shall require the prior approval of a majority of the Independent Directors pursuant to Section 6.11(c). Without limiting the foregoing, any assignment pursuant to this Section 4.08(b) shall also be subject to any applicable requirements under the Advisers Act.

ARTICLE 5
INVESTMENTS

Section 5.01. *Investments.* The General Partner shall have discretionary authority to acquire, manage and dispose of Investments (as more fully described in Section 4.02(b)). The General Partner shall generally make Investments consistent with the Investment Guidelines, as they may be modified from time to time by the Board following recommendation from the General Partner pursuant to Section 6.11(b); *provided* that the General Partner may vary from the Investment Guidelines as it deems prudent and appropriate under the circumstances from time to time. The General Partner shall not be liable for any non-compliance with the Investment Guidelines unless it has breached the standard of care set forth in Section 4.01(a), and then only to the extent of damages actually incurred by the Partnership as a result of such non-compliance.

Section 5.02. *Allocation of Investment Opportunities.* Without limiting the generality of Section 4.06, each Limited Partner acknowledges and agrees that the Investment Adviser or any of its Affiliates may provide investment management services to Persons other than the Partnership and the Subsidiaries, and neither the Investment Adviser nor any of its Affiliates shall be liable to the Partnership or the Limited Partners solely as a result thereof. The Investment Adviser shall allocate investment opportunities suitable both for the Partnership and for other Persons, including the Investment Adviser or an Affiliate of the Investment Adviser or a third party client of the Investment Adviser, in accordance with an equitable and reasonable allocation procedure, which (without limiting the Investment Adviser's discretion to modify such procedure or establish and implement an alternative allocation procedure, so long as such procedure is equitable and reasonable) shall be deemed to include the allocation procedure described in Section XII.—"Conflicts of Interest" of the Offering Memorandum under the caption "Conflicts of Interest–Allocation of Real Estate Opportunities."

Section 5.03. *Financing.* The General Partner may arrange on behalf of the Partnership or the Subsidiaries such borrowing facilities (with recourse only to specific assets of the Partnership or to the Partnership generally, but not to the Limited Partners) from third parties as it deems advisable; *provided* that the total

Partnership Indebtedness does not exceed 50% of the total value of the Partnership's gross assets (based on the most recent asset valuation under Section 5.05) at the time the Partnership Indebtedness is incurred, unless the Board approves the incurrence of additional Partnership Indebtedness pursuant to Section 6.11(b).

Section 5.04. *Investment Vehicles.* The Partnership may own Investments through corporations, REITs, limited liability companies, limited partnerships or other entities, all or substantially all of the interests in which are, directly or indirectly, owned by the Partnership or through Joint Ventures and other co-ownership vehicles with third parties or through one or more taxable REIT subsidiaries (any such entities through which the Partnership may own Investments, solely for purposes of this Agreement, "**Subsidiaries**").

Section 5.05. *Valuation.* The Investments shall be appraised in accordance with the Partnership's valuation policy, which shall be established and may be modified by the Investment Adviser, subject to approval of a majority of the Board pursuant to Section 6.11(b). This policy shall initially require an appraisal of each Investment on a quarterly basis by independent appraisers engaged by the Board on behalf of the Partnership. Such appraisals shall generally be reported in a limited restricted report format, although they shall be reported in an expanded summary report format on an annual basis for approximately one third of the investments (so that each investment receives an expanded summary report at least once every three years). In addition, the Investment Adviser is responsible for updating the Investment values under the appraisals on a monthly basis (or at any other time as deemed necessary or advisable by the Investment Adviser in its discretion) based on material items occurring since the last quarterly update. The Investment Adviser shall determine Investment values based on such appraisals and shall furnish the Board with a list of individual Investment values, together with a summary of any adjustments made to the appraisals by the Investment Adviser. The Board shall have the right to inspect all appraisals and supporting materials upon reasonable notice to the Investment Adviser. The cost of these appraisals shall be borne by the Partnership as a Partnership Expense pursuant to Section 4.05(b). For the avoidance of doubt, although the Board will exercise oversight over the valuation policies and process as set forth in this Section 5.05, individual Investment valuations and the determination of the NAV of the Partnership will be made by the Investment Adviser in its discretion.

ARTICLE 6
BOARD OF DIRECTORS

Section 6.01. *Composition of Board and Election of Directors.* (a) The Board shall initially consist of four directors (each, a "**Director**"), no more than one of whom shall be Affiliated Directors. The number of Directors may be

increased by a majority vote of the Directors; *provided* that the number of Independent Directors shall at all times constitute 75% or more of the Board.[3]

(b) The Investment Adviser shall have the exclusive power and authority to appoint, remove and replace the Affiliated Directors from time to time.

(c) Each Independent Director shall serve for a one year term. Commencing with the first annual meeting of Limited Partners under Section 7.02, the Limited Partners shall vote on an annual basis, pursuant to Section 7.06, on the election of the Independent Directors, who shall be nominated by the [Board]. Each Independent Director so elected shall hold office until such Independent Director's successor is elected and qualified or until such Independent Director's earlier death, resignation or removal by the Board pursuant to Section 6.11(b). Independent Director vacancies shall be filled by nominees selected by the Board, who may solicit the recommendations of the Investment Adviser. A decision to remove an Independent Director for cause shall be determined by a vote of the remaining Directors.[4]

Section 6.02. *Vacancy.* If for any reason any or all the Directors cease to be Directors, such event shall not terminate the General Partner or the Partnership or affect this Agreement or the powers of the remaining Directors hereunder. Independent Director vacancies shall be filled by nominees selected by the Board (who may solicit the recommendations of the Investment Adviser) and voted upon by a majority of Directors.

Section 6.03. *Quarterly Meetings.* The Board shall hold quarterly meetings at such time and place as shall be determined by the Board.

Section 6.04. *Special Meetings.* Special meetings of the Board may be called by or at the request of any Director then in office or at the request of the Investment Adviser. The Person calling a special meeting of the Board may fix any place in the United States as the place for holding any special meeting of the Board called by them.

Section 6.05. *Notice.* Notice of any meeting of the Board shall be in writing and shall be given to each Director at least three days prior to the meeting. Notice of any special meeting of the Board shall include a description of the purpose for which such meeting has been called.

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[3] **NTD**: The language in this section has been updated to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

[4] **NTD**: The language in this section has been added to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

Section 6.06. *Quorum.* A majority of the Directors shall constitute a quorum for transaction of business at any meeting of the Board; *provided* that at least one Independent Director and one Affiliated Director are present.

Section 6.07. *Voting.* Subject to Section 6.11(c), the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 6.08. *Action by Consent.* Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if Directors having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all Directors entitled to vote thereon were present and voted consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions, are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. No prior notice shall be required for any action so taken without a meeting, so long as the written consent is circulated for signature to each Director. Any action taken pursuant to such written consent of the Directors shall be filed as part of the records of the Partnership and have the same force and effect as if taken by the Directors at a meeting thereof.

Section 6.09. *Meetings by Means of Remote Communications.* Directors may participate in meetings by means of conference telephone or other means of remote communication (which may involve the electronic transmission of communications) established or approved by the Board, and such participation in a meeting shall constitute presence in person at the meeting.

Section 6.10. *Compensation.* The Independent Directors (but not the Affiliated Directors) shall be compensated for serving on the Board. Initially, the Partnership shall pay the Independent Directors (i) $150,000 per year and (ii) $2,500 per Board meeting for up to six meetings per year. The Board may increase or decrease the Independent Directors' compensation in its discretion pursuant to Section 6.11(b). All Directors shall be entitled to reimbursement of all reasonable out-of-pocket costs and expenses incurred on behalf of the Partnership or in connection with their service as Director.

Section 6.11. *Powers of the Board.*[5] (a) The Board shall be responsible for reviewing the investment performance of the Partnership on a quarterly basis and for monitoring the Investment Adviser's performance of its responsibilities under this Agreement and the Advisory Agreements.

[5] **NTD**: The language in this section has been updated to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

(b) The Board shall have the exclusive power and authority to take the following actions for and on behalf of the General Partner by a majority vote of the Directors (specified in Section 6.07 or Section 6.08):

(i) reviewing and modifying from time to time, upon recommendation of the Investment Adviser, the Investment Guidelines and the Partnership's benchmarks;

(ii) pending appointment of a successor to the Investment Adviser in the event the Investment Adviser resigns or is removed in accordance with the terms of this Agreement and the Advisory Agreements, making determinations and taking actions that would otherwise be made by the Investment Adviser;

(iii) approving the Partnership's incurrence of Partnership Indebtedness on a consolidated basis in excess of 50% of the gross value of the Partnership's assets at the time the Partnership Indebtedness is incurred;

(iv) removing an Independent Director for cause (for which purposes the Independent Director in question will abstain);

(v) determining any change in the compensation of the Directors;

(vi) establishing and modifying from time to time, upon the recommendation of the Investment Adviser, the distribution policy for the Partnership as set forth in Section 3.07;

(vii) approving any public offering of LP Units by the Partnership;

(viii) engaging or changing, upon the Investment Adviser's recommendation, the independent appraisers and independent auditors of the Partnership;

(ix) changing, upon the Investment Adviser's recommendation, the asset valuation policy of the Partnership as set forth in Section 5.05;

(x) approving of any change to the name of the Partnership, the registered office and agent of the Partnership under the Delaware Act, the location of the principal office of the Partnership, or the address of the Partnership;

(xi) approving of any adoption of or change to the distribution policy;

(xii) approving of a dissolution of the Partnership (it being understood for the avoidance of doubt that this does not limit Section 11.01(ii) and (iii) of this Agreement);

(xiii) approving of a merger, consolidation or sale of all or substantially all of the assets of the Partnership; and

(xiv) approving of any material amendment to this Agreement for which approval of the Limited Partners will not be sought.

(c) The Board shall have the exclusive power and authority to take the following actions for and on behalf of the General Partner by a majority vote of the Independent Directors:

(i) removing the Investment Adviser as the investment adviser to the Partnership (with the concurrence of holders of at least three-quarters of the outstanding LP Units and a majority of the Limited Partners by number);

(ii) replacement of the Investment Adviser as the investment adviser of the Partnership with a successor manager in the event of the Investment Adviser's removal or resignation pursuant to the terms of this Agreement;

(iii) modifying (with the approval of the Investment Adviser) the terms of this Agreement relating to the Investment Adviser's investment management authority, the role or scope of services as Investment Adviser or the Management Fees (subject to the rights of the Limited Partners under Section 4.04(c) as in effect on the date hereof);

(iv) approving the assignment by the Investment Adviser of its rights under this Agreement (and its role as the Investment Adviser) to (i) an Affiliate of the Investment Adviser where, subsequent to such assignment, the Investment Adviser does not remain fully liable to the Partnership with respect to its obligations under this Agreement or (ii) a Person that is not an Affiliate of the Investment Adviser;

(v) approving the terms of (i) any purchase or sale of an Investment by the Partnership from or to the Investment Adviser or its Affiliate or from or to any Person advised or represented by the Investment Adviser or its Affiliate in the applicable transaction (an "**Investment Adviser Client**"), (ii) any debt financing of an Investment arranged by the Investment Adviser from an Affiliate of the Investment Adviser or from an Investment Adviser Client, (iii) any Investment made by the Partnership that is arranged or contemplated by the Investment Adviser as a co-investment with an Affiliate of the Investment Adviser or with an

Investment Adviser Client (except that no such approval will be required where such co-investment is on substantially *pari passu* terms) or (iv) any lease of a property underlying an Investment involving more than 50,000 square feet to an Affiliate of the Investment Adviser or to an Investment Adviser Client;

(vi) approving the retention of any Affiliate of the Investment Adviser to provide services to the Partnership not expressly contemplated by this Agreement and the terms of such services by such Affiliate; *provided* that no such approval will be needed so long as the foregoing services are on market terms and are disclosed to the Board in reasonable detail each quarter;

(vii) resolving any other conflict of interest situations that are brought before the Independent Directors by the Investment Adviser or General Partner in its discretion (including pursuant to Section 13.02);

(viii) approving the matters set forth in Section 4.03(e) (relating to fee arrangements with respect to certain "feeder" vehicles of the Partnership).

(d) Notwithstanding anything to the contrary in Section 4.08, Section 6.11(c)(i) or Section 7.06(iv) of this Agreement, the Board (by majority vote) may remove the Investment Adviser (with or without cause) at any time upon 90 days notice, and upon such removal (subject to compliance with applicable law) may appoint a new Investment Adviser.

ARTICLE 7
LIMITED PARTNERS; ADVISORY COMMITTEE

Section 7.01. *Time and Place of Meetings.* All meetings of the Limited Partners shall be held at such place, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the General Partner.

Section 7.02. *Annual Meetings.* An annual meeting of the Limited Partners, commencing with the year [2026], shall be held for the election of Independent Directors and to transact such other business as may properly be brought before the meeting.

Section 7.03. *Special Meetings.* Special meetings of the Limited Partners may be called by the General Partner or the Investment Adviser and shall be called by the General Partner at the request in writing of holders of record of at least one-third of the outstanding LP Units. Such request shall state the purpose or purposes of the proposed meeting.

Section 7.04. *Notice of Meetings and Adjourned Meetings; Waivers of Notice.* (a) Whenever Limited Partners are required or permitted to take any action at a meeting, a written notice of the meeting shall be given by the General Partner or the Investment Adviser, which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which the Limited Partners and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called (and business transacted at such special meeting shall be limited to the purposes stated in the notice). Unless otherwise provided by applicable law, such notice shall be given not less than 10 nor more than 90 calendar days before the date of the meeting to each holder of LP Units who is then recorded in the Register of Partners. When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time, place, if any, and the means of remote communications, if any, by which the Limited Partners and proxy holders may be deemed to be present in person and vote at such meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each holder of LP Units who is then recorded in the Register of Partners.

(b) A written waiver of any such notice signed by the person entitled thereto, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to notice. Attendance of a Person at a meeting in Person or remotely shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 7.05. *Quorum.* The presence, in person or remotely or by proxy, of the holders of a majority of the outstanding LP Units shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Limited Partners, the Limited Partners present in person or represented by proxy shall adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7.06. *Voting.* Each Limited Partner (except for any Limited Partner that is an Affiliate of the Investment Adviser) who holds LP Units at the time of the applicable vote, approval or consent shall, with respect to such LP Units, be entitled to vote on or approve or consent as to any action permitted or required to be taken or any determination required to be made by the Limited Partners under clauses (i) through (iv) of this Section 7.06. Each LP Unit shall have one vote. No vote,

approval or consent by the Limited Partners shall be required in respect of any act or transaction to be taken by the General Partner or the Investment Adviser on behalf of the Partnership or by the Partnership, except as expressly set forth below in clauses (i) through (iv) of this Section 7.06:

(i) The approval of holders of at least a majority of the LP Units present in person or by proxy and voting shall be required (A) to remove any Independent Director or (B) to elect the Independent Directors (from the nominees presented for election by the Board pursuant to Section 6.01(c)). Such election shall be held on an annual basis [commencing with an election in calendar year 2026].

(ii) The affirmative vote of at least two-thirds of the outstanding LP Units shall be required to approve a decision by the Board or the Investment Adviser to effect any merger, consolidation, sale of all or substantially all of the assets or dissolution of the Partnership.

(iii) The approval of at least two-thirds of the outstanding LP Units shall be required for any amendment to this Agreement proposed by the General Partner, other than amendments that are expressly permitted without Limited Partners' consent pursuant to Section 13.01.

(iv) The approval of (A) at least three-quarters of the outstanding LP Units and (B) a majority of the Limited Partners by number, and the concurrence of a majority of the Independent Directors, shall be required to remove the Investment Adviser as investment adviser to the Partnership.

Section 7.07. *Action by Consent.* (a) Any action required to be taken at any annual or special meeting of the Limited Partners, or any action which may be taken at any annual or special meeting of the Limited Partners, may be taken without a meeting, without prior notice and without a vote, if the holders of outstanding LP Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all LP Units entitled to vote thereon were present and voted consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Limited Partners. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Limited Partners who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting (if the notice of such meeting had been given on the date that written consents signed by or electronic transmissions from a sufficient number of Limited Partners to take the action were delivered to the Partnership and General Partner as provided in Section 7.07(b)).

(b) Every writing or transmission described in Section 7.07(a) shall bear the date of signature of each Limited Partner who signs the writing or makes the

transmission, and no consent shall be effective to take the action referred to therein unless, within 60 days of the earliest dated writing or transmission relating to such consent that is delivered in the manner required by this Section and the Delaware Act to the Partnership, writings or transmissions signed by a sufficient number of holders to take action are delivered to the Partnership and the General Partner.

Section 7.08. *Meetings by Means of Remote Communications.* Limited Partners may participate in a meeting of the Limited Partners by means of conference telephone or other means of remote communication (which may involve the electronic transmission of communications) established by the General Partner, and such participation in a meeting shall constitute presence in person at the meeting.

Section 7.09. *Proxies.* Each Limited Partner entitled to vote at a meeting of the Limited Partners may authorize another Person or Persons to act on its behalf by written proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period and no such proxy shall be valid unless provided to the General Partner prior to or before the time the applicable action is taken.

Section 7.10. *Advisory Committee.* (a) The Partnership shall establish and maintain an advisory committee (the "**Advisory Committee**") comprised of representatives of the Limited Partners appointed as described below and willing to serve (each, an "**Advisory Committee Member**"). Advisory Committee Members shall be appointed from time to time by the General Partner. Initially, the Advisory Committee Members will consist of those members of the Advisory Committee of Prime LLC that represent Original Shareholders. The Advisory Committee shall meet with the General Partner and the Board at least once each year for the purpose of reviewing the Partnership's investment portfolio and significant developments involving the Partnership. The Advisory Committee shall serve on an advisory basis only and its recommendations and advice shall be non-binding on the General Partner, the Board, the Investment Adviser, the Limited Partners and the Partnership.

(b) To the extent any Limited Partner (that is a single principal investor and not a "fund-of-funds" or similar investment vehicle) (i) is at any time holding LP Units with an aggregate corresponding subscription amount equal to or greater than $150 million and (ii) is not at such time represented by a participating member of the Advisory Committee, such Limited Partner will be provided at its request with any notice and other documents provided to Advisory Committee Members, as and when so provided, and shall be entitled to have, at its request with reasonable notice, a representative attend any meeting of the Advisory Committee as an observer; *provided* that any such Limited Partner acknowledges in writing to the General Partner that all travel and related costs associated with such attendance shall be borne by such Limited Partner and not by the Partnership.

(c) If any Advisory Committee Member shall resign or be removed by the General Partner, a successor may be appointed by the General Partner.

(d) The Partnership shall not pay any fees to the Advisory Committee Members, but the Advisory Committee Members shall be entitled to reimbursement by the Partnership for their reasonable out-of-pocket expenses incurred in the performance of their responsibilities in their capacities as Advisory Committee Members.

ARTICLE 8
EXCULPATION AND INDEMNIFICATION

Section 8.01. *Exculpation and Indemnification.* (a) To the fullest extent permitted by applicable law, the General Partner, the Investment Adviser and their respective Affiliates and their and their respective Affiliates' respective, employees, officers, directors, agents, stockholders, members and partners and any Person who serves at the request of the General Partner or the Investment Adviser on behalf of the Partnership as an officer, director, partner, employee or agent of the Partnership or any Affiliate of the Partnership (collectively, excluding the Directors and Advisory Committee Members, the "**GP/IA Indemnified Persons**") and Directors and Advisory Committee Members (collectively, together with the General Partner, the Investment Adviser and the GP/IA Indemnified Persons, the "**Indemnified Persons**") shall not be liable to the Partnership, any Subsidiary or to the Limited Partners for any losses, claims, damages, expenses or liabilities ("**Losses**") arising from any act or omission performed or omitted by such Indemnified Persons on behalf of the Partnership or in furtherance of the interests of the Partnership or otherwise arising out of or in connection with this Agreement, the Partnership, or the Partnership's business and affairs (including any act or omission by any Indemnified Person or any activity of the type or character disclosed or contemplated in Section 4.06, Section 4.07 or Schedule A hereto or in Section XI.—"Risk Factors" or Section XII.—"Conflicts of Interest" of the Offering Memorandum or elsewhere therein (such disclosure being incorporated herein by reference) and no such activity will in and of itself constitute a breach of any duty owed by any Indemnified Person to the Partnership or the Limited Partners), except for Losses to the extent arising from an Indemnified Person's own fraud, willful misconduct or gross negligence or, in the case of the General Partner, the Investment Adviser or a GP/IA Indemnified Person, breach of the standard of care set forth in Section 4.01(a).

(b) The Partnership shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless each Indemnified Person against any Losses to which such Indemnified Person may become subject on behalf of the Partnership or in furtherance of the interests of the Partnership or otherwise arising out of or in connection with this Agreement, the Partnership, or the Partnership's business and affairs, except to the extent that any such Loss is attributable to such

Indemnified Person's own fraud, willful misconduct or gross negligence or, in the case of the General Partner, the Investment Adviser or a GP/IA Indemnified Person, breach of the standard of care set forth in Section 4.01(a). The Partnership will periodically reimburse each Indemnified Person for all expenses (including fees and expenses of counsel) as such expenses are incurred in connection with investigating, preparing for, pursuing or defending any action, claim, suit, investigation or proceeding related to, arising out of or in connection with this Agreement, the Partnership or the Partnership's business or affairs; *provided* that (i) expenses incurred by the General Partner in connection with any action, claim, suit, investigation or proceeding brought by or on behalf of the Limited Partners against the General Partner shall not be reimbursed until such action, claim, suit, investigation or proceeding is resolved, in which event the General Partner shall be indemnified for such expenses to the extent provided in this Article 8 and (ii) such Indemnified Person shall promptly repay to the Partnership the amount of any such reimbursed expenses paid to it if it shall be judicially determined by judgment or order not subject to further appeal or discretionary review that such Indemnified Person is not entitled to be indemnified by the Partnership in connection with such matter as provided in the exception contained in the immediately preceding sentence. If for any reason (other than the fraud, willful misconduct or gross negligence of such Indemnified Person or in the case of the General Partner, the Investment Adviser or a GP/IA Indemnified Person, breach of its applicable standard of care) the foregoing indemnification is unavailable to any Indemnified Person, or insufficient to hold it harmless, then the Partnership shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by the Partnership, on the one hand, and such Indemnified Person, on the other hand, or, if such allocation is not permitted by applicable law, to reflect not only the relative benefits referred to above but also any other relevant equitable considerations.

(c) To the extent that, at law or in equity, any Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any Limited Partner, neither the General Partner, nor the Investment Adviser, nor any other Indemnified Person acting in connection with the Partnership's affairs shall be liable to the Partnership or to any Limited Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they modify the duties and liabilities or rights and powers of any Indemnified Person otherwise existing at law or in equity, are agreed by the Limited Partners to replace such other duties, liabilities, rights and powers of such Indemnified Person.

(d) The Partnership shall have the power to purchase and maintain (and the General Partner shall have the power and authority to cause the Partnership to purchase and maintain at the Partnership's expense) insurance on behalf of any person who is or was a director, officer, employee or agent of the Partnership or the

General Partner, or is or was serving at the request of the Partnership as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any Losses incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Partnership would have the power to indemnify such person against such liability under applicable law.

(e) This Article 8 shall survive any dissolution or winding up of the Partnership or any termination of this Agreement.

Section 8.02. *Exclusive Jurisdiction.* To the fullest extent permitted by applicable law, the General Partner and each Limited Partner hereby agree that any claim, action or proceeding by any Limited Partner seeking any relief whatsoever against any Indemnified Person based on, arising out of or in connection with this Agreement or the Partnership's business or affairs shall be brought only in the Federal courts located in the State of Delaware or the State of New York, Borough of Manhattan (or if Federal court jurisdiction is unavailable, in the Chancery Court of the State of Delaware (or other appropriate state court in the State of Delaware) or the state courts in New York County, New York), and not in any other State or Federal court in the United States of America or any court in any other country. For purposes of this Section, "applicable law" shall include, with respect to a Limited Partner that is a U.S. state agency, department or authority, any official policy of general applicability to investments of a similar nature to such Limited Partner's investment in the Partnership to which such Limited Partner is subject and which policy is capable of being reasonably evidenced upon the General Partner's request. In the event applicable law shall not permit the application of the foregoing exclusive jurisdiction provisions of this Section with respect to a given Limited Partner, the General Partner may, on its behalf and on behalf of the Partnership, agree with such Limited Partner alternative jurisdictions for the resolution of any claim between such Limited Partner, on the one hand, and the General Partner or the Partnership, on the other hand, as the General Partner in its discretion deems reasonable and appropriate; *provided, however*, that a Limited Partner who is not a manager may not waive its rights to maintain a legal action or proceeding in the courts of the State of Delaware with respect to matters relating to the organization or internal affairs of the Partnership.[6] The General Partner and each Limited Partner acknowledge that, in the event of any breach of this provision, the Indemnified Persons have no adequate remedy at law and shall, to the fullest extent permitted by applicable law, be entitled to injunctive relief to enforce the terms of this Section 8.02.

[6] **NTD**: This additional language incorporates the language added pursuant to Amendment No. 3 of the PRIME LLCA.

ARTICLE 9
BOOKS AND RECORDS; REPORTS

Section 9.01. *Books and Records.* (a) Complete and accurate books and records shall be kept and maintained for the Partnership at the principal place of business of the Partnership, as determined by the General Partner (or at such other place that the General Partner shall advise the Board in writing). The books and records of the Partnership will be maintained in accordance with U.S. generally accepted accounting principles and will be audited annually by a nationally recognized independent firm of auditors. The cost of the annual audit will be borne by the Partnership as a Partnership Expense. The books and records shall be available, upon 10 Business Days' notice to the General Partner, for inspection at the principal place of business of the Partnership (or such other location designated by the General Partner, in its discretion) at reasonable times during business hours on any Business Day by each Limited Partner or its duly authorized agents or representatives for a purpose reasonably related to such Limited Partner's interest in the Partnership.

(b) The General Partner shall establish and maintain the Register of Partners which shall record the list of Partners from time to time and the number and type of LP Units held by them at such time. Upon any permitted Transfer of LP Units by any Limited Partner in accordance with Article 10, the General Partner shall promptly record such permitted Transfer in the Register of Partners. In the absence of manifest error, the amounts and types of LP Units recorded at any particular time in the Register of Partners shall be dispositive as to the matters recorded therein at such time.

(c) Each Limited Partner agrees that (i) the books and records of the Partnership contain confidential information relating to the Partnership and its affairs and (ii) the General Partner may, to the fullest extent permitted by applicable law, prohibit or otherwise limit, in its reasonable discretion, the making of any copies of such books and records.

(d) Funds of the Partnership shall be deposited in the name of the Partnership in such bank or other account or accounts as the General Partner may designate and withdrawals therefrom shall be made upon such signature or signatures on behalf of the Partnership as the General Partner may designate.

Section 9.02. *Reports to Partners.* (a) The financial statements of the Partnership shall be audited as of the end of each Fiscal Year by the Partnership's independent public accountants. The Partnership's independent public accountant shall be a nationally recognized independent public accounting firm selected by the Board, upon the General Partner's recommendation.

(b) Within 90 days after the end of each Fiscal Year, the Partnership shall prepare (or cause to be prepared) and mail to each Limited Partner audited financial

statements of the Partnership. Within a reasonable period of time after the end of each Fiscal Year, the Partnership shall prepare (or cause to be prepared) and mail to each Partner applicable tax information with respect to the Partnership and its activities.

(c) Within 60 days after the end of each quarter, the Partnership shall prepare (or cause to be prepared) and mail to each Limited Partner a description of the Partnership's financial position at the end of such quarter, any significant developments that occurred during the quarter and the General Partner's views of the Partnership's short-term prospects.

Section 9.03. *Certain Information from Limited Partners.* Without limiting the generality of other provisions of this Agreement, the General Partner may request, on behalf of the Partnership, such information from the Limited Partners as is necessary or desirable in order to enable the Partnership to comply with (A) any law, regulation or order administered by OFAC, (B) the Patriot Act, United States Executive Order 13224 or other relevant U.S. or other anti-money laundering legislation and regulations, (C) the Investment Company Act or Advisers Act or (D) the REIT Rules (with respect to Prime LLC) or any other United States federal, state or local, or foreign, tax law. If a Limited Partner refuses to provide any information so requested, the Partnership may refuse to accept a subscription for LP Units by such Limited Partner or may cause the redemption (at the NAV per LP Unit as of the date of redemption) of the LP Units held by any such Limited Partner, and, to the fullest extent permitted by applicable law, the Limited Partner shall have no claim against any Person for any form of damages as a result therefrom. Each Limited Partner understands and agrees that the Partnership may release confidential information about the Limited Partner and, if applicable, any underlying beneficial owner or related person, to any Person, if the General Partner, in its discretion, determines that such disclosure is required by applicable law.

Section 9.04. *Confidentiality.* (a) Except as set forth in Section 9.05, each Limited Partner agrees to keep confidential, and not to make any use of (other than for purposes reasonably related to its interest in the Partnership or for purposes of filing such Limited Partner's tax returns or for other routine matters required by law) nor to disclose to any Person, any information or matter relating to the Partnership or its affairs or any information or matter related to any Investment (other than disclosure to such Limited Partner's employees, agents, advisors, or representatives responsible for matters relating to the Partnership (each such Person being hereinafter referred to as an "**Authorized Representative**")); *provided* that such Limited Partner and its Authorized Representatives may make such disclosure to the extent that (i) the information being disclosed is publicly known at the time of proposed disclosure by such Limited Partner or Authorized Representative, (ii) the information subsequently becomes publicly known through no act or omission of such Limited Partner or Authorized Representative, (iii) the information otherwise is or becomes legally known to such Limited Partner other than through disclosure by the Partnership, the Investment Adviser or the General Partner or (iv)

such disclosure, in the opinion of legal counsel of such Limited Partner or Authorized Representative, is required by law; *provided further* that each Limited Partner will be permitted, after notice to the General Partner, to correct any false or misleading information which may become public concerning such Limited Partner's relationship to the Partnership, the General Partner or any Person in which the Partnership holds, or contemplates acquiring, any Investment. Without limitation to Section 9.05, prior to making any disclosure required by law, each Limited Partner shall notify the General Partner of such disclosure and furnish the General Partner with a copy of the opinion referred to above. Prior to any disclosure to any Authorized Representative, each Limited Partner shall advise such Authorized Representative of the obligations set forth in this Section 9.04 and the protected rights set forth in Section 9.05 and, except as set forth in Section 9.05, shall be responsible for any breach thereof by such Authorized Representative. Notwithstanding the foregoing provisions of this Section 9.04, any Limited Partner that is a nominee, trustee or other representative of or for any other Person shall in such capacity be permitted to transmit to such other Person the reports delivered to such Limited Partner pursuant to Section 9.02, so long as such other Person undertakes to be bound by this Section 9.04. Any obligation of a Limited Partner pursuant to this Section 9.04(a) may be modified or waived by the General Partner in its discretion.[7]

(b) The General Partner may, to the fullest extent permitted by applicable law, including Section 17-305(f) of the Delaware Act, keep confidential from any Limited Partner any information (including information requested by such Limited Partner pursuant to Section 9.01) the disclosure of which (i) the Partnership or the General Partner is required by law, agreement, or otherwise to keep confidential or (ii) the General Partner reasonably believes may have an adverse effect on (A) the ability to entertain, negotiate or consummate any proposed Investment or any transaction directly or indirectly related to, or giving rise to, such Investment or any disposition thereof or (B) the Partnership, any Subsidiary, the General Partner or any Affiliate of the General Partner. Notwithstanding any other provision of this Agreement or the Delaware Act to the contrary, to the fullest extent permitted by applicable law, the Limited Partners hereby acknowledge and agree that the rights of a Limited Partner to obtain information from the Partnership, the General Partner or the Investment Adviser shall be limited to only those rights provided for in this Agreement, and, to the fullest extent permitted by applicable law, that any other rights provided under Section 17-305(a) of the Delaware Act shall not be available to the Limited Partners or applicable to the Partnership, and further acknowledge and agree that the decision of the General Partner to treat the name of any or all of the Limited Partners (or any of their respective Affiliates or related parties) as confidential shall be binding and final for all purposes.

[7] **NTD**: This additional language incorporates the language added pursuant to Amendment No. 3 of the PRIME LLCA.

(c) Notwithstanding any other provision of this Agreement, any Partner (and each of its employees, representatives or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Partnership, the Investments and any transaction entered into by the Partnership and all materials of any kind (including opinions or other tax analyses) that are provided to such Partner relating to such tax treatment or tax structure; *provided* that the foregoing does not constitute an authorization to disclose information identifying the Partnership, any Investment, the General Partner, the Investment Adviser, any Limited Partner or any of their respective Affiliates or any of their respective officers, directors, managers, stockholders, partners, members, employees, agents, representatives and other personnel and any parties to transactions entered into by the Partnership or (except to the extent relevant to such tax structure or tax treatment) any nonpublic commercial or financial information.

Section 9.05. *Protected Rights.* Nothing in this Agreement limits the ability of any Limited Partner or any Authorized Representative thereof to communicate directly with and provide information, including documents, to the SEC, the U.S. Commodity Futures Trading Commission, the Department of Justice or any other U.S. federal, state or local governmental agency or commission ("**Government Agencies**") regarding possible legal violations, without disclosure of such communication or provision to any Person, including the General Partner. The General Partner may not retaliate against a Limited Partner or any of its Authorized Representatives for any of these activities and nothing in this Agreement or otherwise shall require any such Limited Partner or any Authorized Representative thereof to waive any monetary award or other payment that such Limited Partner or Authorized Representative might become entitled to from any Government Agency.

ARTICLE 10
TRANSFERABILITY OF LP UNITS

Section 10.01. *Definitions.* For the purpose of this Article 10, the following terms shall have the following meanings:

"**Beneficial Ownership**" means ownership of LP Units by a Person, whether the interest in the LP Units is held directly or indirectly (including by a nominee) and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings. The term "Beneficial Owner" is intended to be interpreted in the context of Section 856(h) of the Code so that the Beneficial Owners of LP Units held by an entity shall be Individuals who are treated as owners of LP Units for purposes of Section 856(h) of the Code rather than the entity itself.

"**Charitable Beneficiary**" means, with respect to a Trust, one or more beneficiaries of a Trust as determined pursuant to Section 10.04(f), provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

"**Constructive Ownership**" means ownership of LP Units by a Person, whether the interest in the LP Units is held directly or indirectly (including by a nominee) and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings. The term "Constructive Owner" is intended to be interpreted in the context of Section 856(h) of the Code so that the Constructive Owners of LP Units held by an entity shall be Individuals who are treated as owners of LP Units for purposes of Section 856(h) of the Code rather than the entity itself.

"**Excepted Holder**" means a Partner for whom an Excepted Holder Limit is created by this Article 10 or by the General Partner pursuant to Section 10.03(g).

"**Excepted Holder Limit**" means, provided that the affected Excepted Holder agrees to comply with the requirements established by the General Partner pursuant to Section 10.03(g) and subject to adjustment as provided in Section 10.03(g), the percentage limit established by the General Partner pursuant to Section 10.03(g) for such Excepted Holder.

"**Individual**" means (a) an "individual" within the meaning of Section 542(a)(2) of the Code, as modified by Section 544 of the Code, and (b) any beneficiary of a "qualified trust" (as defined in Section 856(h)(3)(E) of the Code) which qualified trust is eligible for look-through treatment under Section 856(h)(3)(A) of the Code (in which case the qualified trust shall not itself be treated as an Individual) for purposes of determining whether a REIT is closely held under Section 856(a)(6) of the Code.

"**Interest Ownership Limit**" means not more than 9.9 percent or such higher percentage as the General Partner shall from time to time determine pursuant to Section 10.03(h), in value or number of the aggregate of the outstanding LP Units. The number and value of the outstanding LP Units shall be determined by the General Partner, which determination shall be conclusive for all purposes hereof.

"**Person**", for the purposes of this Article 10, means an Individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of

Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934 and a group to which an Excepted Holder Limit applies.

"**Prohibited Owner**" means, with respect to any purported Transfer, any Person who, but for the provisions of Section 10.03(a), would Beneficially Own and/or Constructively Own LP Units and if appropriate in the context, shall also mean any Person who would have been the record owner of the LP Units that the Prohibited Owner would have so owned.

"**Purported Record Transferee**" shall mean, with respect to any purported Transfer which results in Excess LP Units, the record holder of the LP Units, if such Transfer had been valid under this Article 10.

"**Transfer**" means any issuance, sale, transfer, redemption, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire Beneficial Ownership and/or Constructive Ownership of (or any agreement to take any such actions or cause any such events with respect to) LP Units or the right to vote or receive dividends on LP Units, including (i) the granting or exercise of any option (or any disposition of any option), (ii) any disposition of any securities or rights convertible into or exchangeable for LP Units or any interest in LP Units or any exercise of any such conversion or exchange right and (iii) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of LP Units, in each case whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings.

"**Trust**" means any trust provided for in Section 10.04(a).

"**Trustee**" means, with respect to a Trust, the Person, unaffiliated with the Partnership and a Prohibited Owner, that is appointed by the Partnership to serve as trustee of the Trust. For the avoidance of ambiguity, where references are made in this Article 10 to Beneficial Ownership "and/or" Constructive Ownership, the applicable calculations shall be made without double-counting of ownership (except to the extent double-counting would be appropriate under the REIT Rules).

Section 10.02. *Voluntary Transfer of LP Units.* (a) A Limited Partner shall not Transfer all or any of its LP Units or its interest in the Partnership (or any economic interest therein), and no Transfer shall be permitted or registered by the Partnership, without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole and absolute discretion for any reason (or no reason); *provided* that the General Partner shall not unreasonably withhold such consent with respect to a proposed Transfer by a Limited Partner of all or any of its LP Units or its interest in the Partnership to an Affiliate of such Limited Partner.

(b) In the case of any proposed Transfer that the General Partner reasonably determines to be adverse to the Partnership, the General Partner may in its discretion, in lieu of permitting such Transfer to the proposed transferee, elect that the LP Units proposed to be Transferred be purchased by the General Partner or its designee (which designee may include an Affiliate of the Investment Adviser or the General Partner, an existing Partner or a third party) at the purchase price proposed to be paid by the transferee in a bona fide arm's-length transaction.

(c) Notwithstanding the provisions of Section 10.02(a), no Transfer of LP Units shall be permitted or registered if the General Partner determines in its reasonable discretion that such Transfer would or may (i) cause the Partnership to be classified as an association taxable as a corporation for U.S. federal income tax purposes, (ii) create a material risk of adverse tax consequences to any Limited Partner (other than the transferor and transferee), including without limitation any material risk that the Partnership will be treated as a "publicly traded partnership" under Section 7704 of the Code, (iii) cause a dissolution of the Partnership or (iv) result in a violation of any applicable law, including U.S. federal securities laws and ERISA, or any term or condition of this Agreement.

Section 10.03. *LP Units.* (a) *Ownership Limitations*

(i) *Basic Restrictions.*

(A) During the period commencing on the Effective Date and ending on the Restriction Termination Date, (1) no Person, other than an Excepted Holder, shall Beneficially Own and/or Constructively Own LP Units in excess of the Interest Ownership Limit and (2) no Excepted Holder shall Beneficially Own and/or Constructively Own LP Units in excess of the Excepted Holder Limit for such Excepted Holder.

(B) During the period commencing on [January 1, 2005] and ending on the Restriction Termination Date, no Person shall Beneficially Own and/or Constructively Own LP Units to the extent that such Beneficial Ownership and/or Constructive Ownership of LP Units would result in Prime LLC being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year).

(C) No Person shall Beneficially Own and/or Constructively Own LP Units to the extent that such Beneficial Ownership and/or Constructive Ownership of LP Units would result in Prime LLC failing to qualify as a REIT (including Beneficial Ownership and/or Constructive Ownership that would result in Prime LLC owning (actually or Constructively) an interest

in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by Prime LLC from such tenant would cause Prime LLC to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

(D) Notwithstanding any other provisions contained herein, any Transfer of LP Units that, if effective, would result in the Partnership or Prime LLC being subject to regulation under the Investment Company Act, shall be void *ab initio* and the intended transferee shall acquire no rights in such LP Units.

(E) During the period commencing on the Effective Date and ending on the Restriction Termination Date, no Person shall Beneficially Own and/or Constructively Own LP Units to the extent that such Beneficial Ownership and/or Constructive Ownership of LP Units would result in the Partnership (1) failing to be treated as a Domestically-Controlled REIT or (2) being considered a Pension-Held REIT.

(ii) *Transfer in Trust*. If any Transfer of LP Units occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning LP Units in violation of Section 10.03(a)(i)(A), (B), (C) or (E) (such LP Units, the "**Excess LP Units**"),

(A) then that number of Excess LP Units (rounded up to the nearest whole LP Unit) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 10.04, effective as of the close of business on the Business Day prior to the date of such Transfer and such Person shall acquire no rights in such Excess LP Units; or

(B) if the transfer of Excess LP Units to the Trust described in Section 10.03(a)(ii)(A) would not be effective for any reason to prevent the violation of Section 10.03(a)(i)(A), (B), (C) or (E), then the Transfer of that number of LP Units that otherwise would cause any Person to violate Section 10.03(a)(i)(A), (B), (C) or (E) shall be void *ab initio* and the intended transferee shall acquire no rights in such LP Units.

(b) *Remedies for Breach*. If the General Partner shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 10.03(a) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership and/or Constructive Ownership of any LP Units in violation of Section 10.03(a) (whether or not such violation is intended), the General Partner shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including (i) causing the Partnership to redeem LP

Units (it being understood that the General Partner shall be entitled, in its discretion, to seek redemption by particular groups of Limited Partners to the extent it deems such action to be necessary or advisable), (ii) refusing to give effect to such Transfer on the books of the Partnership or (iii) instituting proceedings to enjoin such Transfer or other event; *provided* that any Transfer or attempted Transfer or other event in violation of Section 10.03(a) shall automatically result in the transfer to a Trust described in Section 10.03(a)(ii)(A) and, where applicable, such Transfer (or other event) shall be void *ab initio* as provided above irrespective of any action (or non-action) by the General Partner.

(c) *Notice of Restricted Transfer*. Any Person who acquires or attempts or intends to acquire Beneficial Ownership and/or Constructive Ownership of LP Units that will or may violate Section 10.03(a)(i) or any Person who would have owned LP Units that resulted in a transfer to the Trust pursuant to the provisions of Section 10.03(a)(ii) shall immediately give written notice to the Partnership of such event (or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice) and shall provide to the Partnership at its principal executive office such other information as the Partnership may request in order to determine the effect, if any, of such Transfer on Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT or with respect to the other matters referred to in Section 10.03(a).

(d) *Owners Required to Provide Information*. From the Effective Date and until the Restriction Termination Date:

(i) every Person who directly owns more than such percentage as may from time to time be established by the General Partner (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding LP Units, within 30 days after the end of each taxable year, shall give written notice to the Partnership stating the name and address of such Person, the number of LP Units Beneficially Owned and a description of the manner in which such LP Units are held. Each such Person shall provide to the Partnership such additional information as the Partnership may request in order to determine the effect, if any, of such Beneficial Ownership on Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT or with respect to the other matters referred to in Section 10.03(a), and to ensure compliance with the Interest Ownership Limit; and

(ii) each Person who is a Beneficial Owner and/or Constructive Owner of LP Units and each Person (including the Partner of record) who is holding LP Units for a Beneficial Owner and/or Constructive Owner shall provide to the Partnership such information as the Partnership may request in order to determine Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT or with respect to the other matters referred to in Section 10.03(a), and to comply

with requirements of any taxing authority or governmental authority or to determine such compliance.

(e) *Remedies Not Limited*. Nothing contained in this Section 10.03 shall limit the authority of the General Partner to take such other action as it deems necessary or advisable to protect the Partnership, Prime LLC and the interests of their respective limited partners or members, as applicable, in preserving Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT.

(f) *Ambiguity*. In the case of an ambiguity in the application of any of the provisions of this Section 10.03, Section 10.04 or any definition contained in Section 10.01, the General Partner shall have the power to determine the application of the provisions of this Section 10.03 or Section 10.04 or any such definition with respect to any situation based on the facts known to it. In the event Section 10.03 or Section 10.04 requires an action by the General Partner and this Agreement fails to provide specific guidance with respect to such action, the General Partner shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 10.01, 10.03 or 10.04.

(g) *Exceptions*. (i) Subject to Section 10.03(a)(i)(B) and [(D)], the General Partner, in its discretion, may exempt a Person from the Interest Ownership Limit and may establish or increase an Excepted Holder Limit for such Person if:

(A) the General Partner obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no Individual's Beneficial Ownership and/or Constructive Ownership of such LP Units will violate Section 10.03(a)(i)(B);

(B) such Person does not and represents that it will not actually own or Constructively Own an interest in a tenant of Prime LLC (or a tenant of any entity owned or controlled by Prime LLC) that would cause Prime LLC to actually own or Constructively Own more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant and the General Partner obtains such representations and undertakings from such Person as are reasonably necessary to ascertain this fact (for this purpose, a tenant from whom Prime LLC (or an entity owned or controlled by Prime LLC) derives (and is expected to continue to derive) a sufficiently small amount of revenue such that, in the opinion of the General Partner, rent from such tenant would not adversely affect Prime LLC's ability to qualify as a REIT, shall not be treated as a tenant of Prime LLC); and

(C) such Person agrees that any violation or attempted violation of such representations or undertakings (or other action which is contrary to the restrictions contained in Section 10.03(a) through 10.03(f)) shall result in such LP Units being automatically transferred to a Trust in accordance with Section 10.03(a)(ii) and 10.04.

(ii) Prior to granting any exception pursuant to Section 10.03(g)(i), the General Partner may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case in form and substance satisfactory to the General Partner in its discretion, as it may deem necessary or advisable in order to determine or ensure Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT. Notwithstanding the receipt of any ruling or opinion, the General Partner may impose such conditions or restrictions as it deems appropriate in connection with granting such exception or may decline to grant an exception.

(iii) An underwriter which participates in a public offering or a private placement of LP Units may Beneficially Own and/or Constructively Own LP Units in excess of the Interest Ownership Limit, but only to the extent necessary to facilitate such public offering or private placement.

(iv) The General Partner may only reduce an Excepted Holder Limit created for an Excepted Holder (A) with the written consent of such Excepted Holder at any time, (B) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder or (C) pursuant to Section 10.03(g)(v). No Excepted Holder Limit shall be reduced to a percentage that is less than the Interest Ownership Limit.

(v) *Modification of Excepted Holder Limits*. The Excepted Holder Limits may be modified as follows:

(A) The Excepted Holder Limit for any Excepted Holder shall be reduced after any Transfer permitted in this Article 10 by such Excepted Holder by the percentage of the outstanding LP Units so Transferred, but no Excepted Holder Limit shall be reduced to a percentage which is less than the Interest Ownership Limit.

(B) Upon the issuance by the Partnership of any LP Units, the Excepted Holder Limit for any Excepted Holder shall be reduced to the percentage of the outstanding LP Units held by any such Excepted Holder immediately after any such issuance, but no

Excepted Holder Limit shall be reduced to a percentage which is less than the Interest Ownership Limit.

(C) Prior to the modification of any Excepted Holder Limit pursuant to this Section 10.03(g)(v), the General Partner may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT.

(h) *Increase in Interest Ownership Limit*. Subject to Section 10.03(i), the General Partner may from time to time increase the Interest Ownership Limit. Prior to the modification of any Interest Ownership Limit pursuant to this Section 10.03(h), the General Partner may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT.

(i) *Limitations on Changes in Interest Ownership Limits and Excepted Holder Limits*. Neither the Interest Ownership Limit nor the Excepted Holder Limit may be increased (nor may any additional Excepted Holder Limit be created) by the General Partner if, after giving effect to such increase (or creation), five or fewer Partners who are Beneficial Owners of LP Units (including all of the then Excepted Holders) could Beneficially Own, in the aggregate, more than 49.9% in number or value of the outstanding LP Units.

Section 10.04. *Transfer of LP Units in Trust.* (a) *Ownership in Trust*. Upon any purported Transfer or other event described in Section 10.03(a)(ii) that would result in a transfer of LP Units to a Trust, such LP Units shall be deemed to have been transferred to the Trustee as trustee of the Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such Transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 10.03(a)(ii). The Trustee shall be appointed by the Partnership and shall be a Person unaffiliated with the Partnership or any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Partnership as provided in Section 10.04(f).

(b) *Status of LP Units Held by the Trustee*. LP Units held by the Trustee shall be issued and outstanding LP Units of the Partnership. The Prohibited Owner shall have no rights in the LP Units held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any LP Units held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the LP Units held in the Trust.

(c) *Dividend and Voting Rights*. The Trustee shall have all voting rights and rights to distributions with respect to LP Units held in the Trust, which rights

shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any distribution paid prior to the discovery by the Partnership that the LP Units have been transferred to the Trustee shall be paid by the recipient of such distribution to the Trustee upon demand and any distribution authorized but unpaid shall be paid when due to the Trustee. Any distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to LP Units held in the Trust and, subject to Delaware law, effective as of the date that the LP Units have been transferred to the Trustee, the Trustee shall have the authority (at the Trustee's discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Partnership that the LP Units have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; *provided* that if the Partnership has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article 10, until the Partnership has received notification that LP Units have been transferred into a Trust, the Partnership shall be entitled to rely on its LP Unit transfer and other Limited Partner records for purposes of preparing lists of Limited Partners entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of the Limited Partners.

(d) *Sale of LP Units by Trustee*. Within 30 days of receiving notice from the Partnership that LP Units have been transferred to the Trust, the Trustee of the Trust shall sell the LP Units held in the Trust to a Person, designated by the Trustee, whose ownership of the LP Units will not violate the ownership limitations set forth in Section 10.03(a)(i). Upon such sale, the interest of the Charitable Beneficiary in the LP Units sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 10.04(d). The Prohibited Owner shall receive the lesser of (x) the price paid by the Prohibited Owner for the LP Units or, if the Prohibited Owner did not give value for the LP Units in connection with the event causing the LP Units to be held in the Trust (*e.g.*, in the case of a gift, devise or other similar transaction), the NAV per LP Unit of the LP Units on the day of the event causing the LP Units to be held in the Trust and (y) the price received by the Trustee from the sale or other disposition of the LP Units held in the Trust. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Partnership that LP Units have been transferred to the Trustee, such LP Units are sold by a Prohibited Owner, then (i) such LP Units shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such LP Units that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 10.04(d), such excess shall be paid to the Trustee upon demand.

(e) *Purchase Right in LP Units Transferred to the Trustee*. LP Units transferred to the Trustee shall be deemed to have been offered for sale to the Partnership or its designee, at a price per LP Unit equal to the lesser of (a) the price per LP Unit in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift or similar transaction, the NAV per LP Unit at the time of such devise or gift or similar transaction) and (b) the NAV per LP Unit on the date the Partnership or its designee accepts such offer. The Partnership or its designee shall have the right to accept such offer until the Trustee has sold the LP Units held in the Trust pursuant to Section 10.04(d). Upon such a sale to the Partnership or its designee, the interest of the Charitable Beneficiary in the LP Units sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

(f) *Designation of Charitable Beneficiaries*. By written notice to the Trustee, the Partnership shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that (a) the LP Units held in the Trust would not violate the restrictions set forth in Section 10.03(a)(i) in the hands of such Charitable Beneficiary and (b) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Section 10.05. *Enforcement.* The Partnership is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article 10.

Section 10.06. *Non-waiver.* No delay or failure on the part of the Partnership, the General Partner or the Board in exercising any right hereunder shall operate as a waiver of any right of the Partnership, the General Partner or the Board, as the case may be, except to the extent specifically waived in writing.

Section 10.07. *Expenses of Transfer, Indemnification*. All expenses, including attorneys' fees and expenses and transfer taxes, incurred by the General Partner or the Partnership in connection with any Transfer shall be fully borne by the transferring Partner or such Partner's transferee. In addition, the transferring Limited Partner or such transferee shall indemnify the Partnership and the General Partner against any losses, claims, damages, liabilities or expenses to which the Partnership or the General Partner may become subject arising out of or based upon any false representation or warranty made by or breach of or failure to comply with any covenant or agreement of, such transferring Partner or such transferee in connection with such Transfer.

Section 10.08. *Recognition of Transfer.* (a) The Partnership shall not recognize for any purpose any purported Transfer of an LP Unit (including some or all of its rights or obligations hereunder) unless:

(i) the applicable provisions of this Agreement shall have been complied with;

(ii) the Partnership shall have been furnished with copies of the documents effecting such Transfer, in form and substance satisfactory to the General Partner, executed and acknowledged by both the transferor and the transferee;

(iii) if required by the General Partner, the Partnership shall have been furnished with an opinion of counsel reasonably satisfactory to the General Partner (as to opinion and counsel) that such Transfer (A) is not made in violation of any applicable state or federal securities laws, tax laws or REIT Rules and (B) would not cause Prime LLC (1) to cease to be treated as a Domestically-Controlled REIT or (2) to be treated as a Pension-Held REIT;

(iv) such Transfer shall have been made in accordance with all applicable laws and regulations and all necessary governmental consents shall have been obtained and requirements satisfied; and

(v) the books and records of the Partnership shall have been modified (which modification the General Partner shall cause to be made as promptly as practicable) to reflect the admission of such transferee as a Limited Partner of the Partnership.

(b) Each transferee, as a condition of the Partnership's recognition of such Transfer, shall execute and acknowledge such instruments, in form and substance satisfactory to the General Partner, as the General Partner deems necessary or desirable in its discretion to effectuate such Transfer and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to any rights and/or obligations represented by the LP Units acquired by such transferee. The recognition of any Transfer shall not require the approval of any other Partners.

Section 10.09. *Effect of Transfer.* Notwithstanding any other provision of this Agreement, upon any Transfer by a Limited Partner of any LP Units, immediately following the admission of the transferee of such LP Units as a Limited Partner of the Partnership, the transferor will cease to be a Limited Partner of the Partnership with respect to the LP Units so Transferred.

Section 10.10. *Admission of Limited Partners.* After the Effective Date, a Person may be admitted to the Partnership as a Limited Partner upon (i) a permitted Transfer to such Person of LP Units pursuant to and in compliance with the provisions of this Article 10 or (ii) the issuance of new LP Units to such Person by the Partnership in accordance with this Agreement. No such Person will be admitted as a Limited Partner of the Partnership (to the extent that such Person is

not already a Limited Partner), and no such Transfer or issuance, as applicable, shall be valid, unless and until (i) in the case of a Transfer, the provisions of Section 10.08 shall have been complied with and (ii) in the case of an issuance of new LP Units, (A) such Person and the General Partner shall have executed and delivered this Agreement and a Subscription Agreement and such other documents or instruments as shall be reasonably requested by the General Partner to confirm such Person's admission as a limited partner and (B) the books and records of the Partnership shall have been modified (which modification the General Partner shall cause to be made as promptly as practicable) to reflect the admission of such Person as a Limited Partner of the Partnership.

ARTICLE 11
DURATION AND DISSOLUTION OF THE PARTNERSHIP

Section 11.01. *Dissolution.* Subject to the requirements of the Delaware Act, the Partnership shall dissolve and its affairs shall be wound up, upon the first to occur of the following:

(i) the election by the General Partner to dissolve the Partnership;

(ii) the entry of a decree of judicial dissolution under the Delaware Act; and

(iii) at any time there are no Limited Partners of the Partnership, unless the Partnership is continued in accordance with the Delaware Act.

Except as otherwise set forth in this Section 11.01, the Partnership is intended to have perpetual existence. Neither the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Limited Partner or the occurrence of any other event that terminates the continued membership of a Limited Partner in the Partnership, nor the admission of any additional Limited Partner as a limited partner of the Partnership, shall in and of itself cause a dissolution of the Partnership, and the Partnership shall continue in existence subject to the terms and conditions of this Agreement.

Section 11.02. *Winding Up.* Except as provided in the immediately succeeding sentence, on dissolution of the Partnership the General Partner shall be the liquidating trustee to wind up the affairs of the Partnership pursuant to this Agreement. In performing its duties, subject to the Delaware Act, the liquidating trustee is authorized to sell, distribute, exchange or otherwise dispose of the assets of the Partnership in any reasonable manner that the liquidating trustee shall determine to be in the best interest of the Limited Partners. The liquidating trustee shall proceed diligently to wind up the affairs of the Partnership and make final distributions as provided herein and in the Delaware Act. The costs of liquidation shall be borne by the Partnership as a Partnership Expense. Until final distribution,

the liquidating trustee shall continue to manage and operate the Partnership with all of the power and authority of the liquidating trustee.

Section 11.03. *Distribution upon Dissolution of the Partnership.* (a) Upon dissolution of the Partnership, the liquidating trustee winding up the affairs of the Partnership shall determine in its discretion which assets of the Partnership shall be sold and which assets of the Partnership shall be retained for distribution in kind to the Limited Partners. Subject to the Delaware Act, after all liabilities (contingent or otherwise) of the Partnership have been satisfied or duly provided for (as determined by the liquidating trustee in its discretion), the remaining assets of the Partnership shall be distributed to the Limited Partners ratably in proportion to the number of LP Units held by them. Notwithstanding anything else contained in this Agreement, the liquidating trustee may withhold, in its discretion, from any distributions to any Limited Partner (A) any amounts then due from such Limited Partner to the Partnership or any Subsidiary and apply the amounts withheld to pay the amounts then due and (B) any amounts required to pay any taxes and related expenses that the liquidating trustee determines to be properly attributable to such Limited Partner (including withholding taxes and interest, penalties and expenses incurred in respect thereof) and apply the amounts withheld to pay the taxes or expenses attributable thereto.

(b) In the discretion of the liquidating trustee, and subject to the Delaware Act, a portion of the distributions that would otherwise be made to the Limited Partners pursuant to this Section 11.03 may be:

(i) distributed to a trust established for the benefit of the Limited Partners for purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any liabilities or obligations of the Partnership or the General Partner arising out of, or in connection with, this Agreement or the Partnership's affairs; or

(ii) withheld, with respect to any Limited Partners, to provide a reserve for the payment of such Limited Partner's share of existing or future Partnership Expenses; *provided* that such withheld amounts shall be distributed to the Limited Partners as soon as the liquidating trustee determines, in its discretion, that it is no longer necessary to retain such amounts.

The assets of any trust established in connection with clause (i) above shall be distributed to the Limited Partners from time to time, in the discretion of the liquidating trustee, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the Limited Partners pursuant to this Agreement.

(c) The distribution of cash and/or property to a Limited Partner in accordance with the provisions of this Section 11.03 constitutes a complete return to the Limited Partner of its investment and a complete distribution to the Limited

Partner with respect to its interest in the Partnership. To the extent that a Limited Partner returns funds to the Partnership, it has no claim against any other Partner for those funds.

(d) Notwithstanding anything in this Article 11 to the contrary, the liquidating trustee winding up the affairs of the Partnership shall not make a distribution in kind of assets to the Limited Partners pursuant to this Section 11.03 except to the extent that the dissolution of the Partnership or such distribution is (i) required by applicable law, rule or regulation or (ii) required by any court or governmental authority or agency.[8]

Section 11.04. *Cancellation of Certificate.* On completion of the winding up of the Partnership's affairs as provided herein, the Partnership is terminated (and the Partnership shall not be terminated prior to such time), and the liquidating trustee (or such other Person or Persons as the Delaware Act may require or permit) shall file a certificate of cancellation with the Secretary of State of the State of Delaware, cancel any other filings made pursuant to this Agreement that are or should be canceled and take such other actions as may be necessary to terminate the Partnership. The Partnership shall continue in existence until its certificate of limited partnership is cancelled pursuant to this Section 11.04.

Section 11.05. *Reasonable Time for Winding Up.* A reasonable time as determined in the discretion of the liquidating trustee shall be allowed for the orderly winding up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 11.02 in order to minimize any losses otherwise attendant upon such winding up.

Section 11.06. *Return of Capital only from Partnership Assets.* The liquidating trustee shall not be personally liable for the return of capital or any portion thereof to the Limited Partners (it being understood that any such return shall be made solely from Partnership assets).

ARTICLE 12
TAX MATTERS

Section 12.01. *Partnership Tax Audit Rules*. (a) The General Partner is hereby designated as the "partnership representative" as defined in Section 6223 of the Partnership Tax Audit Rules **(**the **"Partnership Representative**"). The Partnership Representative shall select an individual to act on behalf of the "partnership representative" (the "**Designated Individual**"). If any U.S. state or local tax law or non-U.S. tax law provides for a partnership representative or person having similar rights, powers, authority or obligations, the Partnership

[8] **NTD**: This additional clause incorporates the language added pursuant to Amendment No. 2 of the PRIME LLCA.

Representative and Designated Individual shall also serve in such capacity. The Partnership Representative shall have all of the rights, duties, powers and obligations provided for in Sections 6221 through 6231 of the Partnership Tax Audit Rules with respect to the Partnership. All rights, powers and authority conferred upon the Partnership Representative shall also be conferred on the Designated Individual.

(b) If for any reason the Partnership is liable for a tax (including imputed underpayments), interest, addition to tax or penalty as a result of any audit (including state and local audits), each Person who was a Partner during the taxable year of the Partnership that was audited, even if such Person is no longer a Partner, including as a result of a transfer of such Partner's interest (unless a transferee Partner has agreed to bear such liability in an appropriate document evidencing a transfer), shall pay to the Partnership an amount equal to such Person's proportionate share of such liability (and any expenses incurred by the Partnership in adjudicating or otherwise resolving such liability), as determined in good faith by the Partnership Representative, based on the amount each such Person should have borne (computed at the tax rate used to compute the Partnership's liability) had the Partnership's tax return for such taxable year reflected the audit adjustment, and the expense for the Partnership's payment, adjudication or other resolution of such tax, interest, addition to tax and penalty shall be specially allocated to such Persons (or their successors) in such proportions. If the Partnership is subject to any tax liabilities as a result of an adjustment to income, gain, loss, deduction or credit of the Partnership (or any Partner's distributive share thereof) under the Partnership Tax Audit Rules, the Partnership and the Partnership Representative shall use commercially reasonable efforts to allocate the economic benefits and burdens of the adjustment among the current and former Partners in the same manner (to the maximum extent possible) in which the economic benefits and burdens of the adjustment would have been borne had the Partnership elected "out" under Section 6221(b) of the Code with respect to the applicable year, taking into account any modification of an imputed underpayment under Section 6225(c) of the Code (it being understood that the Partnership Representative shall use commercially reasonable efforts to reduce any such liability to the greatest extent possible under Section 6225(c) of the Code as a result of the status of any Partner or former Partner (or their direct or indirect owners, as applicable)).

(c) Each Partner agrees to (i) cooperate with the Partnership Representative, (ii) provide tax and other information reasonably requested by the Partnership Representative (including, for the avoidance of doubt, any information reasonably necessary for the Partnership to comply with Section 704(c) of the Code and any U.S. federal, state, local and non-U.S. tax reporting obligations), (iii) execute, certify, acknowledge and deliver such documents and certifications as may be reasonably requested by the Partnership Representative, (iv) do or refrain from doing any or all things reasonably requested by a Partnership Representative in connection with any tax proceeding (including any audit, examination or

investigation) of the Partnership, (v) keep the Partnership Representative informed of each material development with respect to any tax matter relating to or affecting the Partnership and make related documents available to the Partnership Representative before submission to any taxing authority or court, (vi) take any action reasonably requested by the Partnership Representative (or refrain from taking action so requested) in order to satisfy any requirement under the Partnership Tax Audit Rules, including taking into account any allocation or adjustment of taxes, interest and penalties determined by the Partnership Representative under the Partnership Tax Audit Rules, including in each case in connection with (x) a modification of any proposed "imputed underpayment" under the Partnership Tax Audit Rules (including the "pull-in" procedure), (y) an election under 6226 of the Code, or (z) any other action taken by a Partnership Representative.

(d) The Partnership shall indemnify and reimburse the Partnership Representative for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred by it, in its capacity as the Partnership Representative, including in connection with any administrative or judicial proceeding with respect to the tax liability of the Partnership or the Partners so long as the Partnership Representative has acted in good faith and in a manner consistent with the authority granted to it under this Agreement.

(e) This Section 12.01 shall survive a Partner's withdrawal from the Partnership and the liquidation of the Partnership.

Section 12.02. *Tax Returns.*

(a) The General Partner shall timely cause to be prepared all U.S. federal, state, local and foreign tax returns (including information returns) of the Partnership and shall cause such returns to be timely filed. As soon as reasonably practicable after the end of each taxable year, the General Partner shall furnish to each Partner a Schedule K-1 and any other information that such Partner may reasonably require for the preparation of its U.S. federal and state income tax returns. The General Partner shall have the right to make all determinations as to tax matters relating to the Partnership, including as to the tax attributes of the Partnership's assets.

(b) Each Partner agrees not to, except as otherwise required by applicable law or regulatory requirements, (i) treat, on such Partner's individual income tax returns, any item of income, gain, loss, deduction or credit relating to such Partner's interest in the Partnership in a manner inconsistent with the treatment of such item by the Partnership as reflected on the Schedule K-1 or other information statement furnished by the Partnership to such Partner for use in preparing such Partner's income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Partnership, the filing of any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Partnership, or any administrative or judicial

proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Partnership Representative shall be authorized to act for, and its decision shall be final and binding upon, the Partnership and all Partners, (B) all expenses incurred by the Partnership Representative or Designated Individual in connection therewith (including attorneys', accountants' and other experts' fees and disbursements) shall be expenses of, and payable by, the Partnership and (C) no Partner shall have the right to (1) participate in the audit of any Partnership tax return, or (2) participate in any administrative or judicial proceedings conducted by the Partnership arising out of or in connection with any such audit.

(c) *Partnership Status*. At all times during which the Partnership has two or more Partners, the Partnership shall be treated as a partnership (other than a publicly traded partnership) for U.S. federal, state and local tax purposes, and each Partner shall take such actions and make such elections (or refrain from taking any actions or elections) as may be necessary to achieve the foregoing.

Section 12.03. *ECI*. Subject to the last sentence of this Section 12.03, the General Partner shall use commercially reasonable efforts to not take any action that would reasonably be expected to result in any Limited Partner that is not a "United States person" within the meaning of 7701(a)(30) of the Code recognizing effectively connected income within the meaning of Section 864 of the Code ("**ECI**") solely as a result of such Limited Partner's investment in the Partnership; *provided* that in the event the General Partner becomes aware that the Partnership (or any of its Affiliates) will engage in a transaction that will result in, or would reasonably be expected to result in, any Limited Partner that is not a "United States person" (within the meaning of 7701(a)(30) of the Code) recognizing ECI solely as a result of such Limited Partner's investment in the Partnership, the General Partner shall use commercially reasonable efforts to give reasonable notice to such Limited Partner no less than [10] Business Days' prior to the time such income is incurred; *provided*, further, that (i) the incurrence of ECI by the Partnership shall not, without more, indicate that the General Partner has failed to comply with its obligations under this Section 12.03, and (ii) the Limited Partners acknowledge and agree that none of the provisions or arrangements specifically contemplated by this Agreement violate this Section 12.03. Notwithstanding the foregoing, this Section 12.03 shall not apply to, and nothing in this Section 12.03 shall prohibit, (i) any income realized by the Partnership with respect to the Partnership's investment in Prime LLC or any other Subsidiary of the Partnership that is a REIT (including, for the avoidance of doubt, REIT capital gain dividends declared by Prime LLC or any other REIT Subsidiary), (ii) the Partnership or any of its Subsidiaries from guaranteeing or otherwise supporting borrowings or other obligations of any Subsidiary of the Partnership and (iii) the Partnership from making loans to its direct or indirect Subsidiaries or causing its Subsidiaries to make loans to other Subsidiaries.

ARTICLE 13
GENERAL PROVISIONS

Section 13.01. *Amendments; Waivers.* Any provision of this Agreement may be amended or waived from time to time by the General Partner with the approval of holders of at least two-thirds of the outstanding LP Units; *provided* that amendments may be made to this Agreement without the approval of any of the Limited Partners by the General Partner pursuant to the power of attorney contained in Section 13.08 hereof (i) to reflect any modification of any terms or provisions of this Agreement as approved by the Independent Directors pursuant to Section 6.11(c) or as expressly permitted pursuant to the terms of this Agreement or (ii) to the extent such amendments do not adversely affect the Limited Partners or the Partnership, as determined by the General Partner in its discretion, to (A) take such action in light of changing regulatory conditions or of the then current ERISA, REIT, Investment Company Act or Advisers Act laws, rules or regulations, as the case may be, as is necessary in order to permit the Partnership to continue in existence on the basis contemplated by this Agreement, (B) add to the representations, duties or obligations of the Partnership or to surrender any right granted to the Partnership herein, for the benefit of the Limited Partners, (C) effect amendments that are purely ministerial or administrative in nature or to correct any clerical mistake or to correct or supplement any immaterial provision in this Agreement which may be inconsistent with any other provision therein or herein or correct any printing, stenographic or clerical errors or omissions, which shall not be inconsistent with the provisions of this Agreement, (D) change the name of the Partnership or (E) to make any other change which is for the benefit of or not adverse to the interests of the Limited Partners.

Section 13.02. *Approvals.* Each Limited Partner agrees that, to the extent permitted by applicable law and except as otherwise provided in this Agreement, for purposes of obtaining or granting the approval or consent of the Limited Partners (including any such approval or consent required under the Advisers Act) with respect to any proposed action by the Partnership, the General Partner, the Investment Adviser or any of their respective Affiliates, the written approval of holders of at least a majority (or such other percentage as is expressly provided for in this Agreement, including pursuant to Section 7.06) of the outstanding LP Units shall bind the Partnership and each Limited Partner and shall have the same legal effect as the written approval of each Limited Partner. Alternatively, the General Partner or the Investment Adviser may in its discretion seek the approval of the Independent Directors in connection with any approval sought under the Advisers Act, including Section 206(3) thereunder, or in respect of any conflict of interest situations, and each Limited Partner agrees that, to the extent permitted by applicable law and except as otherwise provided in this Agreement, any such approval shall be binding upon the Partnership and each Limited Partner and shall have the same legal effect as the written approval of each Limited Partner.

Section 13.03. *Successors; Counterparts.* This Agreement (i) shall be binding as to the executors, administrators, estates, heirs and legal successors of the Partners and (ii) may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

Section 13.04. *Governing Law; Severability.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. In particular, it shall be construed to the maximum extent possible to comply with all of the terms and conditions of the Delaware Act. If it shall be determined by court order not subject to appeal or discretionary review that any provision or wording of this Agreement shall be invalid or unenforceable under the Delaware Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement, this Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of applicable law, and, in the event such term or provision cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable provisions.

Section 13.05. *WAIVER OF JURY TRIAL.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 13.06. *Further Assurances.* Each Limited Partner, upon the request of the General Partner, agrees to perform all further acts and to execute, acknowledge and deliver any documents that may reasonably be necessary to carry out the provisions of this Agreement.

Section 13.07. *Filings.* The General Partner shall promptly cause to be filed, recorded and published such statements of fictitious business name and other notices, certificates, statements or other instruments required by any provision of any applicable law of the United States or any State or other jurisdiction which governs the conduct of its business from time to time. Each of the General Partner and the Investment Adviser and their respective officers, directors or other authorized persons is hereby authorized to execute, deliver and file, or cause the execution, delivery and filing of, the foregoing documents, certificates, statements or other instruments. Each Limited Partner agrees to cooperate with the Partnership in the filing of any schedule, report, certificate or other instrument required to be filed by the Partnership or any Subsidiary under the laws of the United States, any State or political subdivision thereof or any non-U.S. nation or political subdivision thereof. In connection therewith, each Limited Partner agrees to provide the Partnership with all information required to complete such filings.

Section 13.08. *Power of Attorney.* (a) Each Limited Partner does hereby constitute and appoint the General Partner and each of its officers, directors or other authorized persons from time to time, acting singly, as its true and lawful

representative, agent and attorney-in-fact, in its name, place and stead to make, execute, sign, deliver and, as applicable, file (i) a Certificate of Limited Partnership of the Partnership and any amendment thereto required because of an amendment to this Agreement or in order to effectuate any change in the membership of the Partnership or its name, (ii) any amendment to or waiver under this Agreement in accordance with this Agreement (including Section 13.01) and (iii) all such other instruments, documents and certificates which may from time to time be required by the laws of the United States of America, the State of Delaware or any other State, or any political subdivision or agency thereof, or any non-U.S. country or any political subdivision or agency thereof, or otherwise, to effectuate, implement and continue the valid and subsisting existence of the Partnership or to dissolve the Partnership. The General Partner shall provide each Limited Partner with notice of any amendment to this Agreement made by the General Partner pursuant to the power of attorney contained in this Section 13.08 as soon as practicable after the effectiveness thereof.

(b) The power of attorney granted pursuant to this Section 13.08 is coupled with an interest and shall (i) survive and not be affected by the subsequent death, incapacity, disability, dissolution, termination or bankruptcy of the Limited Partner granting such power of attorney or the transfer of all or any portion of such Limited Partner's interest in the Partnership and (ii) extend to such Limited Partner's successors, assigns and legal representatives.

(c) The power of attorney granted pursuant to this Section 13.08 shall terminate upon the date on which the General Partner files a petition in bankruptcy. Notwithstanding anything in this Section 13.08 that may be construed to the contrary, no exercise of such power by the General Partner is authorized by any Limited Partner or shall be deemed valid if it contravenes any U.S. federal, state or local law to which the Investor is subject at the time of exercise.

Section 13.09. *Third-party Rights; Creditors.* Each Indemnified Person (to the extent not a party to this Agreement) shall be deemed a third-party beneficiary of the provisions of Article 8. Subject to the foregoing, nothing in this Agreement shall be deemed to create any right in any Person not a party hereto and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (except as aforesaid). None of the provisions of this Agreement shall be for the benefit of or, to the fullest extent permitted by applicable law, enforceable by any creditors of the Partnership, and no creditor who makes a loan to the Partnership may have or acquire (except pursuant to the terms of a separate agreement executed by the Partnership in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in Partnership profits, losses, distributions, capital or property other than as a secured creditor.

Section 13.10. *Notices.* All notices, requests and other communications to any party or otherwise required to be given hereunder shall be in writing (including facsimile, electronic mail ("**e-mail**") transmission or similar writing) and shall be

given to such party at its address, facsimile number or e-mail address set forth in a schedule filed with the records of the Partnership or such other address or facsimile number as such party may hereafter specify for the purpose by notice in like manner. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified pursuant to this Section 13.10 and the appropriate confirmation is received, (ii) if given by e-mail, when such e-mail is transmitted to the e-mail address specified pursuant to this Section 13.10 and so long as no message of non-delivery is received, (iii) if given by mail, 72 hours after such communication is deposited in the mails with priority mail postage prepaid, addressed as aforesaid, or (iv) if given by any other means, when delivered at the address specified pursuant to this Section 13.10.

Section 13.11. *Headings.* Section and other headings contained in this Agreement are for reference only and are not intended to describe, interpret, define or limit the scope or intent of this Agreement or any provision hereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date first written above.

GENERAL PARTNER

[●]

By: _____
Name:
Title:

INVESTMENT ADVISER

MORGAN STANLEY REAL ESTATE ADVISOR, INC.

By: _____
Name:
Title:

INITIAL LIMITED PARTNER

[●], solely to reflect its withdrawal as Initial Limited Partner

By: _____
Name:
Title:

LIMITED PARTNERS

By: [●], as agent and attorney in fact for all Limited Partners now and hereafter admitted pursuant to powers of attorney now and hereafter granted to the General Partner

By: _____
Name:
Title:

SCHEDULE A
TO
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

Description of Other Activities of the General Partner, the Investment Adviser and their Respective Affiliates

Introduction

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities including financial advisory services, investment management activities, lending, commercial banking, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. In the ordinary course of its business, Morgan Stanley performs full-service investment banking and financial services and therefore engages in activities where Morgan Stanley's interests or the interests of its clients may conflict with the interests of the Limited Partners. Investors should be aware that potential and actual conflicts of interest between Morgan Stanley or another portfolio entity of the Partnership or portfolio entities of one or more clients, other alternative investment funds or investment programs, accounts or businesses that Morgan Stanley, including Morgan Stanley Real Estate Investing ("**MSREI**") and Morgan Stanley Investment Management ("**MSIM**"), has advised, sponsored or managed (collectively, together with any new or successor funds, programs, accounts or businesses, the "**Affiliated Investment Accounts**"), on the one hand, and the Partnership, on the other hand, may exist and others may arise in connection with the operation of the Partnership. Morgan Stanley's employees may also have interests separate from those of Morgan Stanley and the Partnership. The discussion below enumerates certain actual, apparent and potential conflicts of interest. The Investment Adviser can give no assurance that conflicts of interest will be resolved in favor of the Partnership. By acquiring LP Units, each investor will be deemed to have acknowledged the existence of such actual, apparent and potential conflicts of interest and that such conflicts will be resolved by Morgan Stanley in its discretion, but without any guarantee that any situation involving a conflict will be resolved in favor of the Partnership, and to have consented thereto "and to have waived any claim in respect of the existence or resolution of any such conflict of interest."

This Agreement expressly provides for and authorizes the conflicts of interest, transactions and arrangements described in this Schedule A subject to the rules described in this Schedule A.

Section 6.11(c) of this Agreement describes the circumstances in which the Investment Adviser will seek the approval of the Independent Directors on behalf of the Partnership in conflict of interest situations. The Investment Adviser may also seek the approval of the Independent Directors on behalf of the Partnership in other conflict of interest situations as it considers appropriate. The Investment Adviser expects that any approval required for purposes of the Advisers Act, including Sections 205(a) and 206(3) thereunder, will be obtained from a majority of the Independent Directors on behalf of the Partnership and the Limited Partners, and any such approval of the Independent Directors for purposes of Section 205(a) and 206(3) of the Advisers Act will be binding on the Partnership and the Limited Partners for such purposes. In any case where the Independent Directors are called upon to approve or disapprove a transaction or matter on behalf of the Partnership, they will have access in that capacity to the analysis and recommendation of the Partnership's management team (which may establish appropriate ethical walls with the potential counterparties for this purpose), together with such independent legal, accounting, brokerage or other advisors, if any, as they deem appropriate in their discretion, which will be retained on the Partnership's behalf. Any decision by the Investment Adviser to seek or not to seek such approval will not be construed as an acknowledgement that a conflict exists.

If any matter arises that the Investment Adviser determines constitutes an actual conflict of interest, the Investment Adviser may take such actions as it determines may be necessary or appropriate to ameliorate the conflict in its sole discretion. These actions may include, by way of example and without limitation, (i) disposing of the security or investment giving rise to the conflict of interest; (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest; (iii) in connection with a matter giving rise to a conflict of interest with respect to an Investment, consulting with the Independent Directors regarding the conflict of interest and either obtaining a waiver from the Independent Directors of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the Independent Directors with respect to such conflict of interest; or (iv) in connection with any actual or potential conflict of interest between the Partnership and any Affiliated Investment Account, replacing members of the Partnership's investment team with one or more investment professionals that are not members of the Partnership's investment team. There can be no assurance that Morgan Stanley will resolve all conflicts of interest in a manner that is favorable to the Partnership. In addition, investors should note that this Agreement contains provisions that, subject to applicable law, (i) reduce or eliminate the duties, including fiduciary and other duties, to the Partnership and the Independent Directors to which the Investment Adviser would otherwise be subject; (ii) waive duties or consent to the conduct of the Investment Adviser that might not otherwise be permitted pursuant to such duties; and (iii) limit the remedies of a Limited Partner with respect to breaches of such duties. Additionally, this Agreement contains exculpation and indemnification provisions that, subject to the specific exceptions enumerated therein (generally where primarily

attributable to fraud, willful misconduct or gross negligence, or with respect to the Investment Adviser and its affiliates, breach of the standard of care set forth in this Agreement); *provided* that the Investment Adviser and its affiliates will be held harmless and indemnified, respectively, for matters relating to the operation of the Partnership, including matters that may involve one or more potential or actual conflicts of interest.

The following discussion enumerates certain potential conflicts of interest which should be carefully evaluated before making an investment in the Partnership.

Nonpublic Information

It is expected that confidential or material nonpublic information regarding a portfolio entity or potential investment opportunity may become available to Morgan Stanley. If such information becomes available to Morgan Stanley, the Partnership may be precluded (including by applicable law or internal policies or procedures) from pursuing an Investment or exit opportunity with respect to such portfolio entity or investment opportunity, or restrictions may be imposed on an investment or exit opportunity with respect to such portfolio entity. In addition, as a result of Morgan Stanley's policies regarding disclosure of security holdings of Morgan Stanley and its Affiliated Investment Accounts, the Partnership may dispose of an Investment sooner than desired or take another action with respect to such Investment. Morgan Stanley may also from time to time be subject to contractual "stand-still" obligations and/or confidentiality obligations that may restrict its ability to acquire certain Investments on behalf of the Partnership. In addition, Morgan Stanley may be precluded from disclosing such information to the Investment Adviser or any member of the Partnership's investment team even in circumstances in which the information would benefit the Partnership if disclosed. Therefore, the Investment Adviser may not be provided access to material non-public information in the possession of Morgan Stanley that might be relevant to an investment decision to be made by the Partnership, and the Partnership may initiate a transaction or sell an Investment that, if such information had been known to it, may not have been undertaken. In addition, certain members of the Partnership's investment team and investment committee may be recused from certain Investment-related discussions, including investment committee meetings, so that such members do not receive information that would limit their ability to perform functions of their employment with Morgan Stanley unrelated to the Partnership.

Although it is not currently contemplated that Morgan Stanley will subscribe for LP Units or that there will be a broad offering of LP Units to individuals who are employees or directors of the Investment Adviser or its affiliates or immediate family members of any such employees or directors, or any corporation, partnership, trust or other entity over which any such employees or directors have investment discretion and of which such employees or directors

and/or their immediate family members are the sole owners or beneficiaries ("**MS Related Investors**") or individuals who are or were directors or employees of the Investment Adviser or its affiliates who are or were directly engaged in providing investment advisory or other services to the Partnership ("**MS Related Persons**"), in order to ensure compliance by Morgan Stanley with the requirements of the "asset management exemption" of the Volcker Rule (as defined below) in the event of any such subscription, each Limited Partner that is an affiliate of Morgan Stanley (excluding, for this purpose, any MS Related Investors and MS Related Persons, except to the extent required to be included for purposes of the Volcker Rule) (collectively, the "**MS Banking Entity Investors**") will be permitted to redeem, on a priority basis and on potentially differing terms relative to the Limited Partners that are not MS Banking Entity Investors, a portion of its LP Units. In addition, such redemptions may be made when Morgan Stanley has access to material non-public information regarding the Investments. Investors should be aware, however, that the Investment Adviser may not itself have access to such information due to confidentiality or other legal considerations. Such information may be relevant to an investor's decision to redeem from the Partnership. Morgan Stanley is not required to afford the Investment Adviser access to all relevant information it possesses. As a result, Morgan Stanley may make decisions to redeem from the Partnership based on information upon which the Investment Adviser, had it had access to such information, would have made investment decisions different than those it would have made if it did not have such access.

Decisions by the Investment Adviser to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its LP Units may have difficulty in determining an appropriate price for such LP Units. Decisions to withhold information also may make it more difficult for Limited Partners to monitor the Investment Adviser and its performance. Additionally, it is expected that Limited Partners who designate representatives to participate on the Advisory Committee will, by virtue of such participation, have more information about the Partnership and Investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally.

In addition, certain Limited Partners may also be shareholders in other investment funds sponsored or managed by Morgan Stanley. Limited Partners may also include affiliates of Morgan Stanley, such as other Morgan Stanley funds, charities or foundations associated with Morgan Stanley personnel and/or Morgan Stanley employees and any such affiliates, funds or persons may also invest through the vehicles established in connection with Morgan Stanley's co-investment rights. It is also possible that the Partnership or its Investments may be counterparties or participants in agreements, transactions or other arrangements with a Limited Partner or an affiliate of a Limited Partner. Such Limited Partners described in the previous sentences may therefore have different information about Morgan Stanley

and the Partnership than Limited Partners not similarly positioned. Similarly, not all Limited Partners monitor their investments in vehicles such as the Partnership in the same manner. For example, certain Limited Partners may periodically request from the Investment Adviser information regarding the Partnership and Investments and/or portfolio entities that is not otherwise set forth in (or has yet to be set forth in) the reporting and other information required to be delivered to all Limited Partners. In such circumstances, the Investment Adviser may provide such information to such Limited Partner, but the fact that the Investment Adviser has provided such information upon request by one or more Limited Partners does not necessarily obligate the Investment Adviser to affirmatively provide such information to all Limited Partners (although the Investment Adviser will generally provide the same information upon request and treat Limited Partners equally in that regard). As a result, certain Limited Partners may have more information about the Partnership than other Limited Partners, and the Investment Adviser will have no duty to ensure all Limited Partners seek, obtain or process the same information regarding the Partnership and its Investments and/or portfolio entities.

Furthermore, in response to questions and requests and in connection with due diligence meetings, side letter compliance and other communications, the Partnership and the Investment Adviser may provide additional information to certain Limited Partners and prospective Limited Partners that is not distributed to other Limited Partners and prospective Limited Partners. Such information may affect a prospective Limited Partner's decision to invest in the Partnership or take actions or make decisions as a Limited Partner.

Investments by Morgan Stanley and Its Affiliated Investment Accounts

Morgan Stanley has advised Affiliated Investment Accounts that have or will have active investment programs that are focused on real estate investing or otherwise may make real estate investments.

MSREI in particular manages real estate assets on behalf of a wide range of clients, including investment funds and separate account clients ("**MSREI Investment Accounts**"). For example, as described under "Exclusivity Held by Other MSREI Clients" below, MSREI sponsors the Opportunistic Funds (as defined below), which will be accorded a preference with respect to each investment opportunity that is deemed by MSREI to be an "opportunistic" real estate investment opportunity. In the future, MSREI may also sponsor MSREI Investment Accounts to pursue other "opportunistic" or "non-opportunistic" equity-related real estate strategies. In addition, MSREI may in the future sponsor, manage and/or advise one or more MSREI Investment Accounts to pursue "non-opportunistic" real estate credit strategies. Such vehicles may pursue a variety of credit-related strategies including, for example, senior mortgages, mezzanine debt or CMBS. These vehicles may seek to originate loans and/or acquire performing or distressed real estate debt on a secondary basis. MSREI may determine to grant such existing or new clients a "preference" or "exclusivity" with respect to certain

investment opportunities for such MSREI Investment Accounts notwithstanding the fact that such investment opportunities may be suitable for the Partnership.

In determining whether an investment is a "core" or "core-plus" opportunity (as compared to an "opportunistic" investment opportunity), MSREI typically identifies Investments that include some or all of the following characteristics: stable returns with low volatility, steady cash flows which are expected to constitute a significant proportion of the investment's total return over the expected holding period, low to moderate leverage as compared to "opportunistic" Investments, located in major, economically diverse real estate markets, properties that are fully or substantially leased at the time of investment and properties that generally are in good condition, well maintained and which do not require significant capital investment and that have a risk/return profile, as determined by MSREI, at the time of investment that is lower than the risk/return profile of a typical "opportunistic" investment made by the Opportunistic Fund.

Subject to the exclusivity held by certain other MSREI Investment Accounts as described in further detail below (See "Exclusivity Held By Other MSREI Clients"), to the extent MSREI Investment Accounts have investment objectives that overlap with those of the Partnership, there may from time to time be investment opportunities that meet the investment parameters of both the Partnership and one or more other MSREI Investment Accounts. As such, conflicts of interest may arise with respect to the potential allocation of an investment opportunity made available to MSREI where such investment opportunity may be suitable for more than one MSREI Investment Account. To reduce potential conflicts of interest and to attempt to allocate such investment opportunities in a fair and equitable manner, MSREI has implemented an allocation policy (the "**Allocation Policy**"). The Allocation Policy is intended to give all clients of MSREI, including the Partnership, fair access to new real estate investment opportunities in the territories made available to such clients. Each client of MSREI, including the Partnership, is assigned a portfolio manager by MSREI senior management. The portfolio managers or their designees regularly review current real estate investment opportunities which have been identified by or made available to MSREI. If more than one portfolio manager expresses continued interest in an investment, the allocation decision is escalated to an allocation committee comprised of senior management (the "**Allocation Committee**") for resolution. The Allocation Committee will consider various factors (described below) to allocate opportunities among clients. If, after considering these factors, the Allocation Committee does not unanimously determine that the investment should be allocated to a particular MSREI client, then the opportunity will generally be allocated pursuant to a rotation system.[9]

[9] In certain circumstances, investment opportunities that are determined to be "off market" (including, but not limited to, opportunities identified or sourced by an independent

Factors considered by the Allocation Committee in prioritizing and allocating investment opportunities include, but are not limited to: (i) rights of first offer in favor of certain clients; (ii) investment guidelines, goals or restrictions of the client; (iii) capacity of the client; (iv) existing allocation to similar strategies and the diversification objectives of the client; (v) tax considerations; (vi) legal or regulatory considerations; (vii) with respect to co-investment allocations, whether the co-investor can provide added value to the operations of the business or provide future opportunities to the business of the client; and (viii) other relevant business considerations.

MSREI is empowered to take into account other considerations it deems appropriate to ensure a fair and equitable allocation of opportunities. The Allocation Policy is subject to change in the sole discretion of MSREI. For the avoidance of doubt, underlying portfolio entities of an MSREI Investment Account (including the Partnership) will not be subject to the Allocation Policy.

Prospective investors should be aware that MSREI sponsors North Haven Net REIT ("**NetREIT**"), a pooled investment vehicle, organized as a Maryland statutory trust, that invests in high-quality commercial real estate assets that are primarily long-term leased under net lease structures to tenants for whom the properties are mission critical and, to a lesser extent and on a tactical basis, commercial real estate debt-related assets. As such, investment opportunities that are appropriate for the Partnership may also be appropriate for NetREIT, and there is no assurance that the Partnership will be allocated those investments it wishes to pursue. To the extent there are investment opportunities that meet the investment parameters of both the Partnership and NetREIT, investment opportunities will be allocated according to the Allocation Policy. Nonetheless, conflicts of interest may arise with respect to the potential allocation of an investment opportunity made available to MSREI where such opportunity may be suitable for both the Partnership and NetREIT.

Affiliated Investment Accounts outside of MSREI but within one or more other divisions of Morgan Stanley (including MSIM) have or will have active investment programs that are focused on real estate investing or otherwise may make real estate investments. For instance, MSIM is an affiliate of the Investment Adviser and offers Real Estate Securities Management, a series of institutional and retail mutual funds, other pooled vehicles and separate accounts implementing a core (and, possibly in the future, a core-plus) investment strategy by investing in publicly traded real estate securities in Asia, Europe and the United States and certain institutional and retail private equity, other pooled vehicles and separate

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management team of a portfolio entity controlled by a MSREI client without material assistance from Morgan Stanley employees, or resulting from a pre-existing, legally binding joint venture with a third party to develop or acquire real estate without material assistance from Morgan Stanley employees) will be allocated to a particular client without further review by the Allocation Committee.

accounts within MSIM's Alternative Investment Partners business that may also invest in core and core-plus real estate under certain circumstances. Both of these businesses remain outside of MSREI and to the extent they source real estate opportunities, they would not be subject to the Allocation Policy described above. In addition, certain Affiliated Investment Accounts within MSIM may make real estate investments even if real estate investing is not a central, or even significant, aspect of their investment strategies. For instance, MSIM advises North Haven Tactical Value Fund, an "opportunistic" private equity fund that seeks to invest across asset classes, industries and/or geographies. Although the principal purpose of such Affiliated Investment Accounts is to make non-real estate investments, such Affiliated Investment Accounts may nonetheless invest a substantial percentage of their respective assets in real estate investment opportunities that would otherwise be appropriate for the Partnership.

In addition, in March 2018, MSIM completed the acquisition of Mesa West Capital, LLC ("**Mesa West**"). Mesa West sponsors and manages private investment funds and separate accounts which pursue commercial real estate credit strategies with over $8 billion of gross assets under management as of March 31, 2025. Mesa West engages in the origination of first mortgage loans on middle-market, value-added and transitional commercial real estate assets solely in the U.S. Mesa West operates as a separate business unit within MSIM's Real Assets group, overseen by John Klopp, Head of Global Real Assets. Mesa West has a separate investment team from the MSREI team responsible for the Partnership.

Mesa West currently manages three commercial real estate credit strategies on behalf of its clients (the "**Mesa West Clients**"): (i) "core" through an open-end commingled fund, (ii) "value-add" through a series of closed-end commingled funds, and (iii) tailored investment mandates through separately managed accounts and single investor "funds of one." MSREI does not believe that there will be any material overlap between the investment opportunities that the Partnership and the Mesa West Clients will pursue.

In addition, MSIM currently sponsors the North Haven Secured Private Credit Fund ("**NHSPCF**"), which primarily seeks to invest in credit and related instruments that are of investment grade quality secured by real estate or infrastructure assets. In addition, Morgan Stanley may in the future sponsor, manage and/or advise one or more additional Affiliated Investment Accounts (as part of Mesa West or through other groups within Morgan Stanley) to pursue other "non-opportunistic" real estate credit strategies (together with the Mesa West Clients and NHSPCF, the "**RE Credit Vehicles**"). The RE Credit Vehicles may pursue a variety of credit-related strategies including, for example, one or more investment funds, structured vehicles or other collective investment vehicles and accounts investing in distressed debt, subordinated debt, high-yield securities, senior mortgages, preferred equity, mezzanine debt or CMBS and other similar debt instruments, and may target borrowers in the U.S. or globally. The RE Credit Vehicles may seek to originate loans and/or acquire performing or distressed real

estate debt on a secondary basis and such RE Credit Vehicles may pursue "opportunistic," "core-plus" or "core" real estate credit strategies. Morgan Stanley may determine to grant such existing or new clients a "preference" or "exclusivity" with respect to certain investment opportunities for such Affiliated Investment Accounts notwithstanding the fact that such investment opportunities may be suitable for the Partnership. As a manager of both the Partnership and the RE Credit Vehicles, Morgan Stanley owes a fiduciary duty to the RE Credit Vehicles as well as to the Partnership. If the RE Credit Vehicles were to purchase debt instruments from a real estate company owned by the Partnership (or if the Partnership makes or has an Investment in or becomes a lender to a company in which any RE Credit Vehicle has a debt investment), Morgan Stanley will, in certain instances, face a conflict of interest in respect of the advice it gives to, or the decisions made with regard to, such RE Credit Vehicle and the Partnership (e.g., with respect to the terms of such debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

In addition, to the extent Morgan Stanley causes RE Credit Vehicles to provide debt financing to the Partnership or its portfolio entities, Morgan Stanley could have incentives to cause the Partnership or its portfolio entities to accept less favorable financing terms from such RE Credit Vehicle than it would from a third party. The same concerns apply when any of these RE Credit Vehicles, or any other Affiliated Investment Accounts, invest in a more senior position in the capital structure of a portfolio entity than the Partnership, even if the form of the transaction is not a financing. In the case of a related party financing between the Partnership or its portfolio entities, on the one hand, and RE Credit Vehicles or their portfolio entities, on the other hand, Morgan Stanley could, but is not obligated to, rely on a third-party agent to confirm the terms offered by the counterparty are consistent with market terms, or Morgan Stanley could instead rely on its own internal analysis. If however any of Morgan Stanley, the Partnership, a RE Credit Vehicle or any of their portfolio entities delegates to a third party, such as another member of a financing syndicate, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Morgan Stanley related vehicle impacts the market terms. See also "—Morgan Stanley as Lender" below.

In March 2021, Morgan Stanley completed the acquisition of Eaton Vance, a leading provider of advanced investment strategies and wealth management solutions, with over $500 billion in assets under management. Among its investment products, Eaton Vance manages certain private funds that invest a portion of their assets in real property investments. Investment opportunities relevant to these funds could overlap with the Partnership's investment objectives, and the foregoing may result in the Partnership participating in investment opportunities to a lesser extent than would otherwise be the case (or not at all).

There may from time to time be investment opportunities that meet the investment parameters of both the Partnership and one or more other Affiliated

Investment Accounts. Morgan Stanley may from time to time create new or successor Affiliated Investment Accounts that compete with the Partnership for investment opportunities or overlap in terms of investment strategy and may present similar conflicts of interest. Morgan Stanley and certain of its Affiliated Investment Accounts have routinely made, and will continue to make, Investments that fall within the investment objectives of the Partnership. The organization of a new or successor Affiliated Investment Account could result in the reallocation of Morgan Stanley personnel, including reallocation of existing real estate professionals, to such other funds. Certain members of the Partnership's investment team and the investment committee may make investment decisions on behalf of both Morgan Stanley and such Affiliated Investment Accounts, including Affiliated Investment Accounts with investment objectives that overlap with those of the Partnership.

MS Related Persons (including Morgan Stanley's trading and principal investing businesses) will have no obligation to offer to the Partnership Investment opportunities. In such situations, an MS Related Person may pursue and make the investment for its own account. When deciding how to allocate such opportunities, Morgan Stanley will exercise its discretion and may consider its own financial interests or the interests of other clients or affiliates of Morgan Stanley ahead of those of the Partnership.

In some cases, Morgan Stanley or an Affiliated Investment Account may invite the Partnership to co-invest with it or the Investment Adviser may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Partnership, in either the same or different tiers of a portfolio entity's capital structure or in an affiliate of such portfolio entity. For instance, while not expected, the Partnership may acquire a controlling interest in a class or tranche of equity securities of a portfolio entity in which a RE Credit Vehicle has a pre-existing debt interest or such RE Credit Vehicle may acquire an interest in a class or tranche of debt securities of a portfolio entity in which the Partnership has a pre-existing controlling equity interest. In circumstances where Morgan Stanley approves a transaction outlined above, the interests of the Partnership and such RE Credit Vehicle may not always be aligned, which may give rise to actual or potential conflicts of interest and actions taken for the Partnership may be adverse to such RE Credit Vehicle, or vice versa. To the extent the Partnership holds Investments in the same portfolio entity or in an affiliate thereof that are different (including with respect to their relative seniority) than those held by Morgan Stanley or an Affiliated Investment Account, the Investment Adviser and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict. If a portfolio entity in which the Partnership has an equity or debt Investment, and in which Morgan Stanley or an Affiliated Investment Account has an equity or debt investment elsewhere in the portfolio entity's capital structure, becomes distressed or defaults on its obligations, Morgan Stanley may have conflicting loyalties between its duties to its shareholders, the Affiliated Investment Account, the Partnership, certain of its other affiliates and the portfolio entity. For

example, if additional financing is necessary as a result of financial or other difficulties of a portfolio entity of the Partnership, it may not be in the best interests of a RE Credit Vehicle, as a holder of debt issued by such company, to provide such additional financing and the ability of the Investment Adviser to recommend such additional financing as being in the best interests of the Partnership might be impaired. In that regard, actions may be taken for Morgan Stanley or such Affiliated Investment Account that are adverse to the Partnership, or actions may or may not be taken by the Partnership due to Morgan Stanley's or such Affiliated Investment Account's investment, which action or failure to act may be adverse to the Partnership. In addition, it is possible that in a bankruptcy proceeding, the Partnership's interest may be subordinated or otherwise adversely affected by virtue of Morgan Stanley's or such Affiliated Investment Account's involvement and actions relating to its investment.

Incentive Management Fees; Base Management Fees

The existence of the Investment Adviser's Base Management Fee and Incentive Management Fee based on the Partnership's asset value may create an incentive for the Investment Adviser to make riskier or more speculative Investments on behalf of the Partnership than it would otherwise make in the absence of such performance-based compensation, raise more capital and increase overall interests, and/or to defer realization of Investments and/or hold Investments longer than it otherwise would if the Base Management Fee were based on interests. Furthermore, Investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third party partners, which could also create an incentive for such parties to take risks with respect to such Investments. In addition, the method of calculating the Incentive Management Fee and the Base Management Fee may result in conflicts of interest between the Investment Adviser, on the one hand, and the investors, on the other hand, with respect to the acquisition, management and disposition of Investments. For instance, the Incentive Management Fee may create an incentive for the Investment Adviser to seek to select valuation advisors it perceives as providing relatively high valuations, especially with respect to illiquid securities. The Investment Adviser may also be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail redemptions to maintain a higher NAV, which would, in each case, increase the Base Management Fee payable to the Investment Adviser. If the Investment Adviser receives an Incentive Management Fee, such Incentive Management Fee will be primarily in respect of unrealized appreciation of the Partnership's assets, and the Base Management Fee will take into account the unrealized value of the Partnership's assets and any cash and cash equivalents.

Exclusivity Held By Other MSREI Clients

Prospective investors should be aware that MSREI advises North Haven Real Estate Fund X Global-F, L.P., a pooled investment vehicle, organized as an Alberta limited partnership, that makes opportunistic real estate and real estate-

related investments on a global basis (together with its parallel, predecessor and any successor funds that have an opportunistic strategy, the "**Opportunistic Funds**"). With respect to each investment opportunity that is deemed by MSREI to be an "opportunistic" real estate investment opportunity, the Opportunistic Funds and certain investors who have or are granted in the future co-investment rights or other existing or potential investors that MSREI determines to offer co-investment alongside the Opportunistic Funds, will be accorded a preference and will have the right to make all or part of any such investment before it is offered to the Partnership. Furthermore, other funds or products may in the future be sponsored by Morgan Stanley or its affiliates that may have a preference.

The classification of a potential investment as "opportunistic" or "non-opportunistic" will impact whether such opportunity may potentially be made available to the Partnership. This determination will be made by MSREI at the time of its evaluation of an investment opportunity, based on its underwriting of the investment and the target return ranges for the Partnership. Such classifications frequently will be subjective in nature and will be based on a variety of assumptions made in good faith by MSREI at the time of its underwriting. Consequently, an investment that MSREI determines is "opportunistic" and thus allocated away from the Partnership, may ultimately achieve a return that is within the Partnership's target return range. Conversely, an investment that MSREI determines is "non-opportunistic," and thus allocated to the Partnership, may ultimately outperform its underwriting and achieve a return that is outside of the Partnership's target return range. Accordingly, MSREI will face actual or potential conflicts of interest in making such determinations.

Partnership Expenses

As stated in Section 4.05 of this Agreement, the Partnership shall be responsible for and shall pay all Partnership Expenses out of funds of the Partnership. As used herein, the term "Partnership Expenses" means all expenses or obligations of the Partnership or the General Partner or otherwise incurred by the Partnership or the General Partner or the Subsidiaries (or by the Investment Adviser or its affiliates on behalf of the Partnership or the General Partner) in connection with this Agreement or the Partnership's or General Partner's business or affairs (other than the Investment Adviser Expenses), including:

- the Management Fee;
- all Reimbursable Investment Adviser Professional Expenses;
- Restructuring Expenses (other than Excess Restructuring Expenses);
- Any fees or compensation payable to the Independent Directors, and expenses payable to all Directors, for service on the Board;

- all costs and expenses incurred in connection with the holding of the Partnership's annual meeting, meetings of the Board, meetings of the Advisory Committee and the Advisory Committee Members and meetings of the Limited Partners, including travel costs, entertainment and other similar fees, costs and expenses of the Advisory Committee or the Limited Partners;

- costs and expenses related to the engagement of third-party consultants, advisors and service providers (including Affiliates of the Investment Adviser engaged pursuant to Section 4.06) by the Partnership and the General Partner, including costs and expenses incurred in connection with obtaining legal, tax, appraisal or accounting, insurance advisory, property management, fund administration, custody or depositary advice or services (including property management fees and expenses, including base fees, leasing commissions, incentive fees and financing fees); all fees, costs and expenses (including travel, meals, accommodations, and reasonable research and market data expenses and ancillary costs thereto) incurred in sourcing, conducting due diligence investigations into, purchasing, acquiring, developing, negotiating, structuring, monitoring, custody, hedging, financing, insuring, managing and disposing of, or attempting to dispose of, actual (or potential) Investments, including the expenses incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of any environmental, social and governance related programs and initiatives (in respect of Investments, prospective Investments and/or the Partnership); expenses incurred in connection with environmental, social and governance tracking tools, climate risk assessments and any other assessments, measurements, advice or reports conducted as part of implementing, monitoring and maintaining of certain environmental, social and governance related programs and initiatives, costs for external financial, legal, accounting, technology (including technology-related services), consulting or other advisers, or any lenders and other financing sources and other costs and fees in connection with transactions which are not consummated, including reverse break-up fees and lost deposits, duplicating, postage, delivery, and communications charges, costs of appraisal services (including obtaining an independent valuation of, or fairness opinion relating to, Investments or other assets), valuation advisers, engineering and environmental assessment services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such fees, costs and expenses by entities in which the Partnership invests or other third parties);

- third party out-of-pocket expenses incurred by the General Partner or the Investment Adviser (and third-party firms whose professionals work in the Investment Adviser's offices, use the Investment Adviser's email address

and devote all or substantially all of their working time to funds or accounts managed by the Investment Adviser and its affiliates) in connection with Investments or proposed Investments and other costs and expenses in connection with the acquisition, underwriting, market research, financing, operation, ownership, management, development, redevelopment, refinancing, sale, leasing or other disposition of Investments;

- the Partnership's allocable share of travel expenses, including travel expenses incurred in connection with evaluating and negotiating potential Investments (whether or not consummated) and monitoring actual Investments and other Partnership matters (including costs and expenses of accommodations and meals, costs and expenses related to attending trade association meetings, conferences or similar meetings for purposes of evaluating actual or potential investment opportunities, and with respect to travel on non-commercial aircraft, costs of travel at a comparable business class commercial airline rate);

- communications charges, costs of appraisal services (including obtaining an independent valuation of Investments or other assets), valuation advisers, engineering and environmental services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Partnership invests or other third-parties);

- costs and expenses (including brokerage fees, commissions, insurance premiums) relating to any fidelity bond and insurance policies of all types (including directors' and officers' liability insurance and errors and omissions insurance), or such other insurance relating to the affairs of the Partnership;

- all expenses incurred in connection with any litigation, indemnification or extraordinary expense or liability relating to the affairs of the Partnership or any Subsidiary (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

- all expenses for indemnity or contribution payable by the Partnership to any Person;

- all expenses incurred in connection with the collection of amounts due to the Partnership or any Subsidiary from any Person;

- expenses related to legal and regulatory compliance for the Partnership, the General Partner or the Investment Adviser relating to the Partnership's investment activities (including, without limitation, Partnership-related compliance obligations and, if needed, reports, disclosures, filings and notifications prepared in accordance with the AIFM Directive);

- all expenses incurred in connection with and any principal, interest or other amounts owing in respect of any indebtedness or guarantees of the Partnership or any Subsidiary or any proposed or definitive credit facility or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Partnership or any Subsidiary or related to any Investment), including the repayment of amounts under such indebtedness, guarantees, credit facilities or other credit arrangements;

- expenses associated with portfolio and risk management including interest rate hedging;

- expenses of dissolving and winding up the Partnership;

- expenses incurred in connection with preparation of financial statements;

- fees, costs and expenses related to the organization and maintenance of any entity used to acquire, hold or dispose of one or more Investment(s) (including, for the avoidance of doubt, any Subsidiary or portfolio entity) or otherwise facilitating the Partnership's investment activities including, without limitation, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including personnel of the Investment Adviser or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, or other overhead expenses in connection therewith;

- legal entity management expenses;

- fees or other governmental charges relating to administration of the Partnership, the General Partner and the Investment Adviser;

- fees, costs and expenses incurred in connection with any amendments, restatements, or other modifications to, and compliance with, the Partnership Agreement, the Advisory Agreement, confirmation letters with Limited Partners or any other constituent or related documents of the Partnership, the General Partner and the Investment Adviser, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the Advisory Committee or preparation of other materials in connection with compliance (or monitoring compliance) with such documents (including, for the avoidance of doubt, any such documents as related to Subsidiaries);

- any taxes imposed on the Partnership or any Subsidiary, including any taxes imposed on the Partnership or any Subsidiary in the capacity of withholding agent with respect to a Partner (and any interest, penalties or expenses relating to any such taxes), except to the extent such taxes are attributable or otherwise allocable to a Partner under the Partnership Agreement, and

costs and expenses of preparing and filing tax returns on behalf of the Partnership and/or such Subsidiary in any jurisdiction in which the Partnership or such Subsidiary is required or deems it advisable to file tax returns or information with the applicable tax authorities and all costs and expenses incurred in connection with any tax audit, investigation, settlement or other proceedings in respect of the Partnership and/or such Subsidiary;

- any sales, value added, goods and services or other similar taxes (a "**GST**") to the extent that the Partnership or any entity used to acquire, hold or dispose of any investments (including any Subsidiary and/or any portfolio entity) is required by applicable law to pay, withhold or deduct such amounts from any payments of the Base Management Fee or Incentive Management Fee, so that the net amounts of Base Management Fees and/or Incentive Management Fees actually received by the Investment Adviser (and/or such entity) after such payment, withholding, deduction or imposition of such GST (including any such payment, withholding, deduction or imposition from or with respect to such additional amounts) equal the required amount of Base Management Fees and/or Incentive Management Fees otherwise payable under the Advisory Agreement;

- all administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Partners of checks, financial reports, performance reports, tax returns, communications and notices required pursuant to this Agreement, treasury, cash management, analytics and related information technology services provided to the Partnership and all other costs and expenses in relation to maintaining or compliance with the tax or legal status of the Partnership, the General Partner or the Investment Adviser;

- the organization of any Parallel Vehicle or Feeder Vehicle;

- expenses of offering LP Units and any applicable taxes, including expenses associated with updating the offering and marketing materials, expenses associated with printing the materials and expenses relating to documentation with potential investors (other than travel expenses related thereto);

- the fees, costs and expenses of any legal counsel or other advisors retained by, or at the direction or for the benefit of, the Advisory Committee;

- fees, commissions, costs and expenses relating to the AIFM Directive, the CISA or any other non-U.S. law, rule, regulation or requirement including as any of the foregoing may be implemented by any laws, rules, regulations or interpretations of countries or jurisdictions, in each case as amended, or any successor laws, rules or regulations thereto including reports, ongoing

compliance, administrators, custodians, agents, representatives, depositaries, paying agents and other service providers engaged to comply with the AIFM Directive, CISA, or any other non-U.S. law, rule, regulation or requirements, the organization or maintenance of any entity used in connection with compliance with the AIFM Directive by the Partnership, any Parallel Vehicle or any Feeder Vehicle (including any entity that is an Affiliate of the Investment Adviser established to be an authorized "alternative investment fund manager" of the Partnership, any Parallel Vehicle or any Feeder Vehicle within the meaning of the AIFM Directive) as well as any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, other overhead expenses in connection therewith and/or fees for services, or, in the event a third party authorized "alternative investment fund manager" is engaged, the costs and expenses associated therewith, as applicable; and

- all other costs and expenses relating to the business of the Partnership.

The Partnership will pay all expenses related to its own operations (other than those specified as Investment Adviser Expenses) as well as certain expenses related to the Investment Adviser and other Partnership affiliated entities, including, without limitation, certain compliance obligations particular to the Partnership. Moreover, the Investment Adviser will exercise discretion in determining whether expenses will be borne by the Partnership, the Investment Adviser or other parties. The amount of fund expenses will be substantial and will reduce the actual returns realized by investors on their investment in the Partnership (and will reduce the amount of capital available to be deployed by the Partnership in Investments). Partnership expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of Partnership expenses ultimately called at any one time or in the aggregate during the Partnership's existence may exceed expectations. As described further in this Agreement, fund expenses encompass a broad range of expenses and include all expenses of operating the Partnership and its related entities, including, for example, any entities used directly or indirectly to acquire, hold or dispose of any one or more Investment(s) or otherwise facilitating the Partnership's investment activities, including, without limitation, independent director fees, corporate secretary fees, audit, tax advice, tax filing and legal advice fees, any travel and accommodation expenses related to such entities and the salary and benefits of any personnel reasonably necessary and/or advisable for the maintenance and operation of such entities, or other overhead expenses in connection therewith.

Furthermore, the Investment Adviser has engaged certain third-party providers to provide fund administration services, including accounting, reporting, treasury, cash management, hedging administration, analytics and related information technology services to the Partnership, and the Partnership will be

responsible for the expenses related to the provision of such services, together with all other administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Limited Partner of checks, financial reports, performance reports and tax returns, capital calls, distribution notices, other Partnership reports, communications and notices required pursuant to this Agreement.

Any amounts paid by the Partnership for or resulting from hedging transactions will be considered a Partnership Expense relating to such investment.

The Partnership may participate in specific Investments together with one or more other Affiliated Investment Accounts and may also co-invest with co-investors (including in connection with portfolio entities in which the Partnership and such other Affiliated Investment Accounts have overlapping investments). In addition, to the extent permitted under this Agreement, the Partnership and Affiliated Investment Accounts may invest in accordance with similar investment strategies in respect of one or more categories of Investments in which the Partnership may invest. The Investment Adviser, Morgan Stanley and its affiliates will determine, in their discretion, the appropriate allocation of investment-related expenses, including broken deal expenses incurred in respect of unconsummated investments and expenses more generally relating to a particular investment strategy, among the funds, vehicles and accounts participating or that would have participated in such investments or that otherwise participate in the relevant investment strategy, as applicable, which, as discussed below, may result in the Partnership bearing more or less of these expenses than other participants or potential participants in the relevant investments. The allocation of such expenses among such entities raises potential conflicts of interest, in part because expenses paid by an entity may affect the compensation paid to or incentive fee earned by the Investment Adviser or the sponsor of the Affiliated Investment Account. The Investment Adviser intends to allocate such common expenses among the Partnership and any such other Affiliated Investment Accounts in an equitable manner as determined by the Investment Adviser (or such affiliates) in their good faith discretion. See also "—Disparate Fee Arrangements with Service Providers" and "—Co-Investment" below.

Morgan Stanley Trading and Principal Investing Activities

Morgan Stanley will generally conduct its sales and trading businesses, publish research and analysis, and render investment advice without regard for the Partnership's holdings, although these activities could have an adverse impact on the value of one or more of the Investments or could cause Morgan Stanley to have an interest in one or more portfolio entities that is different from, and potentially adverse to, that of the Partnership.

The trading activities of Morgan Stanley, its affiliates (including affiliated funds) and their customers in publicly traded securities and the research

recommendations of Morgan Stanley with respect to publicly traded securities may differ from, or be inconsistent with, the interests of and activities which are undertaken for the account of the Partnership in such securities or related securities. For example, the Partnership may dispose of securities at a time when Morgan Stanley research is recommending a purchase of such securities. Furthermore, if Morgan Stanley-affiliated funds or accounts invest in securities of publicly traded companies which are actual or potential portfolio entities, the trading activities of those vehicles may differ from or be inconsistent with activities which are undertaken for the account of the Partnership in such securities or related securities. This may occur because these accounts hold public and private debt and equity securities of a large number of issuers in which the Partnership may invest or from whom Investments may be acquired. The Investment Adviser believes that the participation of Morgan Stanley in the capital markets is a significant factor in ensuring the Investment Adviser's continuing access to new transactions for investment by the Partnership. The Investment Adviser will make its own independent determination with respect to the trading activities of the Partnership, and the Partnership may not pursue an Investment in a portfolio entity as a result of such trading activities by other Morgan Stanley affiliates.

Morgan Stanley's sales and trading, financing, and principal investing businesses have invested, and in the future may invest, in real estate and real estate-related opportunities. Such activities may put Morgan Stanley in a position to exercise contractual, voting, or creditor rights, or management or other control with respect to the portfolio entities, and in these instances Morgan Stanley may, in its discretion, act to protect its own interests or interests of clients, and not the interests of the Partnership.

To resolve this conflict of interest, the Investment Adviser may, for example, rely on a separate, independent team of Morgan Stanley-affiliated professionals to represent the interests of the Partnership and the other party or it may abstain from exercising management rights and rely instead on other partners in such transaction or outside advisors. In addition, in the event that the Partnership invests in operating companies, there may be situations where the Investment Adviser must recuse itself from making certain decisions with respect to such entities to the extent that such entities engage in transactions with affiliates of Morgan Stanley.

In addition, Morgan Stanley may engage in a variety of transactions, including entering into derivatives contracts, to limit its exposure to the risk of investments made in its Affiliated Investment Accounts. For example, Morgan Stanley may choose to hedge exposures (currency, interest rate, equities or commodities) arising from its Investments in, or exposure to through performance based fees or carried interest, the Affiliated Investment Accounts. The Affiliated Investment Account may invest in a particular market sector and Morgan Stanley, to hedge its exposures to the investment risks of that sector, may establish a short position in that sector by means of a derivative or other financial product or

instrument related to a market index comprised of securities in that same market sector. This short position may be designed to profit from a decline in the price of the securities in that market sector, thus limiting Morgan Stanley's exposure to the investment risks associated with investing in, or receiving performance-based compensation or having a carried interest in, such Affiliated Investment Account. As a result of and taking into account such hedging, the performance of investors in an Affiliated Investment Account who do not engage in hedging on their own may differ materially from those investors (including Morgan Stanley) who do engage in such activities. It should be noted, however, that such hedging activities are not free from risk and that Morgan Stanley or clients that engage in such transactions may result in losses or diminish performance. In addition, such activities may diminish the alignment of interest between Morgan Stanley and a particular private fund's investors.

Subject to the investment limitations set forth in this Agreement and compliance with applicable laws, the Partnership may purchase from or sell assets to, or make Investments in, portfolio entities in which Morgan Stanley has or may acquire an interest, including as an owner, creditor or counterparty.

Allocations of Co-Investments with Morgan Stanley Affiliates

If the Investment Adviser determines that the Partnership should invest less than the amount offered to the Partnership with respect to an investment opportunity or should decline an investment opportunity, all or any portion of such investment opportunity remaining after taking into account the Investment, if any, by the Partnership may be presented to any person (including Morgan Stanley, its affiliates or an Affiliated Investment Account). In any case where a prospective Investment involves both real estate and non-real estate assets (such as loan portfolios that include both real estate and non-real estate loans), the Investment Adviser may seek the participation of other Morgan Stanley affiliates that are interested in the non-real estate assets to assist with the valuation of, and to reduce the Partnership's exposure to, the non-real estate assets.

The decision to allocate a particular Investment between the Partnership and other Morgan Stanley affiliates may involve conflicts of interest. Further potential conflicts could arise after the Investment is consummated where, for example, the investment objectives or financial resources of the co-investing entities differ substantially from those of the Partnership.

Morgan Stanley's Real Estate and Investment Banking Activities

Morgan Stanley is involved in a broad range of investment banking activities, as described in the first paragraph of this Schedule A. For example, Morgan Stanley often represents potential purchasers and sellers in real estate-related transactions or parties in corporate transactions and may pursue investments on a proprietary basis on its own behalf.

Morgan Stanley advises clients on a variety of mergers, acquisitions and financing transactions. Morgan Stanley may act as an advisor to clients, including Affiliated Investment Accounts that may compete with the Partnership, with respect to Investments in which the Partnership may invest. Morgan Stanley may give advice and take action with respect to any of its clients or proprietary accounts that may differ from the advice given, or may involve an action of a different timing or nature than the action taken, by the Partnership. Morgan Stanley may give advice and provide recommendations to persons competing with the Partnership and/or any portfolio investment that are contrary to the best interests of the Partnership and/or any investment.

Morgan Stanley could be engaged in financial advising, whether on the buy side or sell side, or in financing or lending assignments that could result in Morgan Stanley's determining in its discretion or being required to act exclusively on behalf of one or more third parties, which could limit the Partnership's ability to transact with respect to one or more existing or potential investments. Alternatively, there could be buy-side or sell-side assignments in which the buyer or seller permits the Partnership to act as a participant in the transaction. In such cases, certain conflicts of interest would be inherent, including those involved in negotiating a purchase price. Morgan Stanley may have relationships with third-party funds, companies or investors who may have invested in or may look to invest in portfolio companies, and there could be conflicts between the best interests of the Partnership, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand.

Morgan Stanley will continue to accept such assignments after the establishment of the Partnership. In these cases, such Morgan Stanley client relationships or proprietary investment activities may result in the Partnership not being able to pursue certain investment opportunities. Alternatively, the Partnership may be forced to sell or hold existing Investments as a result of investment banking relationships or other relationships that Morgan Stanley may have or transactions or Investments Morgan Stanley may make or have made. Accordingly, no assurances can be given that all potentially suitable real estate investments will be offered to the Partnership.

From time to time, Morgan Stanley's investment banking professionals may introduce to the Partnership a client that requires equity to complete an acquisition transaction. If the Partnership pursues the resulting investment, Morgan Stanley could have a conflict in its representation of the client over the price and terms of the Partnership's Investment. Furthermore, the Partnership will not generally purchase securities being underwritten by Morgan Stanley, thereby limiting the ability of the Partnership to make such Investments.

Morgan Stanley has long-term relationships with a significant number of property managers, facilities managers, developers, institutions and corporations and their advisors. In determining whether to pursue a particular transaction on

behalf of the Partnership, these relationships will be considered by Morgan Stanley and there may be certain potential transactions that will or will not be pursued on behalf of the Partnership in view of such relationships. In addition, as a result of such relationships, the Investment Adviser may not be permitted to pursue litigation as vigorously as it may if it were not associated with Morgan Stanley.

In addition, Morgan Stanley could provide real estate and investment banking services to competitors of companies in which the Partnership invests, in which case it will take appropriate steps to safeguard the confidential information of each client. Morgan Stanley is under no obligation to share and may not share any such information with the Partnership or Investment Adviser. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis the Partnership's portfolio entities and may also result in a conflict with respect to the allocation of investment banking resources to portfolio entities.

To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under chapter 11 of the U.S. Bankruptcy Code or similar laws in other jurisdictions, the Investment Adviser's flexibility in making Investments, on behalf of the Partnership, in such companies or properties owned by such companies undergoing restructuring may be limited.

Morgan Stanley may be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, may represent potential buyers of businesses through its mergers and acquisition activities, and may provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realized consideration and is usually contingent, in substantial part, upon the closing of the transaction. The Partnership may be precluded from participating in a loan to the company being sold if the seller has required Morgan Stanley to act exclusively on its behalf. Additionally, there may be seller assignments in which the seller permits the Partnership to act as a participant in the purchase of the company. In that case, certain conflicts of interest would be inherent in the situation, including those involved in negotiating a purchase price. If a Morgan Stanley affiliate serves as underwriter with respect to a portfolio company's securities, the Partnership may be subject to a "lock-up" period following the offering under applicable regulations during which time its ability to sell any investments that it continues to hold would be restricted. This may prejudice the Partnership's ability to dispose of such securities at an opportune time.

Morgan Stanley may derive ancillary benefits from providing any such services to the Partnership and/or a portfolio company, and providing such services may enhance Morgan Stanley's relationships with various parties, facilitate additional business development and enable Morgan Stanley to obtain additional business and generate additional revenue. In addition, Morgan Stanley may derive

ancillary benefits from certain decisions made by the Investment Adviser. While the Investment Adviser will make decisions for the Partnership in accordance with its obligations to manage the Partnership appropriately, the fees, allocations, compensation and other benefits to Morgan Stanley (including benefits relating to business relationships of Morgan Stanley) arising from those decisions may be greater as a result of certain portfolio, investment, service provider or other decisions made for the Partnership than they would have been had other decisions been made, which also might have been appropriate for the Partnership. Other than as specifically set forth in this Agreement, Morgan Stanley will not share any of the interest, fees and other compensation discussed herein received by it (including amounts received by the Investment Adviser) with the Partnership or the investors, and the Management Fee payable by or on behalf of the Partnership and the investors will not be reduced thereby.

Fees for Services

Morgan Stanley and its current or former affiliates may perform certain limited services for, and will expect to receive customary compensation from, the Partnership, the entities in which the Partnership invests or other parties in connection with transactions related to the Partnership's Investments. Such compensation could include fees relating to financing, hedging, real estate and loan servicing management with respect to Investments in which no joint venture operating partner participates with the Partnership, if the Investment Adviser determines in good faith that such arrangement is in the best interests of the Partnership. These fees will not be shared with the Partnership or the investors of the Partnership and may not be the result of arm's-length negotiations, although this Agreement provides that such fees must be on market terms, and the terms will be disclosed to the Board. Furthermore, the Investment Adviser or Morgan Stanley will not guarantee the performance by its affiliates of any services provided to the Partnership.

In addition, from time to time, the Investment Adviser may request various Morgan Stanley business units, or entities in which Morgan Stanley business units have an economic interest, to provide services to the Partnership for customary compensation.

Morgan Stanley and its personnel can be expected to receive certain intangible and/or other benefits, discounts and/or perquisites arising or resulting from their activities on behalf of the Partnership which will not be shared with the Partnership, the investors and/or portfolio entities. For example, airline travel or hotel stays incurred as Partnership Expenses may result in "miles" or "points" or credit in loyalty or status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the benefit of Morgan Stanley and/or such personnel or related parties receiving them (and not the Partnership, the investors and/or portfolio entities) even though the cost of the

underlying service is borne by the Partnership and/or portfolio entities. The Limited Partners consent to the existence of these arrangements and benefits.

Morgan Stanley's Investment Management Activities

Morgan Stanley conducts a variety of investment management activities, including sponsoring investment funds that are registered under the Investment Company Act and subject to its rules and regulations. Such activities also include managing assets of pension funds that are subject to federal pension law and its regulations, management of real estate separate accounts for institutional clients and management of portfolios of publicly traded securities. Such activities may present conflicts of interest if the Partnership pursues an Investment in or transaction involving a company or property in which Morgan Stanley's investment management clients and investment companies have previously invested or a company or property in which an entity in which Morgan Stanley's investment management clients or investment companies have previously invested has an interest. In certain situations, the Partnership may be restricted or precluded from pursuing an Investment with respect to any such company or property due to certain regulatory considerations, such as Section 17 of the Investment Company Act.

Conflicts with Portfolio Entities

Officers and employees of the Investment Adviser or Morgan Stanley may serve as directors of certain portfolio entities and, in that capacity, will be required to make decisions that they consider to be in the best interest of the portfolio entity. In certain circumstances, for example in situations involving bankruptcy or near insolvency of the portfolio entity, actions that may be in the best interests of the portfolio entity may not be in the best interests of the Partnership, and vice versa. In addition, the possibility exists that the entities with which one or more members of the investment team or other employees of Morgan Stanley are involved could engage in transactions that would be suitable for the Partnership, but in which the Partnership might be unable to invest. Accordingly, in these situations, there may be conflicts of interests between such person's duties as an officer or employee of the Investment Adviser or Morgan Stanley and such person's duties as a director of the portfolio entity.

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in a portfolio entity that is a competitor of a portfolio entity of the Partnership or that is a service provider, supplier, customer or other counterparty with respect to a portfolio entity of the Partnership. In providing advice and recommendations to, or with respect to, such portfolio entities, and in dealing in their securities on behalf of itself or such Affiliated Investment Accounts, to the extent permitted by law, Morgan Stanley will not take into consideration the best interests of the Partnership and its portfolio entities. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Partnership or its portfolio entities. Conflicts of interest may also arise with respect

to the allocation of Morgan Stanley's time and resources between such portfolio entities. In addition, in providing services to such portfolio entities, Morgan Stanley may come into possession of information that it is prohibited from acting on (including on behalf of the Partnership) or disclosing, even though such action or disclosure would be in the best interests of the Partnership. To the extent not restricted by confidentiality requirements or applicable law or otherwise, Morgan Stanley may apply experience and information gained in providing services to portfolio entities of the Partnership to provide services to competing portfolio entities invested in by Morgan Stanley or Affiliated Investment Accounts, which may have adverse consequences for the Partnership. See also "—Nonpublic Information" above.

It is possible that Morgan Stanley or an Affiliated Investment Account will invest in a venture that is or becomes a competitor of an Investment of the Partnership. Such investment could create a conflict between the Partnership, on the one hand, and Morgan Stanley or the Affiliated Investment Account, on the other hand. In such a situation, Morgan Stanley may also have a conflict in the allocation of its own resources to the portfolio entity.

It should be noted that Morgan Stanley has, directly or indirectly, made large Investments in certain of its Affiliated Investment Accounts, and accordingly Morgan Stanley's investment in the Partnership (if any) may not be a determining factor in the outcome of any of the foregoing conflicts. Nothing herein or in this Agreement precludes, restricts or in any way limits the activities of Morgan Stanley in other investment management activities not related to the Partnership, including its ability to buy or sell interests in, or provide financing to, equity and/or debt instruments, funds or portfolio entities, for its own accounts or for the accounts of Affiliated Investment Accounts or other investment funds or clients.

Certain U.S. Bank Regulatory Considerations

As discussed above, Morgan Stanley is a bank holding company and has elected financial holding company status under the BHCA. Morgan Stanley is subject to various restrictions under U.S. banking laws and regulations and is also subject to supervision and regulation by the Federal Reserve.

The above-referenced banking laws, rules and regulations and the interpretation thereof by the staff of the Federal Reserve may also restrict the transactions and relationships between Morgan Stanley, on the one hand, and the Partnership, on the other hand, and may restrict the Investments and transactions by the Partnership.

By acquiring an interest in the Partnership, each investor will be deemed to have acknowledged that Morgan Stanley may need to take actions (or decline to take actions) to comply with banking laws and regulations that apply to it even though such actions may adversely affect the Partnership, and to have consented

thereto, and to have waived any claim in respect of the existence or resolution of any such conflict of interest.

The Dodd-Frank Act includes certain provisions, known as the "**Volcker Rule**," that restrict the ability of a banking entity, such as Morgan Stanley or any of its affiliates, from acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring, certain private funds ("covered funds") and prohibits certain transactions between a banking entity and any of its affiliates, on the one hand, and a covered fund to which the banking entity or any of its affiliates serves, directly or indirectly, as the investment manager or investment adviser, or that the banking entity or any of its affiliates sponsors or invests in connection with organizing and offering the covered fund pursuant to the Volcker Rule's asset management exemption (or with any other covered fund that is controlled by such fund), on the other hand.

Morgan Stanley's status as a bank holding company may result in incremental structuring costs, compliance costs and other related fees and expenses which would not otherwise be borne by the Partnership (and indirectly by the Limited Partners) were the Partnership not to be advised by a bank holding company.

The Investment Adviser has concluded that, under the Volcker Rule and its implementing regulations, the Partnership is not a covered fund and, therefore, the activities of Morgan Stanley and its affiliates with respect to the Partnership are not subject to the restrictions of the Volcker Rule and its implementing regulations.

If the Partnership were to become a covered fund (i.e., if it were at some point in the future required to rely on Sections 3(c)(1) or 3(c)(7) of the Investment Company Act to avoid registration as an investment company) and if Morgan Stanley or any of its affiliates were deemed to sponsor the Partnership in connection with organizing and offering it pursuant to the Volcker Rule's asset management exemption, certain impacts would be likely. For example, while Morgan Stanley does not currently have any investment in the Partnership, any future investment by Morgan Stanley in the Partnership would be limited to no more than 3% of the value of the ownership interests of the Partnership, and Morgan Stanley's aggregate permitted investments in all covered funds would be limited to the maximum amount permitted by the Volcker Rule implementing regulations, which amount cannot be more than 3% of the tier 1 capital of Morgan Stanley. In addition, while no current directors or employees of Morgan Stanley have an investment in the Partnership, to the extent that any directors or employees of Morgan Stanley or its affiliates not directly engaged in providing investment advisory or other services to the Partnership at the time they acquired any ownership interests in the Partnership retain any such ownership interests, those ownership interests would have to be redeemed or transferred. Directors or employees of Morgan Stanley and its affiliates would not be permitted to acquire any ownership interests in the Partnership unless such persons are directly engaged in providing investment

advisory or other services to the Partnership at the time of acquisition. In addition, the Volcker Rule's prohibition on "covered transactions," as defined in section 23A of the Federal Reserve Act, between Morgan Stanley and any of its affiliates and the Partnership, or any covered fund that is controlled by the Partnership, would restrict certain Partnership activities. Further, the trading and other investment opportunities of the Partnership may be limited to the extent that they would involve or result in a material conflict of interest, result in a material exposure to high-risk assets or high-risk trading strategies, or pose a threat to the safety and soundness of Morgan Stanley or to the financial stability of the United States.

Diverse Membership; Relationships with Investors

The investors in the Partnership are expected to include taxable and tax-exempt entities and may include persons or entities organized in various jurisdictions, including the United States and Asian, Middle Eastern and European countries, which may have conflicting investment, tax and other interests in respect of their investments in the Partnership. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of Investments made by the Partnership, the structuring of the acquisition of the Partnership's Investments, the purchase by the Partnership of Investments where certain investors did not participate in such Investment and the timing of disposition of Investments. Such structuring of the Partnership's Investments and other factors may result in different returns being realized by different investors. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Adviser, including in respect of the nature or structuring of Investments, that may be more beneficial for one investor than for another investor, especially in respect of investors' individual tax situations. In addition, the Partnership may make Investments which may have a negative impact on, or compete with or are adverse to, Investments made by Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for the Partnership, the Investment Adviser will consider the investment objectives and tax consequences of the Partnership as a whole, not the tax consequences or investment or other objectives of any investor individually. In this regard, the Investment Adviser anticipates that the Partnership will continue to be a domestically-controlled entity with a significant percentage of its LP Units held by tax-exempt investors.

Certain investors may be significant or long-standing clients of Morgan Stanley's investment management or securities businesses. Morgan Stanley may consider these relationships in its dealings with the Partnership.

Brokerage Activities

To the extent permitted by the applicable regulatory authorities, Morgan Stanley will be authorized to engage in transactions in which it acts as a broker for the Partnership and for another person on the other side of the transaction. The Investment Adviser may, in its discretion, subject to its determination in its

discretion that such transactions are on arm's-length terms, and subject to applicable law, choose to execute trades or enter into derivative or hedging transactions for the Partnership and portfolio entities with Morgan Stanley, with Morgan Stanley acting as agent and charging a commission or acting as principal and retaining all profits it may realize as a result of such transactions. If Morgan Stanley acts as agent for the Partnership or a portfolio entity in such a situation, Morgan Stanley may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such transactions. Morgan Stanley may also act as agent for the Partnership and other clients in selling publicly traded securities simultaneously. In such a situation, transactions will be bundled and clients, including the Partnership, will receive proceeds from sales based on average prices received, which may be lower than the price that could have been received had the Partnership sold its securities separately from Morgan Stanley's other clients.

Morgan Stanley may sponsor, distribute or refer clients to investment vehicles that compete for opportunities with the Partnership or otherwise have conflicting interests with respect to the Partnership.

Co-Investment

Investing in the Partnership does not entitle any Limited Partner to allocations of co-investment opportunities. However, from time-to-time, the Investment Adviser may give certain persons an opportunity to co-invest in particular Investments, albeit in such circumstances, such opportunities may be offered to some, but not other, Limited Partners or to third parties (including affiliates of Morgan Stanley) who are not investors in the Partnership. The Investment Adviser may allocate co-investment opportunities (if any) among interested parties in its sole discretion, including, for instance, based on the consideration of the strategic value of the co-investor or on the basis of the size of interests to the Partnership and other Affiliated Investment Accounts as well as a broad range of other considerations, including, without limitation, commercial considerations for the applicable Investment, a Limited Partner's stated desire to participate in co-investments, the Investment Adviser's determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties and other aspects of such co-investor's relationship with Morgan Stanley including strategic partnerships. The allocation of co-investment opportunities may involve a direct or indirect benefit to Morgan Stanley including, without limitation, performance-based allocations or fees from the co-investment opportunity, which will be calculated independently from the fees in respect of the Partnership and interests to other Morgan Stanley funds. Other than as explicitly set forth herein, there can be no assurance with respect to the portion of any investment opportunity that will be allocated to the Partnership. Moreover, the Partnership may, under certain circumstances, bear broken deal expenses associated with unconsummated transactions which may be in excess of the amount of the Partnership's share of

such investment had such investment been consummated (e.g., to cover the portion thereof attributable to any co-investors that do not bear such broken deal expenses), and in such circumstances the amount of expenses borne by the Partnership would be expected to increase. Nothing herein constitutes a guarantee, prediction or projection of the availability to a Limited Partner of any co-investment opportunities.

Investing in the Partnership does not entitle any Limited Partner to allocations of co-investment opportunities and such opportunities may, and typically will, be offered to some but not other Limited Partners or to third parties (including affiliates of Morgan Stanley) who are not investors in the Partnership. In addition, if the Investment Adviser gives a particular investor an opportunity to co-invest in one or more Investments, such investor may be offered fewer co-investment opportunities than investors with the same or smaller interests in the Partnership and other Affiliated Investment Accounts, and some investors may receive no such offers while other investors with interests of the same or lower amount may receive substantial offers for such opportunities. Past performance is not necessarily indicative of future results and the actual number of co-investment opportunities made available to Limited Partners may be significantly higher or lower than those made available in connection with other Affiliated Investment Accounts.

The terms of a co-investment applicable to one co-investor may be different than the terms applicable to another co-investor, including that certain co-investors may be required to pay performance-based allocations or fees and/or management fees while other co-investors (including affiliates of Morgan Stanley) may not be required to pay such amounts. The Investment Adviser may or may not charge management fees, one time funding fees, performance-based allocations, administration fees and/or incentive fees in respect of co-Investments, subject to the terms of any applicable agreements with investors.

The appropriate allocation of fees and expenses generated in connection with potential investments that are not consummated with an investment of the Partnership's assets, including without limitation out-of-pocket fees associated with attorney fees and the fees of other professionals ("**Broken Deal Expenses**"), will be determined by the Investment Adviser in its good faith discretion. Co-investors that participate in a co-investment opportunity may be required to undertake an obligation to bear a share of Broken Deal Expenses in the event such transaction is not consummated. However, until such time as a co-investor or a strategic investor makes such commitment related to one or more specific investments (including persons who co-invest, or are approached to co-invest, with some regularity), such investors may not be required to share in Broken Deal Expenses that are paid by the Partnership, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Partnership. Thus, absent specific agreement, the Partnership will generally bear all of the Broken Deal Expenses.

In addition, even if the Partnership and any co-investor invest in the same investment, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Partnership and such other co-investors may not be the same. In particular, the Investment Adviser may be presented with such conflicts in light of its role as investment adviser to both the Partnership and any co-investment vehicle through which co-investors participate in an investment. Furthermore, it is possible the Partnership's interest may be subordinated or otherwise adversely affected by virtue of such co-investors' involvement and actions relating to its investment.

Multi-Fund Investors/Strategic Partnerships

Morgan Stanley has entered into and may in the future enter into one or more strategic partnerships directly or indirectly with investors (and/or one or more of their affiliates) that commit significant capital to a range of products and investment ideas sponsored by Morgan Stanley. Such arrangements may include the receipt by Morgan Stanley of additional fees or other compensation and Morgan Stanley granting certain preferential terms to such investors, including without limitation specialized reporting, discounts on and/or reimbursement of management fees and/or performance-based allocations or fees applied to some or all of the relevant investment program and/or investment vehicles (including, as applicable, the Partnership), secondment of personnel from the investor to Morgan Stanley (or vice versa), the referral of potential investment opportunities to such investor based on targeted geographic, sector and other profiles outside the Partnership (and which referral arrangements may also require payment to Morgan Stanley of management fees, referral fees or other compensation) as well as targeted amounts for co-investments alongside other Morgan Stanley funds (including, without limitation, preferential or favorable allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Morgan Stanley vehicles (including any incentive allocation, carried interest and/or management fees to be charged with respect thereto)). Such preferential terms are generally not subject to the "most favored nation" provisions of the governing documents of a particular Limited Partner. The co-investment that is part of a strategic partnership may include co-investment in Investments made by the Partnership. Strategic partnerships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to Limited Partners. In connection with the foregoing, when making investment allocation decisions with respect to the MSREI Investment Accounts (including the Partnership), Morgan Stanley may be incentivized to allocate all or a portion of such potential investments or types of potential investments to one or more strategic partnership investors. See also "Investments by Morgan Stanley and its Affiliated Investment Accounts" above.

Morgan Stanley as Lender

Morgan Stanley is engaged in the business of making, underwriting and syndicating senior and other loans to corporate and other borrowers, which, to the extent permitted by applicable law, may include the owners of properties in which the Partnership has invested or will consider investing. To the extent permitted by applicable law, the Partnership may invest in transactions in which Morgan Stanley acts as arranger and receives fees from these sponsors. Any fees earned by Morgan Stanley as an administrative agent or initial arranger of loans will not be shared with the Partnership. If the Partnership were to purchase securities from Morgan Stanley, or Morgan Stanley were to receive a fee from an issuer for placing securities with the Partnership, certain conflicts of interest, in addition to the receipt of fees, would be inherent in the transaction. For example, Morgan Stanley as administrative agent or arranger may be exposed to liabilities to purchasers of loans and others in connection with the services it renders in such capacities, and its defense of such liabilities would result in it taking actions in its own interests that may be contrary to the interests of purchasers of loans, which may include the Partnership. Moreover, the interests of one of Morgan Stanley's clients with respect to a borrower of a loan on a property in which the Partnership has an Investment may be adverse to the best interests of the Partnership. In conducting the foregoing activities, Morgan Stanley will be acting for its other clients and will have no obligation to act in the best interests of the Partnership.

Morgan Stanley engages in a variety of activities involving the origination, funding and purchase of loans relating to real estate through its Commercial Real Estate Lending Group ("**CRELG**"). Situations may arise where the Partnership is one of several bidders for an investment property and CRELG or another Morgan Stanley affiliate is financing a bid of another bidder for the same property. CRELG or another Morgan Stanley affiliate may hold a loan on a property and such loan may be repaid in connection with an equity investment by a client advised by Morgan Stanley or an affiliate (including those of the Partnership). To the extent permitted by applicable law, CRELG or other Morgan Stanley affiliates may originate loans to facilitate the Partnership's purchase of properties, or purchase existing loans on properties held by the Partnership until they can be securitized or resold. In these and other situations, the interests of CRELG or the other relevant Morgan Stanley affiliate may conflict with those of the Partnership. For example, the situation may arise where CRELG is required to take action or make decisions with respect to loans relating to one or more of the Partnership's properties (such as renegotiating the terms of a loan, deciding whether to grant a consent or waiver with respect to such loan or taking action due to a default under such loan) that were originated by or pledged to CRELG in the course of its business activities. These activities (such as loan origination or purchase) will be undertaken by Morgan Stanley in its own capacity and solely with regard to its own interests, will not require the consent of the Partnership, the Independent Directors or the investors (except where required by law), and may conflict with the interests of the Partnership. In any event, in connection with the foregoing activities, appropriate

safeguards will be maintained to preserve the confidentiality of the respective clients' information.

To the extent permitted by applicable law, leverage may be provided to certain entities in which the Partnership invests by Morgan Stanley. Although the Investment Adviser will approve such transactions only on terms as the Investment Adviser determines in good faith to be fair and reasonable to the Partnership, it is possible that Morgan Stanley's interests as a lender or other counterparty in any of those circumstances could be in conflict with those of the Partnership and the interests of the investors. The Investment Adviser, which is responsible for pursuing the Partnership's investment objectives, is an affiliate of Morgan Stanley and may encounter conflicts where, for example, a decision regarding the acquisition, holding or disposition of an Investment is considered attractive or advantageous for the Partnership yet poses a risk of loss of principal to Morgan Stanley as lender.

The Partnership as a Potential Creditor

To the extent permitted by applicable law and under the Investment Guidelines, the Partnership may invest directly or indirectly in debt securities or obligations of other Morgan Stanley affiliates or clients, in which case potential conflicts of interest would arise insofar as the Partnership would have an interest in structuring the financial and other terms (such as interest and repayment terms, covenants and events of default) to be more restrictive than the Morgan Stanley affiliate or client, as equity owner, may desire. In addition, further conflicts could arise after the closing of the Investment. For example, conflicts would arise if a company is unable to meet its payment obligations or comply with covenants relating to securities held by the Partnership. If additional funds are necessary as a result of financial or other difficulties, it may not be in the best interests of the Partnership to provide such additional funds. If the obligor would lose its investment as a result of such difficulties, the Investment Adviser may have a conflict of interest relative to the other Morgan Stanley affiliate or Morgan Stanley client in recommending actions that are in the best interest of the Partnership.

Restructuring Activities

Morgan Stanley may be engaged to act as financial advisor to financially troubled properties in which the Partnership holds an Investment, including in connection with the restructuring of their capital structures or in connection with their bankruptcy. Morgan Stanley's compensation for such activities is generally based upon the successful completion of a restructuring, which may include raising funds for the purchase of existing securities or for an equity infusion. In such case, certain conflicts of interest would be inherent in the situation, including those involved in valuing the company.

Other Affiliate Transactions

Subject to applicable law, the Partnership may engage in the following transactions or may enter into similar affiliated transactions not referred to in "Fees for Services," "Morgan Stanley as Lender" and otherwise above, which may raise potential conflict of interest issues. In situations such as those described above and in this section in which significant conflicts develop, the Investment Adviser may call upon the Independent Directors to exercise the rights of the Partnership in appropriate circumstances. To the extent they are unable to do so, other appropriate measures to manage the conflict will be undertaken.

The Partnership's portfolio entities may borrow money from multiple lenders, including Morgan Stanley, from time to time as provided for by this Agreement. In addition, portfolio entities may participate as a counterparty with, or as a counterparty to, Morgan Stanley in connection with currency and interest rate hedging, derivatives (including swaps and forwards of all types), obtaining leverage and other transactions. By executing this Agreement, each investor will consent to all such counterparty transactions with Morgan Stanley to the fullest extent permitted by law. Although the Investment Adviser will approve such transactions only on terms that are determined by the Investment Adviser in good faith to be appropriate for the Partnership, it is possible that Morgan Stanley's interests as a lender or counterparty could be in conflict with those of the Partnership. The Investment Adviser, which is responsible for pursuing the Partnership's investment objectives, is under common control with Morgan Stanley and may encounter conflicts where, for example, a decision regarding the acquisition, holding or disposition of an Investment is considered attractive or advantageous for the Partnership yet poses a risk of economic loss of principal to Morgan Stanley as lender or counterparty. If such conflicts arise, potential investors should be aware that Morgan Stanley, as lender or counterparty, may act to protect its own interests ahead of the Partnership's investment interests.

In connection with selling Investments by way of a public offering, Morgan Stanley may, on behalf of the Partnership, effect transactions, including transactions in the secondary markets where Morgan Stanley is also acting as a broker or other adviser on the other side of the same transaction. Morgan Stanley may receive commissions from such agency cross-transactions, and has a potential conflict of interest regarding the Partnership and the other parties to those transactions. See also "Brokerage Activities" above. The Investment Adviser will approve any such transactions in which Morgan Stanley acts as an underwriter, as broker for the Partnership, or as broker or adviser on the other side of a transaction with the Partnership or bunches or aggregates transactions with others only where it believes in good faith that such transactions are appropriate for the Partnership and, by executing this Agreement, an investor will consent to all such transactions, along with the other transactions involving conflicts of interest described herein, to the fullest extent permitted by law.

Mitsubishi UFJ Financial Group ("**MUFG**") owns an approximately 24% interest in Morgan Stanley on a fully-diluted basis. Morgan Stanley and MUFG

have agreed to pursue a global strategic alliance and have identified numerous areas of collaboration, including asset management, capital markets and corporate and retail banking.

To the extent permitted by applicable law, including the applicable restrictions of the Volcker Rule, the Partnership may purchase or sell assets or Investments from or to the Investment Adviser and its affiliates (including other Morgan Stanley-sponsored funds and Affiliated Investment Accounts). These purchases or sales may cause conflicts of interest, including with respect to the consideration offered and the obligations of such affiliates. The purchases or sales referred to in this paragraph will be subject to the approval of a majority of the Independent Directors on behalf of the Partnership.

The Partnership may sell LP Units to Morgan Stanley or one of its affiliates. Any such sale will not require the approval of the Independent Directors so long as sold at the NAV per LP Unit.

From time to time, as permitted by applicable law, Morgan Stanley or an Affiliated Investment Account may invite the Partnership to co-invest with it or the Investment Adviser may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Partnership, in either the same or different tiers of a portfolio entity's capital structure or in an affiliate of such portfolio entity. Any co-investment by the Partnership with Morgan Stanley or an Affiliated Investment Account that is on a substantially *pari passu* basis will not require the approval of the Independent Directors, although they may be called upon to exercise the Partnership's rights should conflicts develop later for example, in connection with enforcement of rights of one party against the other, the making of partner loans or the exercise of buy-sells. To the extent the Partnership holds Investments in the same portfolio entity or in an affiliate thereof that are different (including with respect to their relative seniority) than those held by Morgan Stanley or an Affiliated Investment Account, the Investment Adviser and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict, and in such situations the Investment Adviser may call upon the Independent Directors to exercise the rights of the Partnership. If the portfolio entity in which the Partnership has an investment in equity or debt, and in which Morgan Stanley or an Affiliated Investment Account has an investment in equity or debt elsewhere in the portfolio entity's capital structure, becomes distressed or defaults on its obligations, Morgan Stanley may have conflicting loyalties between its duties to its shareholders, the Affiliated Investment Account, the Partnership, certain of its other affiliates and the portfolio entity. In that regard, actions may be taken for Morgan Stanley or such Affiliated Investment Account that are adverse to the Partnership, or actions may or may not be taken by the Partnership due to Morgan Stanley's or such Affiliated Investment Account's investment, which action or failure to act may be adverse to the Partnership. In addition, it is possible that in a bankruptcy proceeding the Partnership's interest may be subordinated or

otherwise adversely affected by virtue of Morgan Stanley's or such Affiliated Investment Account's involvement and actions relating to its investment.

Expenses may be incurred that are attributable to the Partnership and one or more other Affiliated Investment Accounts (including in connection with portfolio entities in which the Partnership and such other Affiliated Investment Accounts have overlapping investments and in connection with the general operation and administration of such entities). The allocation of such expenses among such entities raises potential conflicts of interest. The Investment Adviser and its affiliates intend to allocate such common expenses among the Partnership and any such other Affiliated Investment Accounts in an equitable manner as determined by the Investment Adviser (or such affiliates) in good faith.

The Investment Adviser or an affiliate may have a large capital investment in certain other Affiliated Investment Accounts and therefore may have conflicting interests in connection with any joint investments with the Partnership. Because of the differentials in cost of capital and other circumstances, there can be no assurance that the return on the Partnership's investment will be equivalent to or better than the returns obtained by the other Morgan Stanley affiliates participating in such transactions.

To the extent permitted by applicable law, the Partnership may also make short-term Investments of excess cash in Morgan Stanley-managed money market funds or other cash management vehicles from which Morgan Stanley will receive customary fees.

It is possible that the Investment Adviser may decide to permit Morgan Stanley, one or more of its clients, or government regulatory agencies or other parties with influence over Morgan Stanley, an affiliate of Morgan Stanley or the Investment Adviser to be tenants in one or more of the properties owned by the Partnership or otherwise engage in transactions with Morgan Stanley on behalf of the Partnership. Conflicts of interest could arise in connection with the negotiation and management of these transactions and relationships. To the extent any such transaction involves more than 50,000 square feet of space and a lease term in excess of one year, the transaction will be presented to the Independent Directors for approval.

In addition to the other affiliate transactions disclosed above and acknowledged by the Limited Partner, the Independent Directors are authorized by this Agreement to approve, waive or otherwise resolve such conflict of interest situations that are brought before the them, and if the Investment Adviser acts in a manner, or pursuant to standards or procedures, approved by the Independent Directors with respect to such conflict of interest situation, then none of the Investment Adviser or any of its affiliates shall have any liability to the Partnership or any Limited Partner for actions in respect of such matter taken in good faith by them, including actions in the pursuit of their own interests.

Conflicts Related to the Structure and Management of the Partnership

Management of the Partnership

It is expected that the Morgan Stanley officers and employees involved with the management of the Partnership will continue to oversee other funds and separate accounts managed by MSREI. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The members of the Partnership's investment team will generally devote such time as Morgan Stanley, in its sole discretion, deems necessary to carry out the operations of the Partnership effectively. The members of the Partnership's investment team may also work on projects for Morgan Stanley (including the Affiliated Investment Accounts), and conflicts of interest may arise in allocating management time, services or functions among such affiliates. The agreements and arrangements among Morgan Stanley, the Partnership and the members of the Partnership's investment team have been and will be established by Morgan Stanley and may not be the result of arm's-length negotiations. Certain members of the Partnership's investment team, including senior members thereof, are not expected to be involved in each aspect of the Partnership, including in evaluating and reviewing certain types of investments made by the Partnership. Morgan Stanley (including the Investment Adviser, members of the Partnership's investment team and members of the investment committee) is not precluded from conducting activities unrelated to the Partnership.

Senior Advisors

Morgan Stanley may engage and retain consultants or advisory board members (collectively, "**Consultants**") who are not employees or affiliates of Morgan Stanley. The nature of the relationship with each of the Consultants and the amount of time devoted or required to be devoted by them may vary considerably. In certain cases, they may provide the Investment Adviser with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they may take on more extensive roles and contribute to the origination of new investment opportunities. They will be compensated (including pursuant to retainers and expense reimbursement) from Morgan Stanley. There can be no assurance that any of the Consultants will continue to serve in such roles and/or continue their arrangements with Morgan Stanley in respect of the Partnership throughout the term of the Partnership.

Consultants generally are not considered Morgan Stanley personnel and may be retained by Morgan Stanley pursuant to consulting agreements. Morgan Stanley typically bears retainer fees under these consulting agreements. In some instances, portfolio entities also retain and bear the fees of these Consultants for their services, or operating executives may serve on the portfolio entity's board of

directors. Any such directors' fees or other remuneration received by Consultants may be retained by such persons.

Partnership Creditworthiness

The Partnership will be required to establish business relationships with its counterparties based on the Partnership's own credit standing. Morgan Stanley will not have any obligation to allow its credit to be used in connection with the Partnership's establishment of its business relationships, nor is it expected that the Partnership's counterparties will rely on the credit of Morgan Stanley in evaluating the Partnership's creditworthiness.

Placement Agent Fees

From time to time broker-dealers that are affiliates of Morgan Stanley may act as placement agents (the "**Placement Agents**") to assist in the placement of LP Units to certain investors in the Partnership. The prospect of receiving, or the receipt of, additional compensation by the Placement Agents may provide such Placement Agents and their salespersons with an incentive to favor sales of LP Units and interests in funds whose affiliates make similar compensation available over sales of interests in funds (or other fund investments) with respect to which the Placement Agent does not receive additional compensation, or receives lower levels of additional compensation. Prospective investors should take such payment arrangements into account when considering and evaluating any recommendations related to the LP Units. Morgan Stanley employees involved in the marketing and placement of the LP Units are not acting as tax, financial, legal or accounting advisers to potential investors in connection with the offering of the LP Units. Potential investors must independently evaluate the offering and make their own investment decisions.

Timing of Drawdowns and Distributions

The Investment Adviser may determine in its sole discretion to retain and use distributable cash or temporary investment income, as the case may be, that otherwise would be distributable to an investor to cover all or part of any drawdowns of interests for Investments or to pay any existing or future expenses of the Partnership. Such cash may be held in an account of the Partnership for the benefit of the Limited Partners or may be invested in money market accounts or other similar temporary Investments. While the expected duration of such holding period is expected to be relatively short, in the event the Partnership is unable to find suitable Investments, such cash positions may be maintained at the fund-level for longer periods which would be dilutive to overall investment returns. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary Investments pending deployment into Investments will generate significant interest, and investors should understand that such low interest

payments (if any) on the temporarily invested cash may adversely affect overall Partnership returns.

Conflicts Related to Certain Relationships

Joint Venture Partners

Some of the third parties and joint venture partners with which the Investment Adviser may elect to co-invest the Partnership's capital have pre-existing investments with Morgan Stanley. The terms of these pre-existing investments may differ from the terms upon which the Partnership invests with such third parties and joint venture partners. To the extent a dispute arises between Morgan Stanley and such third parties and partners, the Investments relating thereto may be affected.

Furthermore, Investments made with third parties in joint ventures or other entities may involve performance-based allocations or fees and/or other fees payable to such third-party partners of co-investors, which could also create an incentive for such parties to take risks with respect to such Investments. In addition, no carried interest or fees paid to joint venture partners would reduce or offset Management Fees or incentive fees payable to the Investment Adviser. Additional conflicts could arise if a joint venture partner is related to Morgan Stanley in any way, such as an investor in, lender to, a shareholder of, or a service provider to Morgan Stanley, the Partnership, Affiliated Investment Accounts, or their respective portfolio entities, or any affiliate, personnel, officer or agent of any of the foregoing.

In addition, from time to time and subject to compliance with applicable internal policies and procedures, the Partnership or Morgan Stanley may enter into exclusivity, non-competition or other arrangements with one or more third parties, operating partners or joint venture partners (each, an "**Exclusive Partner**") with respect to potential investments in a particular geographic region or with respect to a specific asset type pursuant to which the Partnership or Morgan Stanley may agree, among other things, not to make Investments in such region or with respect to such industry or asset type outside of its arrangement with such Exclusive Partner. Accordingly, there may be circumstances in which the Partnership could be precluded from pursuing an investment opportunity or obligated to bear an incremental layer of fees and expenses with respect to such investment opportunity.

Disparate Fee Arrangements with Service Providers

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), to the Partnership and its portfolio entities also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, the Investment

Adviser or their affiliates. Such advisors and other service providers may be investors in the Partnership, former employees of Morgan Stanley, affiliates of the Investment Adviser sources of investment opportunities or co-investors or counterparties therewith. Morgan Stanley may receive discounts from such advisors and other service providers due to certain economies of scale. These other services and relationships may influence the Investment Adviser in deciding whether to select or recommend such a service provider to perform services' for the Partnership or a portfolio entity (the cost of which will generally be borne directly or indirectly by the Partnership or such portfolio entity, as applicable, and indirectly, by the Limited Partners). Notwithstanding the foregoing investment transactions for the Partnership that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the Investment Adviser believes to be of benefit to the Partnership. In certain circumstances, advisors and other service providers, or their affiliates, charge different rates or have different arrangements for services provided to Morgan Stanley, the Investment Adviser or their affiliates as compared to services provided to the Partnership and its portfolio entities, which may result in more favorable rates or arrangements than those payable by the Partnership or such portfolio entities. In connection with the engagement of any such service provider (including accountants), it is likely that the Partnership, the Investment Adviser and their respective affiliates will need to acknowledge that to the fullest extent permitted by law, such service provider does not represent or owe any duty to any Limited Partner.

Client Relationships

Morgan Stanley has existing and potential relationships with a significant number of corporations, institutions and individuals. In providing services to its clients and the Partnership, Morgan Stanley may face conflicts of interest with respect to activities recommended to or performed for such clients, on the one hand, and the Partnership, the investors or the entities in which the Partnership invests, on the other hand. In addition, these client relationships may present conflicts of interest in determining whether to offer certain investment opportunities to the Partnership.

In acting as principal or in providing advisory and other services to its other clients, Morgan Stanley may engage in or recommend activities with respect to a particular matter that conflict with or are different from activities engaged in or recommended by the Investment Adviser on behalf of the Partnership.

Outsourcing

The Investment Adviser is solely responsible for the Investment Adviser's internal administration, overhead and compensation for employees of the

Investment Adviser, except that the Investment Adviser may be reimbursed for internal legal, accounting and other professional costs and expenses (including allocable compensation and overhead) associated with the operation of the Partnership and that would otherwise be provided by outside professionals so long as such costs and expenses are on economic terms no less favorable than could be obtained from an unaffiliated third party. In addition, the Investment Adviser may, without the consent of the Board, any Limited Partner or any other person, "outsource" any internally provided services, such as in-house administration, legal, accounting, tax, insurance or other services, by engaging third parties to provide such services in lieu of the Investment Adviser. In the foregoing cases, the costs, fees and expenses associated with the provision of such services may be borne by the Partnership instead of the Investment Adviser, thereby increasing the expenses borne by the Limited Partners. See the definition of "Partnership Expenses" in this Agreement. Outsourcing may not occur uniformly for all Morgan Stanley managed vehicles and accounts and, accordingly, certain costs may be incurred by the Partnership through the use of third party service providers that are not incurred for comparable services used by other Morgan Stanley managed vehicles and accounts. The decision by Morgan Stanley to initially perform particular services in house for the Partnership will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties.

Outside Statements

The Investment Adviser and its affiliates and employees have made, and may in the future, confirm factual matters to incoming Limited Partners, make, oral and written statements or expressions of intent or expectation to investors in the Partnership or their affiliates or acknowledge statements by such persons ("**Outside Statements**") regarding the Partnership or Morgan Stanley's activities pertaining thereto in one or more respects. These may include, for example, the anticipated or expected allocation and terms of co-investment opportunities, the anticipated or expected allocation of investment opportunities to the Partnership generally and other topics often addressed in legally binding side letters. Although such Outside Statements are not legally binding, such Outside Statements may influence allocation and other decisions of the Investment Adviser and its affiliates and employees with respect to the operations and investment activities of the Partnership and may influence a prospective investor's decision as to whether to invest in the Partnership. There can be no assurance that any such arrangements will not have an adverse effect on the Partnership or any Limited Partner.

Legal Counsel

Davis Polk & Wardwell LLP and other counsel (collectively, "**Counsel**") represent the Investment Adviser, Morgan Stanley and certain of their affiliates, including certain of the Affiliated Investment Accounts, from time to time in a variety of different matters. Counsel may also act as counsel to the Partnership, equity sponsors of the Partnership, other creditors of the Partnership or an agent therefor, a seller of loans to the Partnership, a partner seeking to acquire some or all of the assets or equity of the Partnership, or a person engaged in litigation with the Partnership. Counsel does not represent or owe any duty to any or all of the investors. Counsel represents the Investment Adviser, including with respect to the Investment Adviser's role in relation to the Partnership. It is not anticipated that, in connection with the organization or operation of the Partnership, the Investment Adviser will have the Partnership engage counsel separate from Counsel to the Investment Adviser and its affiliates. In no event will Counsel or any other separate counsel engaged by the Partnership be acting as counsel for the investors. Furthermore, in the event a conflict of interest or dispute arises between the Investment Adviser and the Partnership or any investor, Counsel will act as counsel to the Investment Adviser and not counsel to the Partnership or investors, notwithstanding the fact that, in certain cases, Counsel's fees are paid through or by the Partnership. Counsel's representation of the Investment Adviser is limited to specific matters as to which it has been consulted by the Investment Adviser. There may exist other matters that could have a bearing on the Partnership, the Investment Adviser and/or their affiliates as to which Counsel has not been consulted. In addition, Counsel has not undertaken to monitor the compliance of the Investment Adviser and their affiliates with the investment program, valuation procedures and other guidelines and terms set forth in the Offering Memorandum and this Agreement, nor does Counsel monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy or completeness of the information set forth in this Schedule A concerning the Partnership, the Investment Adviser and their affiliates and personnel.

SCHEDULE B
TO
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

Principles for Amendments to this Agreement

1. The Investment Adviser or an Affiliate thereof will assume ownership and control of the General Partner.

2. Except as otherwise set forth in this Agreement (including Section 6.11 hereof with respect to matters over which the Board has authority and Section 7.06 hereof with respect to matters for which Limited Partner action is required), the General Partner will have exclusive power and authority over the conduct of the Partnership's management, business, operations and affairs.

3. The General Partner and/or the Investment Adviser, as applicable, will have all investment management authority and powers, day-to-day administration authority, as well as the rights, power and authority specified in the Partnership Agreement to be within the rights, power or authority of or to be carried out by the "General Partner," subject to the limitations on such rights, power and authority specified in this Agreement, including pursuant to Sections 6.11 and 7.06 hereof.

4. The scope of the Board's authority will be as set forth in Section 6.11hereof, except as set forth below.

5. Board approval will not be required in order for the General Partner to (a) change the name of the Partnership, the registered office and agent of the Partnership under the Delaware Act, the location of the principal office of the Partnership, or the address of the Partnership; (b) adopt or change the distribution policy; (c) dissolve the Partnership; (d) effect a merger, consolidation or sale of all or substantially all of the assets of the Partnership; or (e) make any material amendment to this Agreement for which approval of the Limited Partners will not be sought.

6. The Board will consist of five Directors, no more than two of whom may be Affiliated Directors. The number of Directors may be increased by a majority vote of the Directors; provided that the number of Independent Directors will at all times constitute a majority of the Board.

7. Limited Partners will vote on an annual basis, pursuant to Section 7.06 of this Agreement, on the election of the Independent Directors, who will be nominated by the Investment Adviser or the General Partner. Independent Director vacancies will be filled by nominees selected by the Investment Adviser or the General Partner and voted upon by a majority of Directors. A decision to remove an Independent Director for cause will be determined by a vote of the remaining Directors.

8. The Investment Adviser and the General Partner may be removed by the Board upon a vote of a majority of the Independent Directors, with the concurrence of Limited Partners holding at least three-quarters (75%) of the outstanding LP Units and a majority of the Limited Partners by number. Neither the Investment Adviser nor the General Partner will be removable by the Board without Limited Partner action.

EXHIBIT A
TO
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

Form of Initial Omnibus Letter

Prime Property Fund GP, LLC
[•][1]
[•], 2026

Re: Prime Property Fund, LP

Dear Prime Property Fund Investor:

As General Partner of Prime Property Fund, LP (the "**Fund**"), we are pleased to provide this letter to you, as a Limited Partner of the Fund, in order to confirm certain matters relating to your participation in the Fund. Capitalized terms not defined in this letter have the meanings ascribed to them in the Amended and Restated Agreement of Limited Partnership of the Fund dated as of [•], 2026 (as amended or restated from time to time, the "**Fund Agreement**").

1. Except for the provisions hereof (as supplemented, amended or modified from time to time and whether set forth herein or in any other form) there are no side letters or similar documents that have been or will be entered into with any Limited Partner that affect or modify such Limited Partner's rights or obligations with respect to the Fund Agreement. The foregoing will not restrict the modification of rights or obligations under the Fund Agreement that would be applicable to all investors above a certain investment size and which terms would be disclosed to all investors; *provided* however, that such modifications of rights or obligations are made in a manner consistent with Section 13.01 of the Fund Agreement.

2. Except as previously disclosed to the Limited Partners, to the best of the General Partner's knowledge (i) as of June 30, 2004 there were no actions, proceedings or investigations pending before any court or governmental authority, including without limitation, the U.S. Securities and Exchange Commission or any state securities regulatory authority, against the Investment Adviser that claim or allege violation of any U.S. federal or state securities law, rule or regulation and (ii) prior to June 30, 2004, the Investment Adviser has not been found liable for any such violation in any such action, proceeding or investigation in connection with Prime LLC.

3. [Reserved.]

[1] **Note to Draft**: To be updated with General Partner entity address, once confirmed.

4. Prime LLC (not including any affiliated entities) did not have more than forty full-time employees at any time during the twelve-month period preceding June 30, 2004.

5. As of June 30, 2004 (and taking into account the shares of Prime LLC issued in the initial closing of Prime LLC) (i) no single shareholder of Prime LLC held twenty percent or more of the aggregate number of shares of Prime LLC issued as of June 30, 2004, and (ii) there were at least five shareholders in Prime LLC.

6. [Reserved.]

7. For the avoidance of doubt, the Fund will not be responsible for travel and entertainment expenses incurred solely in connection with attracting new capital to the Fund.

8. With respect to any Limited Partner that is a U.S. state agency listed on Annex A hereto, the person or entity (or persons or entities) listed opposite such Limited Partner's name on Annex A shall constitute acceptable legal counsel for purposes of any opinions of counsel which are required to be delivered by such Limited Partner pursuant to the Fund Agreement.

9. With respect to any Limited Partner listed on Annex B hereto, the person or entity listed opposite such Limited Partner's name on Annex B shall be the duly authorized agent or representative of such Limited Partner for purposes of Section 9.01(a) of the Fund Agreement.

10. With respect to any Limited Partner that is a U.S. state agency listed on Annex C hereto, to the extent such Limited Partner is prohibited by constitution, statute or regulation from agreeing to the indemnification obligations set forth in Section 8.01 of the Fund Agreement, such Limited Partner will have no indemnification obligations under such Section; *provided* that such Limited Partner acknowledges in writing to the General Partner that (i) such Limited Partner will be responsible for any taxes (including withholding taxes) imposed upon the income of or distributions by the Fund to such Limited Partner, as well as any interest, penalties or additions to tax with respect thereto and (ii) nothing in this paragraph shall in any way limit, restrict or otherwise impair the ability of the Fund or any other person from making a claim against such Limited Partner or pursuing any other remedy otherwise available under applicable law.

11. With respect to any Limited Partner that is an international treaty organization listed on Annex D hereto that is not subject to the jurisdiction of any United States court, any dispute, controversy or claim involving such Limited Partner arising out of this letter agreement, the Fund Agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal, or the breach, termination or invalidity thereof, shall be referred by the interested party to binding arbitration in accordance with United Nations Commission on International Trade Law ("**UNCITRAL**") arbitration rules in effect as of

the time such arbitration is initiated (except as otherwise provided for in this paragraph 11). Arbitration shall be initiated by the delivery of notice to each interested party of an intent to arbitrate pursuant to the terms of this paragraph 11. There shall be a single arbitrator, selected in accordance with UNCITRAL rules. The arbitration proceedings shall be held at such location and at such time in the City of New York as the arbitrator shall specify. Costs and expenses incurred in connection with any arbitration pursuant to this paragraph 11 shall be allocated in accordance with any provision in the Fund Agreement relating thereto, or in the event the Fund Agreement does not specify which party shall bear the burden of a particular cost or expense, as the arbitrator shall determine. The arbitrator shall have no authority to award punitive damages. With respect to any such arbitration proceeding, any provision of the Fund Agreement, this letter agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal which refers to any governing law shall extend only to the substantive provisions of such law and only to the extent consistent with the privileges and immunities, facilities and exemptions enjoyed by such international treaty organization.

12. With respect to any Limited Partner that is a U.S. state agency, international treaty organization or foreign state (as such term is defined in the Foreign Sovereign Immunities Act of 1976) listed on Annex E hereto, nothing in the Fund Agreement, this letter agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal shall be construed to deprive such Limited Partner of its sovereign immunity or of any other privileges and immunities, or of any legal requirements, protections, exclusions or limitations of liability applying to the Fund Agreement, this letter agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal or afforded to such Limited Partner by the laws of its U.S. state, its charter, any international treaty or convention to which it is a party or by virtue of its status as a foreign state.

13. The General Partner shall provide each Limited Partner listed on Annex F hereto with an annual certification of the Fund's continued status as a "venture capital operating company" within the meaning of the regulations of the U.S. Department of Labor set forth in 29 C.F.R. §2510.3-101 (as amended by Section 3(42) of ERISA) as soon as is practicable following the close of each annual valuation period.[2]

14. This letter shall be governed by and construed in accordance with the laws of the State of Delaware. In particular, it shall be construed to the maximum extent possible to comply with all of the terms and conditions of the Delaware Act. If it shall be determined by court order not subject to appeal or discretionary review that any provision or wording of this letter shall be invalid or unenforceable under the Delaware Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire letter, this letter shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of applicable law, and, in the event such term or provision

[2] Any Limited Partner subject to the provisions of ERISA that would like to be included on Annex F should contact the General Partner.

cannot be so limited, this letter shall be construed to omit such invalid or unenforceable provisions.

The provisions of this letter are intended to supplement the Fund Agreement and the terms hereof shall control in the event any conflict exists between the Fund Agreement and the contents hereof. The General Partner reserves the right, at any time and from time to time, to supplement, amend or otherwise modify this letter (including any existing or future annexes to this letter) on a basis consistent with paragraph 1 above. To the extent permitted pursuant to the terms of the Fund Agreement, the General Partner retains the right to amend or otherwise modify the Fund Agreement in order to effect, reflect or give effect to the terms of any provision set forth herein. Statements made in this letter are as of the date hereof unless expressly stated otherwise.

Best regards.

Prime Property Fund GP, LLC
as General Partner of Prime Property Fund, LP

By: _____
Name: [•]
Title: [•]

Annex A

[Limited Partner names have been redacted for purposes of confidentiality]

Annex B

[Limited Partner names have been redacted for purposes of confidentiality]

Annex C

[Limited Partner names have been redacted for purposes of confidentiality]

Annex D

[Limited Partner names have been redacted for purposes of confidentiality]

Annex E

[Limited Partner names have been redacted for purposes of confidentiality]

Annex F

[Limited Partner names have been redacted for purposes of confidentiality]

EXHIBIT E

PARTNERSHIP AGREEMENT IN REDLINE FORMAT AGAINST THE DRAFT PARTNERSHIP AGREEMENT ATTACHED TO INVESTOR NOTICE

THE LP UNITS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA OR UNDER THE LAWS OF ANY NON-U.S. JURISDICTION AND MAY NOT BE SOLD, EXCHANGED, TRANSFERRED, ASSIGNED, CONVEYED, PLEDGED, MORTGAGED, ENCUMBERED, HYPOTHECATED, SWAPPED, DISPOSED OF, SEVERED OR OTHERWISE ALIENATED WITHOUT COMPLIANCE WITH APPLICABLE U.S. FEDERAL, U.S. STATE OR NON-U.S. SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. IN ADDITION, ANY SUCH TRANSFER OR OTHER DISPOSITION OF SUCH LP UNITS IS RESTRICTED AS PROVIDED IN THIS AGREEMENT.

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

OF

PRIME PROPERTY FUND, LP

Dated as of [●], [___]

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AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP dated as of [●], 2025 of Prime Property Fund, LP, a Delaware limited partnership (the "**Partnership**").

WHEREAS, the Partnership was formed pursuant to the provisions of the Delaware Act and the existence of the Partnership commenced upon the filing with the Secretary of State of the State of Delaware of a Certificate of Limited Partnership (the "**Certificate**"), on [●], in accordance with the provisions of such law;

WHEREAS, ~~[Name of General Partner], a [Insert Jurisdiction of Formation and Type of Entity], as~~Prime Property Fund GP, LLC, a Delaware limited liability company, as general partner of the Partnership (the "**General Partner**"), and [Insert Name of Initial Limited Partner], as initial limited partner (the "**Initial Limited Partner**"), entered into an initial agreement of limited partnership dated as of [●] (the "**Initial Agreement**") relating to the Partnership;

WHEREAS, the Partnership was established as a wholly-owned subsidiary of Prime Property Fund, LLC, a Delaware limited liability company ("**Prime LLC**"), and Prime Property Fund Midco, ~~LLC~~LP, a Delaware limited ~~liability company~~partnership ("**Prime Midco ~~LLC~~LP**") was established as a wholly-owned subsidiary of the Partnership, and [Prime Property Merger Sub], a Delaware limited liability company ("**Merger Sub**"), was established as a wholly-owned subsidiary of Prime Midco ~~LLC~~LP, in each case for the purpose of completing a restructuring that will result in the Partnership indirectly holding substantially all of the interests in Prime LLC and the members of Prime LLC becoming limited partners of the Partnership (the "**Restructuring Transaction**");

WHEREAS, immediately prior to the entry into this Agreement, Merger Sub merged with and into Prime LLC, with Prime LLC surviving the merger as an indirect subsidiary of the Partnership;

WHEREAS, pursuant to such merger, Prime LLC Shares were converted into the right to receive LP Units and, concurrently herewith, Original Shareholders are being admitted as limited partners of the Partnership, subject to such Original Shareholders' completion of Letters of Transmittal and qualification as eligible to hold LP Units;

WHEREAS, the parties hereto desire to, and hereby do, amend and restate the Initial Agreement in its entirety;

NOW, THEREFORE, the parties hereto hereby agree that the Initial Agreement is amended and restated in its entirety as follows:

ARTICLE 1
DEFINITIONS; INTERPRETATION

Section 1.01. *Definitions.* The following terms, as used herein, have the following meanings:

"Advisers Act" means the U.S. Investment Advisers Act of 1940, as amended from time to time.

"**Advisory Agreement**" means ~~the~~an investment advisory agreement entered into among the Partnership, the General Partner, and/or a Subsidiary, on the one hand, and the Investment Adviser, on the other hand, as such agreement may be amended from time to time.

"Advisory Committee" shall have the meaning set forth in Section 7.10(a).

"Advisory Committee Member" shall have the meaning set forth in Section 7.10(a).

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such other Person; *provided* that neither the Partnership nor any other Person with respect to which the Investment Adviser acts as investment adviser or investment manager shall be considered an Affiliate of the Investment Adviser. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled by" shall have the correlative meanings.

"**Affiliated Directors**" means Directors that are not Independent Directors.

"**Aggregated Partner**" shall mean, with respect to any Limited Partner, any other Limited Partner that the General Partner determines in good faith (i) is an Affiliate of such Limited Partner, (ii) is formed by the same sponsor as such Limited Partner or (iii) is a discretionary client of the same investment adviser or manager as such Limited Partner with respect to their investment in the Partnership. For the avoidance of doubt, Limited Partners shall not be considered

Aggregated Partners of one another solely by virtue of utilizing the same advisory consultant with respect to their investment in the Partnership.

"**Agreement**" means this Amended and Restated Agreement of Limited Partnership of the Partnership, as amended from time to time in accordance with the terms hereof.

"**AIFM Directive**" shall have the meaning set forth in Section 4.05(b).

"**Asset FMV**" means, as of the relevant date of determination, with respect to any asset, the value of such asset as reasonably determined in good faith by the General Partner assuming such asset was sold in an arm's-length transaction between a willing buyer and a willing seller occurring on the date of valuation, taking into account all relevant factors determinative of value (and giving effect to any transfer taxes payable in connection with such sale). For all purposes hereunder, the determination of the Asset FMV by the General Partner shall be deemed conclusive, final and binding on all Partners (and shall not be subject to collateral attack for any reason).

"**Base Management ~~Fee~~Fees**" shall have the meaning set forth in Section ~~4.03~~4.04(~~f~~a).

"**Board**" means the Board of Directors of the General Partner.

"**Book Value**" means, with respect to any of the Partnership's property, unless otherwise determined by the General Partner, the Partnership's adjusted basis for federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulations Sections 1.704-l(b)(2)(iv)(d)-(g) and (m).

"**Business Day**" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized by law to be closed.

"**Capital Contributions**" means, with respect to any Partner, the amount of cash, cash equivalents or the Asset FMV of other assets, securities or property (net of any liabilities) which such Partner contributes or is deemed to have contributed to the Partnership with respect to any LP Unit pursuant to Article 3.

"**Certificate**" shall have the meaning set forth in the recitals to this Agreement.

"**CISA**" shall have the meaning set forth in Section 4.05(b).

"**Closing**" shall have the meaning set forth in Section 2.09.

"**Code**" means the United States Internal Revenue Code of 1986.

"**Comp Store NOI Growth**" shall have the meaning set forth in Section 4.03(f).

"**Delaware Act**" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C §17-101 *et seq*. (as amended from time to time).

"**Director**" shall have the meaning set forth in Section 6.01(a).

"**Distribution**" means each distribution made by the Partnership to a Partner, whether in cash, property or securities of the Partnership and whether by liquidating distribution, redemption, repurchase or otherwise; *provided*, *however*, that none of the following shall be a Distribution: (a) any repurchase by the General Partner of any LP Unit in connection with Section 3.13, (b) any recapitalization or exchange of LP Units, and any subdivision (by interest split or otherwise) or any combination (by reverse LP Unit split or otherwise) of any outstanding LP Unit; *provided* that all Partners holding the same class of LP Unit are treated equally in connection with any of the foregoing transactions, (c) any repurchase or redemption of LP Units pursuant to any right of first refusal or other repurchase right or obligation of the General Partner, (d) any repurchase or redemption of LP Units from any Partner or (e) any fees, expenses or other amounts paid to a Partner (or any Affiliate of any Partner) that are not in respect of such Partner's LP Units.

"**Distribution Reinvestment Plan**" shall have the meaning set forth in Section 3.08.

"**Domestically-Controlled REIT**" means a "domestically-controlled REIT" as defined in Section 897(h)(4)(B) of the Code.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Excess Restructuring Expenses**" means any amounts of Restructuring Expenses in excess of $2,000,000.

"**Fiscal Year**" shall have the meaning set forth in Section 2.06.

"**General Partner**" shall have the meaning set forth in the recitals to this Agreement.

"**GP/IA Indemnified Persons**" shall have the meaning set forth in Section 8.01(a).

"**Government Agency**" shall have the meaning set forth in Section 9.05.

"**Incentive Management Fee**" shall have the meaning set forth in Section 4.03(f).

"**Included Investments**" shall have the meaning set forth in Section 4.03(f).

"**Indemnified Persons**" shall have the meaning set forth in Section 8.01(a).

"**Independent Directors**" means Directors that are not directors, officers or employees of the Investment Adviser or its Affiliates and who do not have a material business relationship with the Investment Adviser or its Affiliates.

"**Initial Agreement**" shall have the meaning set forth in the recitals of this Agreement.

"**Effective Date**" means the date of this Agreement.

"**Employee Fund**" shall have the meaning set forth in Section 4.03(e).

"**Feeder Vehicle**" shall have the meaning set forth in Section 4.03(e).

"**Initial Capital**" shall have the meaning set forth in Section 3.09(a).

"**Initial Limited Partner**" shall have the meaning set forth in the recitals to this Agreement.

"**Investment Adviser**" means Morgan Stanley Real Estate Advisor, Inc., a Delaware corporation, in its capacity as investment adviser of the Partnership, or any successor investment adviser of the Partnership.

"**Investment Adviser Client**" shall have the meaning set forth in Section 6.11(c).

"**Investment Adviser Expenses**" shall have the meaning set forth in Section 4.05(a).

"**Investment Company Act**" means the Investment Company Act of 1940.

"**Investment Guidelines**" means the general parameters for the Partnership's investments, borrowings and operations, initially as set forth in the Offering Memorandum and thereafter as recommended by the Investment Adviser from time to time and adopted by the Board.

"**Investments**" means real estate and real estate-related investments or other investments located in the United States directly or indirectly acquired by

the Partnership (including the assets, properties, instruments or interests underlying such investments).

"**Joint Venture**" means an arrangement (whether involving a REIT, corporation, partnership, limited liability company, trust or other entity or otherwise) through which the Partnership makes an investment in conjunction with a third party in one or more Investments.

"**Law**" means each provision of any applicable federal, state or local law, statute, ordinance, order, code, rule or regulation, promulgated or issued by any Government Agency.

"**Letter of Transmittal**" means the letter of transmittal entered into by and among [Prime LLC, the Partnership, the General Partner, the Investment Adviser and each Limited Partner that is an Original Shareholder].

"**Limited Partner**" means, at any time, any Person who holds LP Units and is at such time admitted to the Partnership as a limited partner in accordance with the terms of this Agreement and is shown as such on the books and records of the Partnership.

"**Losses**" means items of the Partnership's loss and deduction determined according to Section 3.09.

"**LP Unit**" means an interest held by a Partner of the Partnership representing a fractional portion of the interests of all Partners of the Partnership.

"**Management Fee**" shall have the meaning set forth in Section 4.04(a).

"**Member Nonrecourse Debt Minimum Gain**" means partner nonrecourse debt minimum gain as defined in Treasury Regulation 1.704-2(i)(2).

"**Minimum Gain**" means the partnership minimum gain determined pursuant to Treasury Regulations Section 1.704-2(d).

"**90%-Adjusted REIT Taxable Income**" means, with respect to a period, the excess of the amount described in Section 857(a)(1)(A) of the Code for Prime LLC over the amount described in Section 857(a)(1)(B) of the Code for Prime LLC, in each case with references in such Code provisions to "taxable year" being replaced by the applicable period (if the applicable period is not the tax year of Prime LLC).

"**NAV**" means on any given date the net asset value of the Partnership as determined as follows: the aggregate value of (x) the Partnership's Investments (as determined in accordance with Section 5.05) as of such date *plus* (y) all other assets of the Partnership as of such date *minus* (z) the Partnership Indebtedness

and other outstanding balance sheet obligations as of such date, determined in accordance with generally accepted accounting principles in the United States.

"**NAV per LP Unit**" means:

(i) on any given date other than a calendar month-end date, (x) the NAV of the Partnership as of the end of the immediately preceding calendar month *divided by* (y) the number of outstanding LP Units as of the end of the immediately preceding calendar month; or

(ii) on any given date that is a calendar month-end date, (x) the NAV of the Partnership as of such date *divided by* (y) the number of outstanding LP Units as of such date.

"**NOI**" shall have the meaning set forth in [Section 4.04(c)].

"**Non-U.S. Partner**" means a Partner that is a "foreign person" as such term is utilized in Section 897(h)(4)(B) of the Code.

"**OFAC**" shall have the meaning set forth in Section 3.06(d).

"**Offering Memorandum**" means the Confidential Offering Memorandum relating to offering of the limited partnership interests in the Partnership (as amended, supplemented or updated from time to time).

"**Omnibus Letter**" shall have the meaning set forth in Section 4.03(h).

"**Original Shareholder**" means a Limited Partner that was a holder of Prime LLC Shares immediately prior to the date hereof and that received LP Units on the Effective Date in exchange for such Prime LLC Shares pursuant to the Restructuring Transaction.

"**Parallel Vehicle**" shall have the meaning set forth in Section 4.03(f).

"**Partners**" shall mean the General Partner together with the Limited Partners.

"**Partnership**" means Prime Property Fund, LP, a Delaware limited partnership, as such limited partnership may from time to time be constituted.

"**Partnership Expenses**" shall have the meaning set forth in Section 4.05(b).

"**Partnership Indebtedness**" means any indebtedness incurred by the Partnership or any Subsidiary; *provided* that for any Subsidiary that is not directly or indirectly wholly-owned by the Partnership, only the pro rata portion (based on

the Partnership's ownership of such Subsidiary) of the indebtedness incurred by any such Subsidiary shall be included as Partnership Indebtedness.

"**Partnership Representative**" shall have the meaning set forth in Section 12.01(a).

"**Partnership Tax Audit Rules**" means Sections 6221 through 6241 of the Code, as amended by the Bipartisan Budget Act of 2015, together with any binding administrative guidance issued thereunder or successor provisions and any similar provision of state or local tax laws.

"**Patriot Act**" shall have the meaning set forth in Section 3.06(d).

"**Pension-Held REIT**" means a "pension-held REIT" as defined in Section 856(h)(3)(D) of the Code.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**Plan Assets Regulation**" means the plan assets regulation issued by the U.S. Department of Labor at 29 C.F.R. §2510.3-101.

"**Prime LLC**" shall have the meaning set forth in the recitals to this Agreement.

"**Prime LLCA**" shall have the meaning set forth in Section 4.04(c).

"**Prime LLC Shares**" means voting limited liability company interests in Prime LLC.

"**Prime Rate**" means a rate equal to the rate published by the by *The Wall Street Journal* as the U.S. "prime rate" or, if no such rate is published therein, the rate quoted from time to time by a New York money bank selected by the General Partner.

"**Profits**" means items of the Partnership's income and gain determined according to Section 3.07.

"**Purported Record Transferee**" shall have the meaning set forth in Section 11.01.

"**Redemption Date**" shall have the meaning set forth in Section 3.06(b).

"**Redemption Request**" shall have the meaning set forth in Section 3.06(a).

"**Register of Partners**" means the register of Partners of the Partnership, as amended from time to time.

"**Reimbursable Investment Adviser Professional Expenses**" shall have the meaning set forth in Section 4.05(a).

"**REIT**" means a real estate investment trust under Sections 856 through 860 of the Code.

"**REIT Rules**" means the provisions of the Code and related regulations applicable to REITs (including Sections 856 through 859 of the Code and related regulations).

"**Restriction Termination Date**" means the first day after the Effective Date on which the Partnership determines that it is no longer in the best interests of Prime LLC to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations under Article 10 of this Agreement is no longer required in order for Prime LLC to qualify as a REIT.

"**Restructuring Expenses**" shall mean the fees, costs and expenses incurred by the Partnership, the Investment Adviser and its affiliates in connection with the Restructuring Transaction, including all fees, costs and expenses relating to: (i) the preparation of disclosures and consents of the Original Shareholders; (ii) other communications with the Original Shareholders; (iii) the preparation and review of Prime LLC's second amended and restated limited liability company agreement, this Agreement, the merger agreement and other transaction documents required to effectuate the Restructuring Transaction; (iv) the preparation of Board materials relating to the Restructuring Transaction; (v) the formation of the Partnership and the General Partner; (vi) the exchange of interests in Prime LLC for interests in the Partnership; and (vii) the structuring of the Restructuring Transaction.

"**Restructuring Transaction**" shall have the meaning set forth in the recitals of this agreement.

"**Subscribing Limited Partner**" means a Limited Partner that purchases LP Units for a cash purchase price. For the avoidance of doubt, an Original Shareholder that becomes a Limited Partner pursuant to the Restructuring Transaction may also be a Subscribing Limited Partner with respect to LP Units acquired for a cash purchase at a Subsequent Closing pursuant to a Subscription Agreement.

"**Subscription Agreement**" means the Subscription Agreement entered into between the Partnership, the General Partner and each Subscribing Limited Partner.

"**Subsequent Closing**" shall have the meaning set forth in Section 2.09.

"**Subsidiaries**" shall have the meaning set forth in Section 5.04.

"**VCOC**" shall have the meaning set forth in Section 4.03(a).

Section 1.02. *Interpretation.* Any reference in this Agreement to a statute shall be to such statute, as amended from time to time and to the rules and regulations promulgated thereunder. Any reference to any agreement, document or instrument, including this Agreement, means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with its terms. Unless the context otherwise requires, (i) all references made in this Agreement to a Section, Schedule or an Exhibit are to a Section, Schedule or an Exhibit of or to this Agreement, (ii) "**or**" is disjunctive but not necessarily exclusive, (iii) "**will**" shall be deemed to have the same meaning as the word "**shall**" and (iv) words in the singular include the plural and *vice versa*. Whenever the words "**include**," "**includes**" or "**including**" are used in this Agreement, they shall be deemed to be followed by the words "**without limitation**", whether or not so followed. All references to "$" or dollar amounts are to lawful currency of the United States of America, unless otherwise expressly stated.

ARTICLE 2
ORGANIZATION

Section 2.01. *Continuation of the Partnership.* The General Partner is authorized to and hereby agrees to continue the Partnership as a limited partnership under and pursuant to the Delaware Act. In addition, the General Partner shall execute and file all requisite documents and instruments to enable the Partnership to qualify to do business as a foreign limited liability company in each jurisdiction in which, in the reasonable judgment of the General Partner, such qualification may be necessary or appropriate for the conduct of the business of the Partnership.

Section 2.02. *Name.* From the date hereof, the name of the Partnership shall be "Prime Property Fund, LP." The General Partner may change the name of the Partnership with five days' prior written notice to the Board.

Section 2.03. *Registered Office and Registered Agent.* The registered office of the Partnership required by the Delaware Act to be maintained in the State of Delaware shall be the office of the initial registered agent named in the

Certificate or such other office (which need not be a place of business of the Partnership) as the General Partner may designate from time to time in the manner provided by law. The registered agent of the Partnership in the State of Delaware shall be the initial registered agent named in the Certificate or such other Person or Persons as the General Partner may designate from time to time in the manner provided by law. The principal office of the Partnership shall be at such place as the General Partner may designate from time to time, which need not be in the State of Delaware and the Partnership shall maintain there the records required to be maintained under Section 15-403 of the Delaware Act and shall keep information concerning the street address of such principal office at the registered office of the Partnership in the State of Delaware. The Partnership may have such other offices as the General Partner may designate from time to time. Notwithstanding the foregoing, the General Partner shall provide the Board with five days' prior written notice before changing the Partnership's address.

Section 2.04. *Purpose.* The purpose of the Partnership shall be to, indirectly through Prime LLC or as otherwise determined by the General Partner, (i) identify potential Investments, (ii) acquire, hold, improve, develop, re-develop, construct, maintain, operate, manage, lease, mortgage, finance, refinance, sell, exchange, dispose of and otherwise deal in and exercise control over the Investments or over the property or other assets, instruments or interests relating to or underlying the Investments and (iii) pending utilization or disbursement of funds, to invest such funds in accordance with the terms of this Agreement. The Partnership shall have the power to do any and all acts necessary, appropriate, desirable, incidental or convenient to or for the furtherance of the purposes described in this Section 2.04, including any and all of the powers that may be exercised on behalf of the Partnership by the General Partner and/or the Investment Adviser pursuant to this Agreement and all of the powers conferred by the laws of the State of Delaware upon a Delaware limited partnership. Notwithstanding any other provision of this Agreement, the Partnership, and the General Partner on behalf of the Partnership, may enter into and perform any Subscription Agreements and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Limited Partner.

Section 2.05. *Term.* The term of the Partnership shall be deemed to have commenced on the date of the filing of the certificate of limited partnership with the office of the Secretary of State of the State of Delaware and shall continue until the earlier of (i) the date on which the Partnership is dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Delaware Act and (ii) such earlier date as dissolution is required pursuant to the Delaware Act. The separate legal existence of the Partnership shall continue until the certificate of limited partnership is cancelled in accordance with the Delaware Act.

Section 2.06. *Fiscal Year.* The fiscal year of the Partnership (the "**Fiscal Year**") for financial statement and federal income tax purposes shall be the same, and shall be the calendar year unless otherwise required by the Code.

Section 2.07. *Limitation on Liability.* Except as otherwise set forth herein or in the Delaware Act, no Limited Partner (or former Limited Partner) shall be obligated to make any contribution of capital to the Partnership or have any liability for the debts and obligations of the Partnership.

Section 2.08. *Title to Partnership Property.* All property of the Partnership, whether real or personal, tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Limited Partner, individually, shall have any direct ownership interest in such property.

Section 2.09. *Closings.* The Partnership may hold closings of the sale of LP Units of the Partnership (each a "**Closing**") at which time Persons may be admitted as Limited Partners pursuant to the provisions provided for herein. Following the admission of the Original Shareholders on the Effective Date, subsequent Closings shall be held from time to time at the discretion of the General Partner (each a "**Subsequent Closing**").

ARTICLE 3
LP UNITS; REDEMPTIONS; DISTRIBUTIONS; ALLOCATIONS

Section 3.01. *LP Units; Withdrawal of Initial Limited Partner.* On the Effective Date, and subsequent to its execution and delivery of a Letter of Transmittal (which shall be deemed to be a counterpart to this Agreement), each Original Shareholder shall be deemed admitted to the Partnership as a Limited Partner and shall be issued LP Units by the Partnership in accordance with Section 3.03(a). Such LP Units shall be deemed to have been issued by the Partnership to the Original Shareholders in accordance with Section 3.03(a) in exchange for the Original Shareholders' Prime LLC Shares. On the Effective Date, following the admission of the Original Shareholders as limited partners of the Partnership, the Initial Limited Partner shall withdraw as the initial limited partner of the Partnership.

Section 3.02. *Authorization of LP Units; Legends.* (a) The LP Units which the Partnership has authority to issue shall initially consist of an unlimited number of LP Units. The number of LP Units issued and outstanding at any time shall be as set forth on the Register of Partners at such time. All LP Units issued hereunder shall be uncertificated unless otherwise determined by the General Partner in its discretion.

(b) In the event the General Partner determines in its discretion to issue certificates representing the LP Units, in addition to any other legend that may be

required, any certificate representing the LP Units shall bear a legend in substantially the following form:

> THIS LP UNIT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY FOREIGN OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE THEREWITH. THIS LP UNIT IS ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP DATED AS OF [●], 202[●], COPIES OF WHICH MAY BE OBTAINED UPON REQUEST FROM THE PARTNERSHIP OR ANY SUCCESSOR THERETO.

Section 3.03. *Subscriptions.* (a) Pursuant to the Restructuring Transaction, each Prime LLC Share held by an Original Shareholder has been converted into the right to receive 1 LP Unit, subject to such Original Shareholder's completion of a Letter of Transmittal and qualification as eligible to hold LP Units.

(b) Subscribing Limited Partners purchasing LP Units at Subsequent Closings, pursuant to the applicable Subscription Agreement, will pay consideration to the Partnership equal to the amount set forth therein in exchange for a number of LP Units equal to (x) the aggregate consideration paid to the Partnership by such Subscribing Limited Partner at a Subsequent Closing *divided by* (y) the per LP Unit price for LP Units sold at a Subsequent Closing as set forth in Section 3.04.

(c) No Limited Partner shall be required to make any capital contribution to the Partnership other than any contribution required to be made pursuant to this Agreement or its Subscription Agreement, as applicable.

(d) Notwithstanding any other provision contained in this Agreement, the General Partner, in its own name or on behalf of the Partnership, shall be authorized, without the consent of any Person, including any Limited Partner, to take the actions described in Annex A to the Subscription Agreement.

Section 3.04. *Price of LP Units.* (a) The per LP Unit price for LP Units sold after the Effective Date shall be the NAV per LP Unit as of the date of the Closing for the sale of such LP Units.

(b) Payment of the purchase price by Subscribing Limited Partners for LP Units sold after the Effective Date shall be made in full in cash at the applicable Closing unless otherwise provided in the applicable Subscription

Agreement; *provided* that payment for LP Units issued in connection with an incentive plan for employees of the Investment Adviser must be made in full in cash at the time of issuance.

Section 3.05. *NAV per LP Unit.* The General Partner shall determine the NAV per LP Unit on a monthly basis or more frequently, as required. The General Partner may modify (as reasonably necessary or advisable to take account of changes in applicable legal or accounting requirements or standards or to conform to industry practice or standards) the methodology for determining the NAV per LP Unit from time to time with notice to the Board (and upon any such modification, the General Partner is authorized to amend this Agreement without the prior written consent of the Board or any Limited Partners to reflect such modification pursuant to the power of attorney contained in Section 13.08).

Section 3.06. *Redemptions.* (a) Subject to the terms and conditions of this Section 3.06, Limited Partners may request a partial or complete redemption of their LP Units by the Partnership in accordance with Section 3.06(b) by providing the General Partner with written notice of the number of LP Units requested to be redeemed (a "**Redemption Request**"). A Redemption Request shall be irrevocable, *provided*, that the General Partner may permit a Limited Partner to rescind a Redemption Request (or permit a Limited Partner to reduce the number of LP Units subject to a Redemption Request) if the General Partner deems that granting such permission is in the best interests of the Partnership.

(b) Subject to Section 3.06(d), within 5 Business Days after the end of each calendar quarter (the "**Redemption Date**") the Partnership shall redeem the LP Units requested to be redeemed pursuant to a Redemption Request that is received by the General Partner prior to the end of the immediately preceding calendar quarter (and that has not been withdrawn in accordance with Section 3.06(a)), but only to the extent that the Partnership has sufficient cash available to honor such redemption requests as determined by the General Partner in its discretion and subject to compliance with the REIT Rules and the Delaware Act. The redemption price for each such LP Unit shall be the NAV per LP Unit at the Redemption Date, and the redemption price shall be paid to the redeeming Limited Partner on or shortly after the Redemption Date. If, in the sole judgment of the General Partner, sufficient cash is not available as of a particular Redemption Date to satisfy all requested redemptions, the Partnership shall redeem the LP Units of all Limited Partners that have requested a redemption out of cash available to satisfy such requests as determined by the General Partner in its discretion on a pro rata basis (based on the proportionate number of outstanding LP Units held by each such Limited Partner), subject to compliance with the REIT Rules and the Delaware Act.

(c) To the extent that a Limited Partner's redemption request is not completely satisfied as of a particular quarter-end date, such Limited Partner will

be deemed to have made a renewed redemption request for the balance of the initial request at the next scheduled redemption date.

(d) To the extent that any redemption request, if fulfilled, would cause Prime LLC to fail to be treated as a Domestically-Controlled REIT, as reasonably determined by the General Partner, the General Partner may, in its discretion, either delay fulfillment of such request until such time as fulfillment of such request would not cause Prime LLC to fail to be treated as a Domestically-Controlled REIT or notify one or more Non-U.S. Partners of such request and give such Non-U.S. Partners the opportunity to request a simultaneous redemption, satisfaction of which will be subject to the availability of cash and to the long-term capital needs of the Partnership as determined by the General Partner in its discretion. To the extent that any redemption request, if fulfilled, would cause Prime LLC to be treated as a Pension-Held REIT, as reasonably determined by the General Partner, the General Partner may, in its discretion, either delay fulfillment of such request until such time as fulfillment of such request would not cause Prime LLC to be treated as a Pension-Held REIT or take such other action as it deems appropriate to avoid Prime LLC being treated as a Pension-Held REIT. To the extent that (i) a redemption request, if fulfilled, would constitute a preferential dividend (within the meaning of Section 562(c) of the Code), as reasonably determined by the General Partner or (ii) the delay of the fulfillment of a redemption request is determined by the General Partner to be necessary to the Partnership's compliance with Section 3.07 or with the REIT Rules, the General Partner may, in its discretion, either delay fulfillment of such request or take such other action as it deems appropriate in view of the REIT Rules. In addition, the Partnership, by written notice to any Limited Partner, may suspend the redemption rights of such Limited Partner or redeem such Limited Partner's LP Units (at the NAV per LP Unit on the date of redemption) (i) if the General Partner reasonably deems it necessary to do so in order to comply with (A) Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**"), United States Executive Order 13224, or any other relevant anti-money laundering legislation or regulations applicable to the Partnership, the General Partner or any of the Partnership's other service providers or (B) any law, regulation or order administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), including without limitation Subtitle B, Chapter V of Title 31 of the U.S. Code of Federal Regulations or (ii) if so ordered by a competent United States or other court or regulatory authority.

(e) Upon complete redemption of a Limited Partner's LP Units, such Limited Partner shall cease to be a Limited Partner of the Partnership.

(f) The Partnership may at any time, upon written notice to any Limited Partner, call for redemption all or any portion of the LP Units held by such Limited Partner (without the consent of such Limited Partner) in the event the General Partner ~~deems it~~reasonably determines that such redemption is necessary

or advisable to ~~do so for any reason (or no reason)~~comply with legal, regulatory, tax, accounting or other similar requirements, including in order (i) to permit Prime LLC to maintain (or to avoid jeopardizing) its qualification as a "domestically controlled qualified investment entity" as defined in Section 897 of the Code, (ii) to prevent the Partnership from becoming a "publicly traded partnership" taxable as a corporation, or (iii) to comply with, or to avoid the application of any other applicable Law. A redemption by the Partnership under this Section 3.06(f) shall take priority over other then-outstanding redemption requests of Limited Partners. The payment of redemptions proceeds in connection with a mandatory redemption pursuant to this Section 3.06(f) shall be subject to the other provisions of this Section 3.06.

(g) Each Redemption Request and each redemption by the Partnership pursuant to Section 3.06(f) shall be deemed to be a redemption request from Prime Midco ~~LLC~~LP, in its capacity as a member of Prime LLC, for an interest in Prime LLC equivalent in value to the LP Units being redeemed.

Section 3.07. *Distributions.*

(a) *General*. The General Partner may (but shall not be obligated to) cause the Partnership to make Distributions to the Partners at any time or from time to time, and in amounts of any of the Partnership's assets available therefor, as determined by the General Partner in its sole and absolute discretion to be appropriate. Subject to Section 4.04(b)(iii)(A), all Distributions shall be made to the Partners ratably in proportion to the number of LP Units held by them.

(b) *Distribution Policy*. Without limiting the generality of paragraph (a) above, unless otherwise determined by the General Partner in its discretion, the General Partner shall cause Prime LLC to distribute to the Partnership (indirectly through Prime Midco ~~LLC~~LP), and in turn the Partnership shall pay to the Limited Partners quarterly distributions in cash equal to at least the 90%-Adjusted REIT Taxable Income for such quarter; *provided* that in the case of any quarter other than the first quarter of a tax year of the Partnership, the amount otherwise described in this Section 3.07(b) shall be adjusted to (A) reflect any revisions to the calculations described in this Section 3.07(b) for preceding quarters in such tax year, and (B) otherwise facilitate Prime LLC's compliance with the distribution requirements of the REIT Rules for such tax year; and *provided*, *further* that (A) this distribution policy may be modified, subject to compliance with the REIT Rules, (1) from time to time by the General Partner upon the recommendation of the General Partner pursuant to Section 6.11(b) (and upon any such modification, the General Partner is authorized to amend this Agreement without the prior written consent of any Limited Partners to reflect such modification pursuant to the power of attorney contained in Section 13.08) or (2) at the General Partner's discretion to reflect a distribution process whereby the Limited Partners would be deemed to have received certain undistributed amounts and to have contributed such amounts back to the Partnership on the same day in

exchange for LP Units (*provided* that in the case of clause (2) such distribution process is consented to by holders of at least a majority of the outstanding LP Units upon a solicitation at any time by the General Partner, in its discretion) and/or (B) the General Partner may determine, in its discretion and subject to compliance with the REIT Rules, that Prime LLC shall pay to the Partnership (indirectly through Prime Midco ~~LLC~~LP), and in turn Partnership shall make a distribution of any amount to the Limited Partners on a date prior to the next date on which a quarterly distribution would ordinarily be paid to such Limited Partners (*provided* that, for the avoidance of doubt, in the case of clause (B) such distribution may, in the General Partner's discretion, be taken into account in determining the amount of any quarterly distributions to be paid subsequent to, but during the tax year that includes, the date of such distribution). For the avoidance of doubt, in the event the General Partner solicits the consent described in the immediately preceding sentence and does not receive the consent of holders of least a majority of the outstanding LP Units, the General Partner shall be permitted, in its discretion, to solicit such consent at any subsequent point(s) in time.

~~(c) *Distributions In Kind*. Subject to compliance with securities Laws, to the extent that the Partnership distributes property in kind to the Partners, the Partnership shall be treated as making a distribution equal to the Asset FMV of such property for purposes of this Section 3.07 and such property shall be treated as if it were sold for an amount equal to its Asset FMV, and any resulting gain or loss shall be allocated to the Partners' Capital Accounts in accordance with Sections 3.17 through 3.19.~~

Section 3.08. *Distribution Reinvestment Plan.* Limited Partners may elect to participate in a plan under which all or a designated portion of the distributions that such Limited Partners are entitled to receive shall automatically be reinvested in additional LP Units (the "**Distribution Reinvestment Plan**"). The number of LP Units issued under the Distribution Reinvestment Plan shall be determined based on the NAV per LP Unit as of the reinvestment date. The Partnership may use reinvestment proceeds to make new Investments, to fund redemptions or for general Partnership purposes, as determined by the General Partner in its discretion. Limited Partners may change their election with regard to participation in the Distribution Reinvestment Plan at any time on at least 90 days advance written notice to the General Partner. An Original Shareholder that elected to participate in the dividend reinvestment plan in Prime LLC immediately prior to the Effective Date shall initially be deemed to have elected to participate in the Distribution Reinvestment Plan unless it elected otherwise in the applicable Letter of Transmittal.

Section 3.09. *Capital Accounts*

(a) *Maintenance of Capital Accounts*. The Partnership shall maintain a separate capital account for each Partner according to the rules of Treasury

Regulations Section 1.704-l(b)(2)(iv) (a "**Capital Account**"). For this purpose, the Partnership may, upon the occurrence of any of the events specified in Treasury Regulations Section 1.704-l(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such regulation and Treasury Regulations Section 1.704-l(b)(2)(iv)(g) to reflect a revaluation of the Partnership's property. The General Partner is making such an adjustment to Capital Accounts as of the Effective Date so that the initial Capital Account of each Partner as of the Effective Date shall equal the value of such Partner's equity interest in Prime LLC as of the quarter-end immediately preceding the Effective Date (such amount, the "**Initial Capital**"), as reflected on the Register of Partners.

(b) *Computation of Income, Gain, Loss and Deduction Items*. For purposes of computing the amount of any item of the Partnership's income, gain, loss or deduction to be allocated pursuant to Article 3 and to be reflected in the Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); *provided* that:

(i) The computation of all items of income, gain, loss and deduction shall include those items described in Section 705(a)(1)(B) of the Code or Section 705(a)(2)(B) of the Code and Treasury Regulations Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includable in gross income or are not deductible for federal income tax purposes.

(ii) If the Book Value of any of the Partnership's property is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of the Partnership's property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

(iv) Items of depreciation, amortization and other cost recovery deductions with respect to the Partnership's property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulations Section 1.704-l(b)(2)(iv)(g).

To the extent an adjustment to the adjusted tax basis of any of the Partnership's assets pursuant to Sections 732(d), 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-l(b)(2)(iv)(m), to be taken into

account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

Section 3.10. *Negative Capital Accounts*. No Partner shall be required to make any payment to any other Partner or the Partnership by reason of any deficit or negative balance which may exist from time to time in such Partner's Capital Account (including upon and after dissolution of the Partnership).

Section 3.11. *No Withdrawal*. No Person shall be entitled to withdraw or demand the return of any part of such Person's Capital Contributions or Capital Account or to receive any Distribution from the Partnership, except as expressly provided herein.

Section 3.12. *Loans From Partners*. No Partner shall be required to lend any funds to the Partnership or to make any additional contribution of capital to the Partnership, except as otherwise required by Law, this Agreement or any other agreement between such Partner and the Partnership. Any Partner may, with the approval of the General Partner, make loans to the Partnership, and any loan by a Partner to the Partnership shall not be considered to be a Capital Contribution. If any Partner shall advance funds to the Partnership in excess of the amounts required hereunder to be contributed by such Partner to the capital of the Partnership, the advance of such funds shall not result in any increase in the amount of the Capital Account of such Partner. The amount of any such funds shall be debt of the Partnership to such Partner and shall be payable or collectible in accordance with the terms and conditions upon which such funds are advanced.

Section 3.13. *Transfer of Capital Accounts*. The original Capital Account established for each transferee shall be in the same amount as the Capital Account of the Partner (or portion thereof) to which such transferee succeeds, at the time such transferee is admitted as a partner of the Partnership. The Capital Account of any Partner, whose interest in the Partnership shall be increased or decreased by means of (a) the Transfer to such Partner of all or part of the LP Units of another Partner, or the Transfer by such Partner of all or part of its LP Units to another Partner or (b) the repurchase or forfeiture of LP Units, shall be appropriately adjusted to reflect such Transfer, repurchase or forfeiture. Any reference in this Agreement to a Capital Contribution of or Distribution to any Partner that has succeeded any other Partner shall include any Capital Contributions or Distributions previously made by or to such other Partner on account of the LP Units of such other Partner Transferred to such Partner.

Section 3.14. *Reserves*. Reserves in an amount determined by the General Partner, in its sole and absolute discretion, may be retained out of Capital Contributions, net proceeds from sales or refinancing or net proceeds from operations. Any reserves remaining on the dissolution of the Partnership shall be

held until the final liquidation and then distributed to the Partners in accordance with the provisions of Section 11.03.

Section 3.15. *Offsets*. (a) The Partnership may offset (i) any amount otherwise distributable under this Agreement by the Partnership to any Limited Partner against (ii) any amount determined to be payable to the Partnership by such Limited Partner. Any such offset shall be treated for purposes of this Agreement as though (A) the Partnership had made a Distribution to the Limited Partner subject to such offset and (B) such Limited Partner had remitted such Distribution to the Partnership in full or partial payment, as the case may be, of such Limited Partner's liability to the Partnership.

Section 3.16. *Withholding*.

(a) If the Partnership is required by Law to pay any tax that is specifically attributable to the status or identity of a Partner, including amounts in respect of any imputed underpayment (within the meaning of Section 6225 of the Code), federal or state withholding taxes, state personal property taxes, and state unincorporated business taxes, then such Partner shall indemnify and reimburse the Partnership for the amount of such tax (including any interest or penalties). The Partnership may offset Distributions to any Partner that it is otherwise entitled to receive under this Agreement against such Partner's obligation and such offset amounts shall be treated as distributed to such Partner for all purposes of this Agreement. A Partner's obligation to indemnify and reimburse the Partnership under this provision shall survive the Partner's Transfer of its LP Units in the Partnership and the termination, dissolution, liquidation or winding up of the Partnership. The Partnership may pursue remedies against any Partner, including instituting a lawsuit to collect such indemnification and reimbursement with interest calculated at the Prime Rate *plus* four percentage points per annum (but not in excess of the highest rate per annum permitted by Law), compounded on the last day of each fiscal quarter so long as such amount remains unpaid. Any reimbursement made pursuant to this Section 3.16(a) shall increase the Partner's Capital Account, but shall not be treated as a Capital Contribution for purposes of this Agreement.

(b) The Partnership is authorized to withhold from payments and distributions, or with respect to allocations to the Partners, any amounts required to be withheld under Law (including by using reasonable estimates to determine the amount required to be withheld under Law, as determined by the General Partner in its sole and absolute discretion). All amounts withheld with respect to a Partner shall be treated as if such amounts were distributed to such Partner under this Agreement. The Partnership shall not be liable for any over-withholding in respect of any Partner, and, in the event of any such over-withholding, a Partner's sole recourse shall be as provided under Law.

Section 3.17. *Allocations*.

(a) Except as otherwise provided in this Agreement, or required pursuant to Treasury Regulations Section 1.704-1(b)(1)(i), the Partnership's Profits or Losses for any Fiscal Year (and, if necessary, items of income, gain, loss or deduction included in the determination thereof) shall be allocated among the Partners in a manner consistent with the corresponding Distributions made or to be made pursuant to Section 3.07.

(b) Upon any change in the relative interests of the Partners in the Partnership, whether by reason of the admission or withdrawal of a Partner, the Transfer by any Partner of all or any part of its LP Units, or otherwise, the Partners' respective shares of the Partnership's Profits, Losses and any other Partnership items shall be determined by reference to any method acceptable under the Regulations under Section 706 of the Code, if applicable, as may be determined by the General Partner in its sole and absolute discretion.

Section 3.18. *Special Allocations*. Notwithstanding anything contained herein to the contrary:

(a) If a Partner would at any time receive, but for this Section 3.18(a), an allocation of deduction, loss, or expenditure that would cause or increase a deficit balance in such Partner's Capital Account in excess of any amount of such deficit balance that the Partner is obligated to restore or deemed obligated to restore (as determined in accordance with Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5)), then the portion of such allocation that would cause or increase such deficit Capital Account balance will be specially allocated to the other Partners, if any, with positive Capital Account balances in proportion to such balances. The loss limitation under this Section 3.18(a) is intended to comply with Treasury Regulations Section 1.704-1(b)(2)(ii)(d), including the reductions described in subparagraphs (4), (5) and (6) therein.

(b) If in any Fiscal Year, a Partner receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain (consisting of a *pro rata* portion of each item of Partnership income and gain for such Fiscal Year) will be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit balance in such Partner's Capital Account in excess of any amount of such deficit balance that the Partner is obligated to restore or deemed obligated to restore (as determined in accordance with Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5)) as quickly as possible; *provided* that an allocation pursuant to this Section 3.16(b) will be made only if and to the extent that such Partner would have a Capital Account deficit after all other allocations provided for in this Article 3 have been tentatively made as if this Section 3.16(b) were not in the

Agreement. This Section 3.16(b) is intended to qualify and be construed as a "qualified income offset" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and will be interpreted consistently therewith.

(c) If there is a net decrease in Minimum Gain attributed to the Partnership or Partner Nonrecourse Debt Minimum Gain (determined in accordance with the principles of Treasury Regulations Sections 1.704-2(d) and 1.704-2(i)) during any taxable year, the Partners will be allocated items of income and gain attributed to the Partnership for such year (and, if necessary, subsequent years) in an amount equal to their LP Units of such net decrease during such year, determined pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated will be determined in accordance with Treasury Regulations Section 1.704-2(f). This Section 3.16(c) is intended to comply with the Minimum Gain chargeback requirements in such Treasury Regulations and will be interpreted consistently therewith, including that no chargeback will be required to the extent of the exceptions provided in Treasury Regulations Sections 1.704-2(f) and 1.704-2(i)(4).

(d) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) of the Code or Section 743(b) of the Code is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as the result of a distribution to a Partner in complete liquidation of its LP Units, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in accordance with their interests in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Partners to whom such distribution was made in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(e) "Nonrecourse deductions" (as such term is defined by Treasury Regulations Section 1.704-2(b)(1)) with respect to a Fiscal Year shall be allocated among the Partners *pro rata* in accordance with their respective LP Units.

(f) Any "Partner nonrecourse deductions" (which has the same meaning as the term "partner nonrecourse deductions" in Treasury Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2)) with respect to a Fiscal Year shall be allocated to the Partner who bears the economic risk of loss with respect to the "Partner nonrecourse debt" (which has the same meaning as the term "partner nonrecourse debt" in Treasury Regulations Section 1.704-2(b)(4)) to which such Partner nonrecourse deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(g) The allocation provisions set forth in this Article 3 and the other provisions of this Agreement relating to the maintenance of Capital Accounts are

intended to comply with Treasury Regulations Section 1.704-1(b) and will be interpreted and applied in a manner consistent with such Treasury Regulations, as determined by the Board in its reasonable discretion.

(h) It is the intent of the Partners that, to the extent possible, any special allocations of items of income, gain, loss or deductions pursuant to Section 3.18 (a)-(f) (the "**Regulatory Allocations**") will be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 3.18(h). The Board will make such offsetting special allocations of Partnership income, gain, loss, or deduction in whatever manner it deems appropriate so that the net amount of items allocated to each Partner pursuant to Section 3.17 and this Section 3.18 will, to the extent possible, be equal to the net amount that would have been allocated to each such Partner pursuant to the provisions of Section 3.17 if such special allocations had not occurred. In exercising its discretion under this Section 3.18(h), the Board will take into account future Regulatory Allocations under Section 3.18(c) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 3.18(e) and Section 3.18(f).

Section 3.19. *Tax Allocations.*

(a) *Allocations Generally*. Subject to the other provisions of this Section 3.19, the income, gains, losses, and deductions of the Partnership will be allocated for federal, state and local income tax purposes among the Partners in accordance with the allocation of such income, gains, losses, and deductions among the Partners for computing their Capital Accounts pursuant to Section 3.17 and Section 3.18; except that if any such allocation is not permitted by the Code or other applicable Law, the Partnership's income, gains, losses and deductions will be allocated among the Partners so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) *Code Section 704(c) Allocations*. Items of the Partnership 's taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall be allocated among the Partners in accordance with Section 704(c) of the Code so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its Book Value. In addition, if the Book Value of any asset of the Partnership is adjusted pursuant to the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), then subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in accordance with Section 704(c) of the Code. The General Partner shall determine all allocations pursuant to this Section 3.19(b) using any permissible method under Treasury Regulation Section 1.704-3 selected by the General Partner.

(c) *Excess Nonrecourse Liabilities*. For purposes of Section 752 of the Code and the Treasury Regulations thereunder, "excess nonrecourse liabilities" (within the meaning of Treasury Regulations Section 1.752- 3(a)(3)) shall be allocated to the Limited Partners in any manner determined by the General Partner, in its sole discretion, in accordance with Treasury Regulations Section 1.752-3.

(d) Equitable Allocations. Notwithstanding the foregoing, the General Partner may allocate taxable income, gain, loss and deduction with respect to any property of the Partnership, including any gain attributable to any asset owned by any Subsidiary, on a basis that is different from the basis described in the other provisions of this Section 3.19, to the extent the General Partner reasonable determines in its sole and absolute discretion that doing so is required by law or is more appropriate and equitable than allocating such income, gain, loss or deduction on a basis pursuant to the other provisions of this Section 3.19.

(e) *Effect of Allocations*. Allocations pursuant to this Section 3.19 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, Distributions or other items of income, gain, deduction and loss pursuant to any provision of this Agreement.

Section 3.20. *Limitation on Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not be required to make any distribution to a Limited Partner in respect of its interest in the Partnership to the extent that such distribution would violate the Delaware Act or other applicable law.

ARTICLE 4
MANAGEMENT AND OPERATIONS OF THE PARTNERSHIP

Section 4.01. *Management Generally; Standard of Care.* (a) The management, conduct and control of the Partnership shall be vested exclusively in the General Partner (acting directly or through its designated agent), subject to the provisions of Section 4.01(c), and except for any matters expressly set forth in this Agreement with respect to which the Board shall have authority and those matters expressly set forth in Section 7.06 with respect to which Limited Partner action shall be required, the General Partner shall have the exclusive power and authority over the conduct of the Partnership's management, business, operations and affairs. In addition and without limiting the foregoing, the General Partner shall have the power and authority with regard to Investments of the Partnership as set forth in Article 5. The General Partner shall manage the Partnership's assets with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such

matters would use in the conduct of an enterprise of a like character and with like aims.

(b) Except for those matters expressly set forth in Section 7.06 with respect to which Limited Partner action shall be required, the Limited Partners shall have no part, in their capacity as Limited Partners, in the management or control of the Partnership and shall have no authority or right to act on behalf, to sign for or to bind the Partnership in any manner or for any purpose whatsoever or in connection with any matter.

(c) The General Partner shall have the right to delegate, to the fullest extent permitted by applicable law, its rights, power, authority, discretion, duties and responsibilities under this Agreement to any Person. Without limiting the generality of the foregoing, the Limited Partners acknowledge that the General Partner has delegated to the Investment Adviser all investment management authority and powers, day-to-day administration authority, and the rights, power or authority of or to be carried out by the General Partner, subject to the limitations on such rights, power and authority specified in this Agreement and in the applicable Advisory Agreement, including pursuant to Section 6.11 and 7.06 hereof. Except for those matters expressly set forth in Section 6.11 with respect to which the Board shall have authority, it is understood and agreed that whenever the terms of this Agreement require or permit any action be taken or consent to be given by the General Partner, or provide any right to reimbursement to the General Partner, any such action may be performed and any such consent may be granted on behalf of the General Partner by the Investment Adviser and the Investment Adviser shall be entitled to the reimbursement to which the General Partner is entitled under the terms hereof (unless otherwise agreed by the General Partner and the Investment Adviser). The delegation of any obligation to the Investment Adviser pursuant to this Section 4.01 shall not excuse the General Partner from full and timely performance of its obligations under this Agreement. The Investment Adviser so appointed will be subject to all contractual duties and obligations to which the General Partner is subject (including the standard of care set forth in Section 4.01).[1]

(d) Notwithstanding anything to the contrary herein, if and as soon as the Investment Adviser ceases to be an Affiliate of a bank holding company, the Investment Adviser is hereby authorized, without the consent of any Partner, to amend this Agreement in accordance with the principles set forth on Schedule B and to take any action it has determined in good faith to be necessary or desirable in order to give effect to the principles set forth on Schedule B, including making or procuring structural, operating or other changes to or in the Partnership.

[1] **NTD**: The section has been updated to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

(e) To the fullest extent permitted by applicable law, the General Partner may not voluntarily withdraw from the Partnership (within the meaning of the Delaware Act) or be removed as the general partner of the Partnership.

(f) It is expressly agreed and understood that the General Partner's interests in the Partnership (other than the portion thereof that is attributable to its Capital Contributions, if any) is granted in consideration for the provision by the General Partner of services to and for the benefit of the Partnership in the General Partner's capacity as general partner of the Partnership.

Section 4.02. *Authority of the General Partner.* Without limiting the General Partner's general power and authority over the conduct of the Partnership's business, operations and affairs under Section 4.01, the General Partner shall have the power on behalf of and in the name of the Partnership to carry out any and all of the objects and purposes of the Partnership in accordance with, and subject to the limitations contained in, this Agreement and to perform all acts which it may, in its discretion, deem necessary or desirable in connection therewith, including the power to:

(a) identify investment opportunities for the Partnership;

(b) acquire, develop, construct, improve, maintain, own, hold, lend, operate, manage, lease, finance, mortgage, pledge, divide, combine, sell, offer, convey, assign, grant options with respect to, dispose of or otherwise deal in and transact business with respect to Investments;

(c) borrow money, issue (or guarantee) evidences of indebtedness and obtain lines of credit, loan commitments and letters of credit for the account of the Partnership or any Person in which the Partnership has a direct or indirect ownership interest and secure the same by mortgage, pledge or other lien on any assets of the Partnership or a Subsidiary;

(d) enter into, supplement, modify or terminate any interest rate or other derivative instruments (including interest rate swap agreements, interest rate cap agreements or interest rate collar agreements) for the account of the Partnership or any Person in which the Partnership has a direct or indirect ownership interest;

(e) prepay in whole or in part, refinance, recast, increase, modify or extend any liabilities affecting any Investment and in connection therewith execute any extensions or renewals of encumbrances on any or all of the Investments;

(f) negotiate and execute any deed, lease, easement, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, certificate or other instrument in connection with the acquisition, holding, financing, development,

construction, management, maintenance, operation, lease, pledge, sale or other disposition of an Investment either directly or through a Subsidiary;

(g) hold any Investment in the name of one or more trustees, nominees or other agents of or for the Partnership or a Subsidiary;

(h) form and structure Investments through Joint Ventures and cause the Partnership or a Subsidiary to be a venturer, partner, stockholder, member, holder of a beneficial interest or other participant or owner in a joint venture, partnership (whether limited or general), corporation, trust, limited liability company or other venture or enterprise;

(i) lend money or other assets of the Partnership or any Subsidiary upon such terms and with (or without) such security as the General Partner shall deem appropriate;

(j) retain or employ and dismiss from retention or employment, any and all Persons providing legal, engineering, environmental, brokerage, consulting, investment advisory, management, artisan, construction, repair or custodian services to the Partnership or any Subsidiary or such other agents on such terms as the General Partner deems necessary or desirable for the management and operation of the Partnership, a Subsidiary or any of their Investments;

(k) recommend to the Board the engagement or dismissal of the independent accountants and auditors and independent appraisers of the Partnership and recommend to the Board changes in the asset valuation policy or appraisal methodology of the Partnership;

(l) incur and pay all expenses and obligations incident to the operation and management of the Partnership or any Subsidiary, including the services referred to in Section 4.02(j), taxes, interest, travel, rent, insurance, supplies, salaries and wages of the Partnership's employees and agents;

(m) make interim investments (which may be made through an agent) of cash reserves and other liquid assets of the Partnership or any Subsidiary prior to their use for Partnership or Subsidiary purposes or distribution to the Limited Partners;

(n) acquire and enter into any contract of insurance necessary or desirable for the protection or conservation of the Partnership, the Subsidiaries and their assets or otherwise in the interest of the Partnership or the Subsidiaries;

(o) open accounts and deposit, maintain and withdraw funds in the name of the Partnership or any Subsidiary in any bank, savings and loan association, brokerage firm or other financial institution;

(p) establish reserves for normal repairs, replacements and contingencies and for any other proper Partnership or Subsidiary purpose;

(q) distribute funds to the Partners by way of dividend or otherwise, all in accordance with the provisions of this Agreement;

(r) bring and defend actions and proceedings at law or equity before any court or other forum or governmental, administrative or other regulatory agency, body or commission or otherwise;

(s) make all elections, investigations, evaluations and decisions, binding the Partnership thereby, that may, in the discretion of the General Partner, be necessary or desirable for the acquisition, management or disposition of Investments by the Partnership or any Subsidiary;

(t) prepare and cause to be prepared reports, statements and other relevant information for distribution to the Partners;

(u) prepare and file all necessary returns, reports and statements and pay all taxes, assessments and other impositions relating to the assets or operations of the Partnership or any Subsidiary;

(v) convene meetings of the Limited Partners for any purpose;

(w) effect a dissolution of the Partnership as provided herein;

(x) enter into and carry out Subscription Agreements with prospective Subscribing Limited Partners at any time, without any further act, approval or vote of any Person at such time;

(y) grant third parties (that are not Limited Partners) an interest (direct or indirect) in any Investment for value; and

(z) act for and on behalf of the Partnership in all matters incidental to the foregoing.

Section 4.03. *Other Authority.* (a) The General Partner agrees to use its commercially reasonable efforts to operate the Partnership in such a way that (i) the Partnership would not be an "investment company" within the meaning of the Investment Company Act (except for purposes of Sections 12(d)(1)(A)(i) and (B)(i) thereunder), (ii) the Partnership qualifies as an "operating company" (including a venture capital operating company ("**VCOC**") or real estate operating company) under the Plan Assets Regulation or satisfies another exception under the Plan Assets Regulation such that none of the Partnership's assets would be deemed to be "plan assets" for purposes of ERISA, (iii) the General Partner and/or the Investment Adviser would be in compliance with the Advisers Act, (iv) commencing on the Effective Date and prior to any Restriction

Termination Date, the status of Prime LLC as a REIT and as a Domestically-Controlled REIT would not be adversely affected and Prime LLC would not be treated as a Pension-Held REIT, unless the Partnership shall have determined that it is no longer in the best interests of the Partnership and Prime LLC to attempt to or to continue to have Prime LLC qualify as a REIT, a Domestically-Held REIT and/or an entity that is not a Pension-Held REIT, as applicable and (v) each of the Partnership, the General Partner and the Investment Adviser would be in compliance with any other material law, regulation or guideline applicable to the Partnership, the General Partner or the Investment Adviser. If at any time the assets of the Partnership are deemed to be "plan assets" for purposes of ERISA, then to the extent permitted by law and necessary in order to comply with ERISA, the General Partner shall acknowledge to each Limited Partner subject to Part 4 of Title I of ERISA that the General Partner is a fiduciary of such Limited Partner with respect to the assets of the Partnership and each such Limited Partner will be solicited to affirm the appointment of the General Partner as an "investment manager," as such term is defined in Section 3(38) of ERISA, with respect to such assets.

(b) The General Partner is hereby authorized, after consultation with the Board, to take any action it has determined in good faith to be necessary or desirable in order for (i) the Partnership not to be in violation of the Investment Company Act and not to be an "Investment Company" required to register under the Investment Company Act, (ii) the Partnership's assets not to be deemed to be "plan assets" for purposes of ERISA, (iii) commencing on the Effective Date and prior to any Restriction Termination Date, the status of Prime LLC as a REIT and as a Domestically-Controlled REIT to not be adversely affected and Prime LLC to not be treated as a Pension-Held REIT or (iv) the Investment Adviser, the General Partner and their respective Affiliates not to be in violation of the Advisers Act or the Partnership, the General Partner or the Investment Adviser not to be in violation of any other material law, regulation or guideline applicable to the Partnership, the General Partner or the Investment Adviser, including, in each case, (w) making any structural, operating or other changes in the Partnership by amending this Agreement, (x) requiring the sale in whole or in part of any Investment or other asset, (y) requiring the sale or redemption of all or a part of such Limited Partner's LP Units or (z) dissolving the Partnership. Any action taken by the General Partner pursuant to this Section 4.03(b) shall not require the approval of the Board or any Limited Partner.

(c) The parties hereby acknowledge and agree that the exercise of "commercially reasonable efforts" by the General Partner for purposes of Section 4.03(a) may include the General Partner's seeking and relying on the advice of qualified counsel, accountants or other experts as may be deemed necessary or appropriate by the General Partner under the particular circumstances and that seeking, obtaining and acting in reasonable reliance on such advice shall be deemed to satisfy the requirements of Section 4.03(a).

(d) Subsequent to any Restriction Termination Date, the General Partner may, in its discretion, determine that such provisions of this Agreement as are intended to facilitate Prime LLC's compliance with the REIT Rules need not be applied or may be applied differently.

(e) The Investment Adviser or its Affiliates may organize one or more "feeder" vehicles whose sole or primary investment purpose would be to invest in LP Units of the Partnership (each, a "**Feeder Vehicle**"), including a Feeder Vehicle (the "**Employee Fund**") to be offered principally to employees of Morgan Stanley and its Affiliates or other Feeder Vehicle(s) to be offered to various types of investors in order to accommodate any specific tax, legal or regulatory requirements applicable to them. In connection with any Partnership matters to be voted on or consented to by any such vehicle as a Limited Partner pursuant to this Agreement, the Investment Adviser may, in its discretion, establish the terms of such vehicle to provide (for all or certain matters) that (A) all the LP Units held by such vehicle will be voted as a single block in the manner determined by the majority (or other specified) vote of the investors in such vehicle or (B) the investors will have no voting rights with respect to how the LP Units held by the vehicle will be voted on the underlying Partnership matter, and that such LP Units held by the vehicle will automatically be voted on the underlying Partnership matter in the same proportion (for, against, abstain) as the LP Units voted by the other Limited Partners. Investors who invest in the Partnership indirectly through the Employee Fund may be subject to a lower management fee than the Management Fee set forth in Section 4.04. The Investment Adviser is hereby authorized (but subject to the approval of the Independent Directors as to the structure for such reduced fee, after consultation with counsel) to cause the Partnership to establish and implement such procedures and terms and to take such actions as the General Partner deems necessary or advisable to facilitate the implementation of the foregoing arrangements.

(f) The General Partner or its Affiliates may establish one or more additional parallel investment vehicles or other arrangements for certain types of investors (each such vehicle or arrangement, a "**Parallel Vehicle**"), which will in all material respects invest proportionately in each Investment (based on the relative net asset values of the Partnership and the Parallel Vehicles at the time of the initial acquisition of such Investment) and dispose of Investments on substantially the same terms and conditions and at substantially the same time as the Partnership, in each case, subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements. The economic terms of each Parallel Vehicle shall be no more favorable than those of the Partnership, subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements.

(g) The Limited Partners acknowledge and agree that certain fees, costs and expenses (including those of the type set forth in or otherwise contemplated by the definition of Partnership Expenses) will be attributable both to the

Partnership (and the Feeder Vehicles, if any) and to the Parallel Vehicles (and the feeder vehicles of such Parallel Vehicles, if any). Subject to applicable tax, legal, regulatory, accounting or other relevant considerations, restrictions or requirements, the Partnership and each Parallel Vehicle shall share in (i) expenses related to Investments in proportion to their relative interests in the Investments to which they relate and (ii) other Partnership Expenses *pro rata* based on the relative net asset values of the Partnership and the Parallel Vehicles; *provided* that the General Partner may allocate certain fees, costs and expenses among the Partnership and the Parallel Vehicles on a different basis, including to certain (but not all) of these entities, if the General Partner determines in good faith that such other basis is more equitable.

(h) Notwithstanding any other provision contained in this Agreement, the Partnership, the Investment Adviser and/or the General Partner (on its own behalf or on behalf of the Partnership) may, on the Effective Date and from time to time thereafter as needed, execute, deliver and perform the omnibus letter (the "**Omnibus Letter**") (the current form of which is attached hereto as Exhibit A), as it may be amended from time to time pursuant to its terms (it being understood that any such amendment shall be subject to Section 13.01 as though the Omnibus Letter were part of this Agreement), without any further act, vote or approval of any Person. Notwithstanding any other provision contained in this Agreement, to the extent that the terms of the Omnibus Letter conflict with the terms of this Agreement, the terms of the Omnibus Letter shall control.

Section 4.04. *Management Fee.*[2] (a) In consideration for the services rendered by the Investment Adviser ~~pursuant to this Agreement~~, the Partnership and its Subsidiaries shall pay to the Investment Adviser ~~a~~ management ~~fee~~fees (the "**Management ~~Fee~~**"); *provided*, however, that **Fees**"). Subject to the limits in clause (b)(ii) below with respect to the Base Management Fees, the General Partner may determine in its sole and absolute discretion ~~that~~whether the Partnership or a Subsidiary, or a combination thereof, shall pay a ~~portion of the~~ Management Fee, ~~in which case the Management Fee payable by the Partnership shall be reduced by an amount equal to such portion of the Management Fee paid by such Subsidiary~~and the amount thereof, subject to the terms of this Agreement. The Management ~~Fee~~Fees shall be comprised of ~~two separate components: (i) a base management fee~~: (i) Base Management Fees as described in Section 4.04(b) below (the "**Base Management ~~Fee~~Fees**") and (ii) an incentive management fee as described in Section 4.04(c) below (the "**Incentive Management Fee**").

(b)

[2] **NTD**: The language in this section incorporates the amendments made to this section pursuant to Amendment No. 5 of the PRIME LLCA.

(i) The Limited Partners acknowledge and agree that it is expected that each of the Partnership and Prime LLC shall pay ~~to the Investment Adviser a base management fee~~a Base Management Fee. The Base Management Fees shall be paid in cash quarterly in arrears at the end of each calendar quarter ~~(the "**Base Management Fee**")~~. The cumulative amount of Base Management ~~Fee~~Fees payable shall ~~be~~not exceed an aggregate amount, calculated with respect to each Limited Partner ~~that is subject to the Base Management Fee~~, determined by multiplying the applicable fee rate, as determined pursuant to clause (ii) below, by the incremental NAV per LP Unit attributable to such Limited Partner's applicable LP Units.

(ii) The amount of the cumulative Base Management ~~Fee~~Fees payable ~~by the Partnership~~ to the Investment Adviser in respect of each Limited Partner shall be determined on a quarterly basis and ~~calculated according to the fee rates set out below (i.e., such that~~cannot cause the Limited Partner and each of its Aggregated Partners ~~bears an~~to bear effective blended Base Management ~~Fee~~Fees rate~~)~~ in excess of the Fee Rate limit below:

Incremental aggregate NAV per LP Unit, together with the aggregate NAV per LP Unit of such Limited Partner's Aggregated Partners	**Fee Rate Limit (of the applicable NAV per LP Unit as of the date indicated in clause (i))**
Less than US$ 200 million	84 basis points per annum (or 21 basis points per calendar quarter)
Equal to or greater than US$ 200 million and less than US$ 400 million	74 basis points per annum (or 18.5 basis points per calendar quarter)
Equal to or greater than US$ 400 million	64 basis points per annum (or 16 basis points per calendar quarter)

(iii) In order to facilitate the calculation of the NAV per LP Unit in accordance with and to give effect to the foregoing provisions (including ~~any fee discounts~~Fee Rate limit on the cumulative Base Management ~~Fee~~Fees), the Partnership may, in the sole discretion of the General Partner, (A) withhold amounts that are otherwise distributable to each Limited Partner in order to pay ~~the~~ Base Management ~~Fee~~Fees payable by the Partnership ~~in respect of~~for a Subsidiary allocable to such Limited Partner or (B) redeem or reduce the number of LP Units (including any fractional amounts thereof) held by each Limited Partner

with an aggregate NAV attributable to such LP Units up to the amount of combined Base Management ~~Fee~~Fees payable by the Partnership ~~in respect of~~or a Subsidiary allocable to such Limited Partner.

(c) The Incentive Management Fee is calculated at the end of each calendar month and is payable annually in arrears at the end of each calendar year. The amount of the Incentive Management Fee calculated at the end of each calendar month shall be equal to (w) 5.0% multiplied by (x) the NAV of the Partnership as of the beginning of such calendar month multiplied by (y) the Comp Store NOI Growth for such calendar month multiplied by (z) a fraction, the numerator of which is 1 and the denominator of which is 12. The amount of the Incentive Management Fee payable at the end of each calendar year shall be equal to the aggregate amount of the Incentive Management Fee (including any negative amount) calculated for each calendar month that year; provided that in no event shall the Incentive Management Fee payable at the end of a calendar year (other than calendar year 2026) exceed 0.25% of the average monthly NAV of the Partnership that year (calculated by dividing (x) the sum total of the NAV of the Partnership as of the beginning of each calendar month that year by (y) 12). For the avoidance of doubt, no Incentive Management Fee shall be payable at the end of any given calendar year if the aggregate amount of the Incentive Management Fee for that year is negative, it being understood and agreed that (i) the Investment Adviser shall have no responsibility to the Partnership, any Partner or any other Person with respect to any such negative amount and (ii) no such negative amount shall be carried over to (or counted in) the next calendar year for purposes of determining the Incentive Management Fee for the next calendar year. It is understood that, for calendar year 2026, the Incentive Management Fee shall be equal to the aggregate amount of the Incentive Management Fee (including any negative amounts) calculated (i) for all calendar months ending on or prior to the date hereof, in accordance with Prime LLC's Amended and Restated Limited Liability Company Agreement, dated as of June 30, 2004, as amended (the "**Prime LLCA**") and (ii) for all calendar months ending after the date hereof, in accordance with this Agreement; provided that in no event will the Incentive Management Fee payable at the end of calendar year 2026 exceed the average of (x) 0.35% of the average monthly NAV of the Partnership for the first six months of 2026 and (y) 0.25% of the average monthly NAV of the Partnership for the last six months of 2026, and for this purpose, treating "NAV of the Company" under the Prime LLCA as NAV of the Partnership for all months ending on or prior to the date hereof.). If the amount of Incentive Management Fee calculated with respect to any month is positive, such amount will accrue as of the end of such month. No Incentive Management Fee shall accrue at the end of any month if the amount of the Incentive Management Fee calculated for such month is negative.

As used herein, the following terms have the following meanings:

"**Comp Store NOI Growth**" means, with respect to any given calendar month (the "**Current Month**"), the growth, expressed as a percentage, of the

aggregate NOI generated by the Included Investments during the Current Month over the aggregate NOI generated by the same Included Investments during the same calendar month in the preceding year (the "**Prior Year's Corresponding Month**"). For purposes of determining Comp Store NOI Growth, with respect to any Included Investment that is not wholly-owned directly or indirectly by the Partnership, only the pro rata portion (based on the Partnership's ownership percentage of such Included Investment) of such Included Investment's NOI shall be included; provided that where the Partnership's ownership percentage of any such Included Investment at the end of the Current Month is different than the Partnership's ownership percentage of such Included Investment at the end of the Prior Year's Corresponding Month, the pro rata portion of such Included Investment's NOI that shall be included for purposes of determining the aggregate NOI for the Prior Year's Corresponding Month shall be determined using the Partnership's ownership percentage of such Included Investment at the end of the Current Month.

"**Included Investment**" means, for purposes of determining the Comp Store NOI Growth for any given calendar month, each real estate asset held directly or indirectly by the Partnership at the end of such calendar month so long as such real estate asset was held directly or indirectly by the Partnership for at least 13 months prior to the end of such calendar month (for the avoidance of doubt, including any real estate asset for which there was any expansion, redevelopment or similar change during the prior 13 months); provided that if any such real estate asset is a development asset (i.e., either undeveloped land or a previously developed real estate asset that is subject to a development or redevelopment project where the budgeted costs of such project exceed 50% of the value of such asset immediately prior to undertaking such project), such real estate asset will only be considered held once its development has been completed (i.e., a certificate of occupancy or equivalent document has been obtained); and provided, further, that "Included Investments" shall not include AMLI Operating Company, Safeguard Operating Company, any future Investment deemed to be an operating company, in each case as set forth in and consistent with the Schedule of Real Estate Investments in the Partnership's audited financial statements and as presented in the Partnership's quarterly reports to Limited Partners.

"**NOI**" means, with respect to any real estate asset, the aggregate income generated by such real estate asset after operating expenses have been deducted, but before deducting income taxes, financing expenses, fund expenses and capital expenditures.

(d) Payment of the Management ~~Fee~~Fees will be in cash; provided that the Investment Adviser may elect that a portion of the Management ~~Fee~~Fees be paid by investment in LP Units (based on the NAV per LP Unit at the time of payment of the Management Fee).

Section 4.05. *Partnership Expenses.*

(a) The Investment Adviser shall be solely responsible for and shall pay all Investment Adviser Expenses. Investment Adviser Expenses shall not be treated as expenses of the Partnership and the payment thereof shall not be accounted for as contributions to or income of the Partnership. As used herein, the term "**Investment Adviser Expenses**" means all compensation of officers, members and employees of the Investment Adviser and related overhead expenses (including office and related expenses), except for internal legal, accounting, insurance and other professional costs and expenses associated with the operation of the Partnership and that would be normally provided by outside professionals so long as such costs and expenses are on market terms (such internal professional costs and expenses, "**Reimbursable Investment Adviser Professional Expenses**"), and Excess Restructuring Expenses.

(b) The Partnership shall be responsible for and shall pay (or reimburse the Investment Adviser for, as applicable) all Partnership Expenses. All Partnership Expenses shall be paid out of funds of the Partnership. As used herein, the term "**Partnership Expenses**" means all expenses or obligations of the Partnership or the General Partner or otherwise incurred by the Partnership or the General Partner or the Subsidiaries (or by the Investment Adviser or its Affiliates on behalf of the Partnership or the General Partner) in connection with this Agreement or the Partnership's or the General Partner's business or affairs (other than the Investment Adviser Expenses), including:

(i) the Management ~~Fee~~Fees;

(ii) all Reimbursable Investment Adviser Professional Expenses;

(iii) Restructuring Expenses (other than Excess Restructuring Expenses);

(iv) any fees or compensation payable to the Independent Directors, and expenses payable to all Directors, for service on the Board;

(v) all costs and expenses incurred in connection with the holding of the Partnership's annual meeting, meetings of the Board, meetings of the Advisory Committee and the Advisory Committee Members and meetings of the Limited Partners, including travel costs, entertainment and other similar fees, costs and expenses of the Advisory Committee or the Limited Partners;

(vi) costs and expenses related to the engagement of third-party consultants, advisors and service providers (including Affiliates of the Investment Adviser engaged pursuant to Section 4.06) by the Partnership

and the General Partner, including costs and expenses incurred in connection with obtaining legal, tax, appraisal or accounting, insurance advisory, property management, fund administration, custody or depositary advice or services (including property management fees and expenses, including base fees, leasing commissions, incentive fees and financing fees); all fees, costs and expenses (including travel, meals, accommodations, and reasonable research and market data expenses and ancillary costs thereto) incurred in sourcing, conducting due diligence investigations into, purchasing, acquiring, developing, negotiating, structuring, monitoring, custody, hedging, financing, insuring, managing and disposing of, or attempting to dispose of, actual (or potential) Investments, including the expenses incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of any environmental, social and governance related programs and initiatives (in respect of Investments, prospective Investments and/or the Partnership); expenses incurred in connection with environmental, social and governance tracking tools, climate risk assessments and any other assessments, measurements, advice or reports conducted as part of implementing, monitoring and maintaining of certain environmental, social and governance related programs and initiatives, costs for external financial, legal, accounting, technology (including technology-related services), consulting or other advisers, or any lenders and other financing sources and other costs and fees in connection with transactions which are not consummated, including reverse break-up fees and lost deposits, duplicating, postage, delivery, and communications charges, costs of appraisal services (including obtaining an independent valuation of, or fairness opinion relating to, Investments or other assets), valuation advisers, engineering and environmental assessment services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such fees, costs and expenses by entities in which the Partnership invests or other third parties);

(vii) third party out-of-pocket expenses incurred by the General Partner or the Investment Adviser (and third-party firms whose professionals work in the Investment Adviser's offices, use the Investment Adviser's email address and devote all or substantially all of their working time to funds or accounts managed by the Investment Adviser and its affiliates) in connection with Investments or proposed Investments and other costs and expenses in connection with the acquisition, underwriting, market research, financing, operation, ownership, management, development, redevelopment, refinancing, sale, leasing or other disposition of Investments;

(viii) the Partnership's allocable share of travel expenses, including travel expenses incurred in connection with evaluating and negotiating potential Investments (whether or not consummated) and monitoring actual Investments and other Partnership matters (including costs and expenses of accommodations and meals, costs and expenses related to attending trade association meetings, conferences or similar meetings for purposes of evaluating actual or potential investment opportunities, and with respect to travel on non-commercial aircraft, costs of travel at a comparable business class commercial airline rate);

(ix) communications charges, costs of appraisal services (including obtaining an independent valuation of Investments or other assets), valuation advisers, engineering and environmental services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Partnership invests or other third-parties);

(x) costs and expenses (including brokerage fees, commissions, insurance premiums) relating to any fidelity bond and insurance policies of all types (including directors' and officers' liability insurance and errors and omissions insurance), or such other insurance relating to the affairs of the Partnership;

(xi) all expenses incurred in connection with any litigation, indemnification or extraordinary expense or liability relating to the affairs of the Partnership or any Subsidiary (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

(xii) all expenses for indemnity or contribution payable by the Partnership to any Person;

(xiii) all expenses incurred in connection with the collection of amounts due to the Partnership or any Subsidiary from any Person;

(xiv) expenses related to legal and regulatory compliance for the Partnership, the General Partner or the Investment Adviser relating to the Partnership's investment activities (including, without limitation, Partnership-related compliance obligations and, if needed, reports, disclosures, filings and notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive);

(xv) all expenses incurred in connection with and any principal, interest or other amounts owing in respect of any indebtedness or guarantees of the Partnership or any Subsidiary or any proposed or

definitive credit facility or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Partnership or any Subsidiary or related to any Investment), including the repayment of amounts under such indebtedness, guarantees, credit facilities or other credit arrangements;

(xvi) expenses associated with portfolio and risk management including interest rate hedging;

(xvii) expenses of dissolving and winding up the Partnership;

(xviii) expenses incurred in connection with preparation of financial statements;

(xix) fees, costs and expenses related to the organization and maintenance of any entity used to acquire, hold or dispose of one or more Investment(s) (including, for the avoidance of doubt, any Subsidiary or portfolio entity) or otherwise facilitating the Partnership's investment activities including, without limitation, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including personnel of the Investment Adviser or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, or other overhead expenses in connection therewith;

(xx) legal entity management expenses;

(xxi) fees or other governmental charges relating to administration of the Partnership, the General Partner and the Investment Adviser;

(xxii) fees, costs and expenses incurred in connection with any amendments, restatements, or other modifications to, and compliance with, the Partnership Agreement, the Advisory ~~Agreement~~Agreements, confirmation letters with Limited Partners or any other constituent or related documents of the Partnership, the General Partner and the Investment Adviser, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the Advisory Committee or preparation of other materials in connection with compliance (or monitoring compliance) with such documents (including, for the avoidance of doubt, any such documents as related to Subsidiaries);

(xxiii) any taxes imposed on the Partnership or any Subsidiary, including any taxes imposed on the Partnership or any Subsidiary in the capacity of withholding agent with respect to a Partner (and any interest, penalties or expenses relating to any such taxes), except

to the extent such taxes are attributable or otherwise allocable to a Partner under the Partnership Agreement, and costs and expenses of preparing and filing tax returns on behalf of the Partnership and/or such Subsidiary in any jurisdiction in which the Partnership or such Subsidiary is required or deems it advisable to file tax returns or information with the applicable tax authorities and all costs and expenses incurred in connection with any tax audit, investigation, settlement or other proceedings in respect of the Partnership and/or such Subsidiary;

(xxiv) any sales, value added, goods and services or other similar taxes (a "GST") to the extent that the Partnership or any entity used to acquire, hold or dispose of any investments (including any Subsidiary and/or any portfolio entity) is required by applicable law to pay, withhold or deduct such amounts from any payments of the Base Management ~~Fee~~Fees or Incentive Management Fee, so that the net amounts of Base Management Fees and/or Incentive Management Fees actually received by the Investment Adviser (and/or such entity) after such payment, withholding, deduction or imposition of such GST (including any such payment, withholding, deduction or imposition from or with respect to such additional amounts) equal the required amount of Base Management Fees and/or Incentive Management Fees otherwise payable under the Advisory ~~Agreement~~Agreements;

(xxv) all administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Partners of checks, financial reports, performance reports, tax returns, communications and notices required pursuant to this Agreement, treasury, cash management, analytics and related information technology services provided to the Partnership and all other costs and expenses in relation to maintaining or compliance with the tax or legal status of the Partnership, the General Partner or the Investment Adviser;

(xxvi) the organization of any Parallel Vehicle or Feeder Vehicle;

(xxvii) expenses of offering LP Units and any applicable taxes, including expenses associated with updating the offering and marketing materials, expenses associated with printing the materials and expenses relating to documentation with potential investors (other than travel expenses related thereto);

(xxviii) the fees, costs and expenses of any legal counsel or other advisors retained by, or at the direction or for the benefit of, the Advisory Committee;

(xxix) fees, commissions, costs and expenses relating to the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "**AIFM Directive**"), the Swiss Collective Investment Schemes Act ("**CISA**") or any other non-U.S. law, rule, regulation or requirement including as any of the foregoing may be implemented by any laws, rules, regulations or interpretations of countries or jurisdictions, in each case as amended, or any successor laws, rules or regulations thereto including reports, ongoing compliance, administrators, custodians, agents, representatives, depositaries, paying agents and other service providers engaged to comply with the AIFM Directive, CISA, or any other non-U.S. law, rule, regulation or requirements, the organization or maintenance of any entity used in connection with compliance with the AIFM Directive by the Partnership, any Parallel Vehicle or any Feeder Vehicle (including any entity that is an Affiliate of the Investment Adviser established to be an authorized "alternative investment fund manager" of the Partnership, any Parallel Vehicle or any Feeder Vehicle within the meaning of the AIFM Directive) as well as any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, other overhead expenses in connection therewith and/or fees for services, or, in the event a third party authorized "alternative investment fund manager" is engaged, the costs and expenses associated therewith, as applicable; and

(xxx) all other costs and expenses relating to the business of the Partnership.

Section 4.06. *Transactions with Affiliates.* Subject to compliance with Section 6.11(c), in addition to transactions specifically contemplated by this Agreement, the Investment Adviser, when acting on behalf of the Partnership, is hereby authorized to purchase Investments or obtain services from, to sell Investments or provide services to, or otherwise to deal with the Investment Adviser (acting other than in its capacity as investment adviser of the Partnership), any Limited Partner or any Affiliate of any of the foregoing Persons. In connection with any services performed by any of the foregoing Persons for the Partnership or a Subsidiary, such Person shall, subject to compliance with Section 6.11(c), be entitled to be compensated by the Partnership (or such Subsidiary), and the amount of such compensation shall, subject to Section 6.11(c), be determined by the Investment Adviser in its discretion. Each Limited Partner acknowledges and agrees that such purchase or sale of Investments, the performance of such services, other dealings, or the receipt of such compensation may give rise to conflicts of interest between the Partnership and the Limited Partners, on the one hand, and the Investment Adviser or such Affiliate, on the other hand.

Section 4.07. *Other Activities.* (a) Each Limited Partner (i) represents and warrants that such Limited Partner has carefully reviewed and understood the

information contained in the Offering Memorandum and (ii) acknowledges and agrees that the General Partner, the Investment Adviser or any of their respective Affiliates may engage, without liability to the Partnership or the Limited Partners, subject to compliance with Section 6.11(c), in any and all of the activities of the type or character described or contemplated in Section 4.06 or in Schedule A hereto, whether or not such activities have or could have an effect on the Partnership's affairs or on any Investment, and that no such activity will in and of itself constitute a breach of any duty owed by any Indemnified Person to the Limited Partners or the Partnership. The General Partner and any officer or employee of the General Partner shall be required to devote only such time to the affairs of the Partnership as the General Partner determines in its reasonable discretion may be necessary or appropriate to manage and operate the Partnership, and each such Person, to the extent not otherwise directed by the General Partner, shall be free to serve and may be compensated by any other Person or enterprise in any capacity (including serving the Partnership in any capacity other than as a representative or agent of the General Partner) that it may deem appropriate in its discretion.

(b) Each Limited Partner understands and agrees that the General Partner or any Affiliate of the General Partner may engage in "agency cross transactions" as defined in Rule 206(3)-2 ("**Agency Cross Transactions**") promulgated by the Securities and Exchange Commission under the Advisers Act in which the General Partner or such Affiliate acts as a broker for both the Partnership or the Limited Partner and for another person on the other side of the transaction. Each Limited Partner understands and agrees that the General Partner or such Affiliate may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such Agency Cross Transactions. THIS CONSENT, AS TO AGENCY CROSS TRANSACTIONS EFFECTED ON BEHALF OF A LIMITED PARTNER, MAY BE REVOKED AT ANY TIME BY WRITTEN NOTICE FROM THE LIMITED PARTNER TO THE GENERAL PARTNER. THIS CONSENT, AS TO AGENCY CROSS TRANSACTIONS EFFECTED ON BEHALF OF THE PARTNERSHIP, MAY BE REVOKED AT ANY TIME BY WRITTEN NOTICE TO THE GENERAL PARTNER FROM LIMITED PARTNERS HOLDING AT LEAST A MAJORITY OF THE OUTSTANDING LP UNITS.

Section 4.08. *Term of Investment Adviser; Removal of Investment Adviser; Assignment of Investment Adviser's Role.* (a) In accordance with the Advisory ~~Agreement~~Agreements, the Investment Adviser's initial term as investment adviser to the Partnership and any Subsidiary shall expire on the date set forth therein and will automatically be renewed annually thereafter, except that the term may expire earlier if (i) terminated by a majority vote of the Independent Directors with the concurrence of holders of at least three-quarters of the outstanding LP Units and a majority of the Limited Partners by number in accordance with Section 6.11(c) and Section 7.06 (*i.e.*, upon a vote to remove the

Investment Adviser pursuant to such Sections), (ii) the term is modified with the approval of the Investment Adviser and a majority of the Independent Directors or (iii) the Investment Adviser resigns on at least 90 days prior written notice to the Board. In the event of a resignation or termination pursuant to clauses (i) or (iii) above, the Independent Directors will choose a successor investment adviser by majority vote in accordance with Section 6.11(c). Notwithstanding the foregoing or anything to the contrary in this Agreement, the Board (by majority vote) may remove the Investment Adviser (with or without cause) at any time upon 90 days notice, and upon such removal (subject to compliance with applicable law) may appoint a new Investment Adviser.

(b) The Investment Adviser may assign its rights under this Agreement (and its role as the Investment Adviser) to any one or more of its Affiliates without the prior consent or approval of the Limited Partners or the Board; *provided* that (i) such Affiliates jointly and severally have assumed all of the Investment Adviser's obligations under this Agreement in writing and provide a copy of such assumption to the Partnership and (ii) in the absence of the approval of a majority of the Independent Directors pursuant to Section 6.11(c), the Investment Adviser shall remain fully liable to the Partnership with respect to its obligations hereunder. Any such assignment to any Person that is not an Affiliate of the Investment Adviser shall require the prior approval of a majority of the Independent Directors pursuant to Section 6.11(c). Without limiting the foregoing, any assignment pursuant to this Section 4.08(b) shall also be subject to any applicable requirements under the Advisers Act.

ARTICLE 5
INVESTMENTS

Section 5.01. *Investments.* The General Partner shall have discretionary authority to acquire, manage and dispose of Investments (as more fully described in Section 4.02(b)). The General Partner shall generally make Investments consistent with the Investment Guidelines, as they may be modified from time to time by the Board following recommendation from the General Partner pursuant to Section 6.11(b); *provided* that the General Partner may vary from the Investment Guidelines as it deems prudent and appropriate under the circumstances from time to time. The General Partner shall not be liable for any non-compliance with the Investment Guidelines unless it has breached the standard of care set forth in Section 4.01(a), and then only to the extent of damages actually incurred by the Partnership as a result of such non-compliance.

Section 5.02. *Allocation of Investment Opportunities.* Without limiting the generality of Section 4.06, each Limited Partner acknowledges and agrees that the Investment Adviser or any of its Affiliates may provide investment management services to Persons other than the Partnership and the Subsidiaries, and neither the Investment Adviser nor any of its Affiliates shall be liable to the

Partnership or the Limited Partners solely as a result thereof. The Investment Adviser shall allocate investment opportunities suitable both for the Partnership and for other Persons, including the Investment Adviser or an Affiliate of the Investment Adviser or a third party client of the Investment Adviser, in accordance with an equitable and reasonable allocation procedure, which (without limiting the Investment Adviser's discretion to modify such procedure or establish and implement an alternative allocation procedure, so long as such procedure is equitable and reasonable) shall be deemed to include the allocation procedure described in Section XII.—"Conflicts of Interest" of the Offering Memorandum under the caption "Conflicts of Interest–Allocation of Real Estate Opportunities."

Section 5.03. *Financing.* The General Partner may arrange on behalf of the Partnership or the Subsidiaries such borrowing facilities (with recourse only to specific assets of the Partnership or to the Partnership generally, but not to the Limited Partners) from third parties as it deems advisable; *provided* that the total Partnership Indebtedness does not exceed 50% of the total value of the Partnership's gross assets (based on the most recent asset valuation under Section 5.05) at the time the Partnership Indebtedness is incurred, unless the Board approves the incurrence of additional Partnership Indebtedness pursuant to Section 6.11(b).

Section 5.04. *Investment Vehicles.* The Partnership may own Investments through corporations, REITs, limited liability companies, limited partnerships or other entities, all or substantially all of the interests in which are, directly or indirectly, owned by the Partnership or through Joint Ventures and other co-ownership vehicles with third parties or through one or more taxable REIT subsidiaries (any such entities through which the Partnership may own Investments, solely for purposes of this Agreement, "**Subsidiaries**").

Section 5.05. *Valuation.* The Investments shall be appraised in accordance with the Partnership's valuation policy, which shall be established and may be modified by the Investment Adviser, subject to approval of a majority of the Board pursuant to Section 6.11(b). This policy shall initially require an appraisal of each Investment on a quarterly basis by independent appraisers engaged by the Board on behalf of the Partnership. Such appraisals shall generally be reported in a limited restricted report format, although they shall be reported in an expanded summary report format on an annual basis for approximately one third of the investments (so that each investment receives an expanded summary report at least once every three years). In addition, the Investment Adviser is responsible for updating the Investment values under the appraisals on a monthly basis (or at any other time as deemed necessary or advisable by the Investment Adviser in its discretion) based on material items occurring since the last quarterly update. The Investment Adviser shall determine Investment values based on such appraisals and shall furnish the Board with a list of individual Investment values, together with a summary of any adjustments made to the appraisals by the Investment Adviser. The Board shall have the right

to inspect all appraisals and supporting materials upon reasonable notice to the Investment Adviser. The cost of these appraisals shall be borne by the Partnership as a Partnership Expense pursuant to Section 4.05(b). For the avoidance of doubt, although the Board will exercise oversight over the valuation policies and process as set forth in this Section 5.05, individual Investment valuations and the determination of the NAV of the Partnership will be made by the Investment Adviser in its discretion.

ARTICLE 6
BOARD OF DIRECTORS

Section 6.01. *Composition of Board and Election of Directors.* (a) The Board shall initially consist of four directors (each, a "**Director**"), no more than one of whom shall be Affiliated Directors. The number of Directors may be increased by a majority vote of the Directors; *provided* that the number of Independent Directors shall at all times constitute 75% or more of the Board.[3]

(b) The Investment Adviser shall have the exclusive power and authority to appoint, remove and replace the Affiliated Directors from time to time.

(c) Each Independent Director shall serve for a one year term. Commencing with the first annual meeting of Limited Partners under Section 7.02, the Limited Partners shall vote on an annual basis, pursuant to Section 7.06, on the election of the Independent Directors, who shall be nominated by the [Board]. Each Independent Director so elected shall hold office until such Independent Director's successor is elected and qualified or until such Independent Director's earlier death, resignation or removal by the Board pursuant to Section 6.11(b). Independent Director vacancies shall be filled by nominees selected by the Board, who may solicit the recommendations of the Investment Adviser. A decision to remove an Independent Director for cause shall be determined by a vote of the remaining Directors.[4]

Section 6.02. *Vacancy.* If for any reason any or all the Directors cease to be Directors, such event shall not terminate the General Partner or the Partnership or affect this Agreement or the powers of the remaining Directors hereunder. Independent Director vacancies shall be filled by nominees selected by the Board

[3] **NTD**: The language in this section has been updated to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

[4] **NTD**: The language in this section has been added to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

(who may solicit the recommendations of the Investment Adviser) and voted upon by a majority of Directors.

Section 6.03. *Quarterly Meetings.* The Board shall hold quarterly meetings at such time and place as shall be determined by the Board.

Section 6.04. *Special Meetings.* Special meetings of the Board may be called by or at the request of any Director then in office or at the request of the Investment Adviser. The Person calling a special meeting of the Board may fix any place in the United States as the place for holding any special meeting of the Board called by them.

Section 6.05. *Notice.* Notice of any meeting of the Board shall be in writing and shall be given to each Director at least three days prior to the meeting. Notice of any special meeting of the Board shall include a description of the purpose for which such meeting has been called.

Section 6.06. *Quorum.* A majority of the Directors shall constitute a quorum for transaction of business at any meeting of the Board; *provided* that at least one Independent Director and one Affiliated Director are present.

Section 6.07. *Voting.* Subject to Section 6.11(c), the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 6.08. *Action by Consent.* Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if Directors having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all Directors entitled to vote thereon were present and voted consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions, are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. No prior notice shall be required for any action so taken without a meeting, so long as the written consent is circulated for signature to each Director. Any action taken pursuant to such written consent of the Directors shall be filed as part of the records of the Partnership and have the same force and effect as if taken by the Directors at a meeting thereof.

Section 6.09. *Meetings by Means of Remote Communications.* Directors may participate in meetings by means of conference telephone or other means of remote communication (which may involve the electronic transmission of communications) established or approved by the Board, and such participation in a meeting shall constitute presence in person at the meeting.

Section 6.10. *Compensation.* The Independent Directors (but not the Affiliated Directors) shall be compensated for serving on the Board. Initially, the Partnership shall pay the Independent Directors (i) $150,000 per year and (ii) $2,500 per Board meeting for up to six meetings per year. The Board may increase or decrease the Independent Directors' compensation in its discretion pursuant to Section 6.11(b). All Directors shall be entitled to reimbursement of all reasonable out-of-pocket costs and expenses incurred on behalf of the Partnership or in connection with their service as Director.

Section 6.11. *Powers of the Board.*[5] (a) The Board shall be responsible for reviewing the investment performance of the Partnership on a quarterly basis and for monitoring the Investment Adviser's performance of its responsibilities under this Agreement and the Advisory ~~Agreement~~Agreements.

(b) The Board shall have the exclusive power and authority to take the following actions for and on behalf of the General Partner by a majority vote of the Directors (specified in Section 6.07 or Section 6.08):

(i) reviewing and modifying from time to time, upon recommendation of the Investment Adviser, the Investment Guidelines and the Partnership's benchmarks;

(ii) pending appointment of a successor to the Investment Adviser in the event the Investment Adviser resigns or is removed in accordance with the terms of this Agreement and the Advisory ~~Agreement~~Agreements, making determinations and taking actions that would otherwise be made by the Investment Adviser;

(iii) approving the Partnership's incurrence of Partnership Indebtedness on a consolidated basis in excess of 50% of the gross value of the Partnership's assets at the time the Partnership Indebtedness is incurred;

(iv)removing an Independent Director for cause (for which purposes the Independent Director in question will abstain);

(v) determining any change in the compensation of the Directors;

[5] **NTD**: The language in this section has been updated to incorporate the amendments made to this section pursuant to Amendment No. 4 of the PRIME LLCA.

(vi) establishing and modifying from time to time, upon the recommendation of the Investment Adviser, the distribution policy for the Partnership as set forth in Section 3.07;

(vii) approving any public offering of LP Units by the Partnership;

(viii) engaging or changing, upon the Investment Adviser's recommendation, the independent appraisers and independent auditors of the Partnership;

(ix) changing, upon the Investment Adviser's recommendation, the asset valuation policy of the Partnership as set forth in Section 5.05;

(x) approving of any change to the name of the Partnership, the registered office and agent of the Partnership under the Delaware Act, the location of the principal office of the Partnership, or the address of the Partnership;

(xi) approving of any adoption of or change to the distribution policy;

(xii) approving of a dissolution of the Partnership (it being understood for the avoidance of doubt that this does not limit Section 11.01(ii) and (iii) of this Agreement);

(xiii) approving of a merger, consolidation or sale of all or substantially all of the assets of the Partnership; and

(xiv) approving of any material amendment to this Agreement for which approval of the Limited Partners will not be sought.

(c) The Board shall have the exclusive power and authority to take the following actions for and on behalf of the General Partner by a majority vote of the Independent Directors:

(i) removing the Investment Adviser as the investment adviser to the Partnership (with the concurrence of holders of at least three-quarters of the outstanding LP Units and a majority of the Limited Partners by number);

(ii) replacement of the Investment Adviser as the investment adviser of the Partnership with a successor manager in the event of the Investment Adviser's removal or resignation pursuant to the terms of this Agreement;

(iii) modifying (with the approval of the Investment Adviser) the terms of this Agreement relating to the Investment Adviser's investment management authority, the role or scope of services as Investment Adviser or the Management Fees (subject to the rights of the Limited Partners under Section 4.04(c) as in effect on the date hereof);

(iv) approving the assignment by the Investment Adviser of its rights under this Agreement (and its role as the Investment Adviser) to (i) an Affiliate of the Investment Adviser where, subsequent to such assignment, the Investment Adviser does not remain fully liable to the Partnership with respect to its obligations under this Agreement or (ii) a Person that is not an Affiliate of the Investment Adviser;

(v) approving the terms of (i) any purchase or sale of an Investment by the Partnership from or to the Investment Adviser or its Affiliate or from or to any Person advised or represented by the Investment Adviser or its Affiliate in the applicable transaction (an "**Investment Adviser Client**"), (ii) any debt financing of an Investment arranged by the Investment Adviser from an Affiliate of the Investment Adviser or from an Investment Adviser Client, (iii) any Investment made by the Partnership that is arranged or contemplated by the Investment Adviser as a co-investment with an Affiliate of the Investment Adviser or with an Investment Adviser Client (except that no such approval will be required where such co-investment is on substantially *pari passu* terms) or (iv) any lease of a property underlying an Investment involving more than 50,000 square feet to an Affiliate of the Investment Adviser or to an Investment Adviser Client;

(vi) approving the retention of any Affiliate of the Investment Adviser to provide services to the Partnership not expressly contemplated by this Agreement and the terms of such services by such Affiliate; *provided* that no such approval will be needed so long as the foregoing services are on market terms and are disclosed to the Board in reasonable detail each quarter;

(vii) resolving any other conflict of interest situations that are brought before the Independent Directors by the Investment Adviser or General Partner in its discretion (including pursuant to Section 13.02);

(viii) approving the matters set forth in Section 4.03(e) (relating to fee arrangements with respect to certain "feeder" vehicles of the Partnership).

(d) Notwithstanding anything to the contrary in Section 4.08, Section 6.11(c)(i) or Section 7.06(iv) of this Agreement, the Board (by majority vote) may

remove the Investment Adviser (with or without cause) at any time upon 90 days notice, and upon such removal (subject to compliance with applicable law) may appoint a new Investment Adviser.

ARTICLE 7
LIMITED PARTNERS; ADVISORY COMMITTEE

Section 7.01. *Time and Place of Meetings.* All meetings of the Limited Partners shall be held at such place, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the General Partner.

Section 7.02. *Annual Meetings.* An annual meeting of the Limited Partners, commencing with the year [2026], shall be held for the election of Independent Directors and to transact such other business as may properly be brought before the meeting.

Section 7.03. *Special Meetings.* Special meetings of the Limited Partners may be called by the General Partner or the Investment Adviser and shall be called by the General Partner at the request in writing of holders of record of at least one-third of the outstanding LP Units. Such request shall state the purpose or purposes of the proposed meeting.

Section 7.04. *Notice of Meetings and Adjourned Meetings; Waivers of Notice.* (a) Whenever Limited Partners are required or permitted to take any action at a meeting, a written notice of the meeting shall be given by the General Partner or the Investment Adviser, which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which the Limited Partners and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called (and business transacted at such special meeting shall be limited to the purposes stated in the notice). Unless otherwise provided by applicable law, such notice shall be given not less than 10 nor more than 90 calendar days before the date of the meeting to each holder of LP Units who is then recorded in the Register of Partners. When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time, place, if any, and the means of remote communications, if any, by which the Limited Partners and proxy holders may be deemed to be present in person and vote at such meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each holder of LP Units who is then recorded in the Register of Partners.

(b) A written waiver of any such notice signed by the person entitled thereto, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to notice. Attendance of a Person at a meeting in Person or remotely shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 7.05. *Quorum.* The presence, in person or remotely or by proxy, of the holders of a majority of the outstanding LP Units shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Limited Partners, the Limited Partners present in person or represented by proxy shall adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7.06. *Voting.* Each Limited Partner (except for any Limited Partner that is an Affiliate of the Investment Adviser) who holds LP Units at the time of the applicable vote, approval or consent shall, with respect to such LP Units, be entitled to vote on or approve or consent as to any action permitted or required to be taken or any determination required to be made by the Limited Partners under clauses (i) through (iv) of this Section 7.06. Each LP Unit shall have one vote. No vote, approval or consent by the Limited Partners shall be required in respect of any act or transaction to be taken by the General Partner or the Investment Adviser on behalf of the Partnership or by the Partnership, except as expressly set forth below in clauses (i) through (iv) of this Section 7.06:

(i) The approval of holders of at least a majority of the LP Units present in person or by proxy and voting shall be required (A) to remove any Independent Director or (B) to elect the Independent Directors (from the nominees presented for election by the Board pursuant to Section 6.01(c)). Such election shall be held on an annual basis [commencing with an election in calendar year 2026].

(ii) The affirmative vote of at least two-thirds of the outstanding LP Units shall be required to approve a decision by the Board or the Investment Adviser to effect any merger, consolidation, sale of all or substantially all of the assets or dissolution of the Partnership.

(iii) The approval of at least two-thirds of the outstanding LP Units shall be required for any amendment to this Agreement proposed by the General Partner, other than amendments that

are expressly permitted without Limited Partners' consent pursuant to Section 13.01.

(iv) The approval of (A) at least three-quarters of the outstanding LP Units and (B) a majority of the Limited Partners by number, and the concurrence of a majority of the Independent Directors, shall be required to remove the Investment Adviser as investment adviser to the Partnership.

Section 7.07. *Action by Consent.* (a) Any action required to be taken at any annual or special meeting of the Limited Partners, or any action which may be taken at any annual or special meeting of the Limited Partners, may be taken without a meeting, without prior notice and without a vote, if the holders of outstanding LP Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all LP Units entitled to vote thereon were present and voted consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Limited Partners. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Limited Partners who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting (if the notice of such meeting had been given on the date that written consents signed by or electronic transmissions from a sufficient number of Limited Partners to take the action were delivered to the Partnership and General Partner as provided in Section 7.07(b)).

(b) Every writing or transmission described in Section 7.07(a) shall bear the date of signature of each Limited Partner who signs the writing or makes the transmission, and no consent shall be effective to take the action referred to therein unless, within 60 days of the earliest dated writing or transmission relating to such consent that is delivered in the manner required by this Section and the Delaware Act to the Partnership, writings or transmissions signed by a sufficient number of holders to take action are delivered to the Partnership and the General Partner.

Section 7.08. *Meetings by Means of Remote Communications.* Limited Partners may participate in a meeting of the Limited Partners by means of conference telephone or other means of remote communication (which may involve the electronic transmission of communications) established by the General Partner, and such participation in a meeting shall constitute presence in person at the meeting.

Section 7.09. *Proxies.* Each Limited Partner entitled to vote at a meeting of the Limited Partners may authorize another Person or Persons to act on its behalf by written proxy, but no such proxy shall be voted or acted upon after three

years from its date, unless the proxy provides for a longer period and no such proxy shall be valid unless provided to the General Partner prior to or before the time the applicable action is taken.

Section 7.10. *Advisory Committee.* (a) The Partnership shall establish and maintain an advisory committee (the "**Advisory Committee**") comprised of representatives of the Limited Partners appointed as described below and willing to serve (each, an "**Advisory Committee Member**"). Advisory Committee Members shall be appointed from time to time by the General Partner. Initially, the Advisory Committee Members will consist of those members of the Advisory Committee of Prime LLC that represent Original Shareholders. The Advisory Committee shall meet with the General Partner and the Board at least once each year for the purpose of reviewing the Partnership's investment portfolio and significant developments involving the Partnership. The Advisory Committee shall serve on an advisory basis only and its recommendations and advice shall be non-binding on the General Partner, the Board, the Investment Adviser, the Limited Partners and the Partnership.

(b) To the extent any Limited Partner (that is a single principal investor and not a "fund-of-funds" or similar investment vehicle) (i) is at any time holding LP Units with an aggregate corresponding subscription amount equal to or greater than $150 million and (ii) is not at such time represented by a participating member of the Advisory Committee, such Limited Partner will be provided at its request with any notice and other documents provided to Advisory Committee Members, as and when so provided, and shall be entitled to have, at its request with reasonable notice, a representative attend any meeting of the Advisory Committee as an observer; *provided* that any such Limited Partner acknowledges in writing to the General Partner that all travel and related costs associated with such attendance shall be borne by such Limited Partner and not by the Partnership.

(c) If any Advisory Committee Member shall resign or be removed by the General Partner, a successor may be appointed by the General Partner.

(d) The Partnership shall not pay any fees to the Advisory Committee Members, but the Advisory Committee Members shall be entitled to reimbursement by the Partnership for their reasonable out-of-pocket expenses incurred in the performance of their responsibilities in their capacities as Advisory Committee Members.

ARTICLE 8
EXCULPATION AND INDEMNIFICATION

Section 8.01. *Exculpation and Indemnification.* (a) To the fullest extent permitted by applicable law, the General Partner, the Investment Adviser and their

respective Affiliates and their and their respective Affiliates' respective, employees, officers, directors, agents, stockholders, members and partners and any Person who serves at the request of the General Partner or the Investment Adviser on behalf of the Partnership as an officer, director, partner, employee or agent of the Partnership or any Affiliate of the Partnership (collectively, excluding the Directors and Advisory Committee Members, the "**GP/IA Indemnified Persons**") and Directors and Advisory Committee Members (collectively, together with the General Partner, the Investment Adviser and the GP/IA Indemnified Persons, the "**Indemnified Persons**") shall not be liable to the Partnership, any Subsidiary or to the Limited Partners for any losses, claims, damages, expenses or liabilities ("**Losses**") arising from any act or omission performed or omitted by such Indemnified Persons on behalf of the Partnership or in furtherance of the interests of the Partnership or otherwise arising out of or in connection with this Agreement, the Partnership, or the Partnership's business and affairs (including any act or omission by any Indemnified Person or any activity of the type or character disclosed or contemplated in Section 4.06, Section 4.07 or Schedule A hereto or in Section XI.—"Risk Factors" or Section XII.—"Conflicts of Interest" of the Offering Memorandum or elsewhere therein (such disclosure being incorporated herein by reference) and no such activity will in and of itself constitute a breach of any duty owed by any Indemnified Person to the Partnership or the Limited Partners), except for Losses to the extent arising from an Indemnified Person's own fraud, willful misconduct or gross negligence or, in the case of the General Partner, the Investment Adviser or a GP/IA Indemnified Person, breach of the standard of care set forth in Section 4.01(a).

(b) The Partnership shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless each Indemnified Person against any Losses to which such Indemnified Person may become subject on behalf of the Partnership or in furtherance of the interests of the Partnership or otherwise arising out of or in connection with this Agreement, the Partnership, or the Partnership's business and affairs, except to the extent that any such Loss is attributable to such Indemnified Person's own fraud, willful misconduct or gross negligence or, in the case of the General Partner, the Investment Adviser or a GP/IA Indemnified Person, breach of the standard of care set forth in Section 4.01(a). The Partnership will periodically reimburse each Indemnified Person for all expenses (including fees and expenses of counsel) as such expenses are incurred in connection with investigating, preparing for, pursuing or defending any action, claim, suit, investigation or proceeding related to, arising out of or in connection with this Agreement, the Partnership or the Partnership's business or affairs; *provided* that (i) expenses incurred by the General Partner in connection with any action, claim, suit, investigation or proceeding brought by or on behalf of the Limited Partners against the General Partner shall not be reimbursed until such action, claim, suit, investigation or proceeding is resolved, in which event the General Partner shall be indemnified for such expenses to the extent provided in this Article 8 and (ii) such Indemnified Person shall promptly repay to the

Partnership the amount of any such reimbursed expenses paid to it if it shall be judicially determined by judgment or order not subject to further appeal or discretionary review that such Indemnified Person is not entitled to be indemnified by the Partnership in connection with such matter as provided in the exception contained in the immediately preceding sentence. If for any reason (other than the fraud, willful misconduct or gross negligence of such Indemnified Person or in the case of the General Partner, the Investment Adviser or a GP/IA Indemnified Person, breach of its applicable standard of care) the foregoing indemnification is unavailable to any Indemnified Person, or insufficient to hold it harmless, then the Partnership shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by the Partnership, on the one hand, and such Indemnified Person, on the other hand, or, if such allocation is not permitted by applicable law, to reflect not only the relative benefits referred to above but also any other relevant equitable considerations.

(c) To the extent that, at law or in equity, any Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any Limited Partner, neither the General Partner, nor the Investment Adviser, nor any other Indemnified Person acting in connection with the Partnership's affairs shall be liable to the Partnership or to any Limited Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they modify the duties and liabilities or rights and powers of any Indemnified Person otherwise existing at law or in equity, are agreed by the Limited Partners to replace such other duties, liabilities, rights and powers of such Indemnified Person.

(d) The Partnership shall have the power to purchase and maintain (and the General Partner shall have the power and authority to cause the Partnership to purchase and maintain at the Partnership's expense) insurance on behalf of any person who is or was a director, officer, employee or agent of the Partnership or the General Partner, or is or was serving at the request of the Partnership as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any Losses incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Partnership would have the power to indemnify such person against such liability under applicable law.

(e) This Article 8 shall survive any dissolution or winding up of the Partnership or any termination of this Agreement.

Section 8.02. *Exclusive Jurisdiction.* To the fullest extent permitted by applicable law, the General Partner and each Limited Partner hereby agree that any claim, action or proceeding by any Limited Partner seeking any relief whatsoever against any Indemnified Person based on, arising out of or in

connection with this Agreement or the Partnership's business or affairs shall be brought only in the Federal courts located in the State of Delaware or the State of New York, Borough of Manhattan (or if Federal court jurisdiction is unavailable, in the Chancery Court of the State of Delaware (or other appropriate state court in the State of Delaware) or the state courts in New York County, New York), and not in any other State or Federal court in the United States of America or any court in any other country. For purposes of this Section, "applicable law" shall include, with respect to a Limited Partner that is a U.S. state agency, department or authority, any official policy of general applicability to investments of a similar nature to such Limited Partner's investment in the Partnership to which such Limited Partner is subject and which policy is capable of being reasonably evidenced upon the General Partner's request. In the event applicable law shall not permit the application of the foregoing exclusive jurisdiction provisions of this Section with respect to a given Limited Partner, the General Partner may, on its behalf and on behalf of the Partnership, agree with such Limited Partner alternative jurisdictions for the resolution of any claim between such Limited Partner, on the one hand, and the General Partner or the Partnership, on the other hand, as the General Partner in its discretion deems reasonable and appropriate; *provided, however*, that a Limited Partner who is not a manager may not waive its rights to maintain a legal action or proceeding in the courts of the State of Delaware with respect to matters relating to the organization or internal affairs of the Partnership.[6] The General Partner and each Limited Partner acknowledge that, in the event of any breach of this provision, the Indemnified Persons have no adequate remedy at law and shall, to the fullest extent permitted by applicable law, be entitled to injunctive relief to enforce the terms of this Section 8.02.

ARTICLE 9
BOOKS AND RECORDS; REPORTS

Section 9.01. *Books and Records.* (a) Complete and accurate books and records shall be kept and maintained for the Partnership at the principal place of business of the Partnership, as determined by the General Partner (or at such other place that the General Partner shall advise the Board in writing). The books and records of the Partnership will be maintained in accordance with U.S. generally accepted accounting principles and will be audited annually by a nationally recognized independent firm of auditors. The cost of the annual audit will be borne by the Partnership as a Partnership Expense. The books and records shall be available, upon 10 Business Days' notice to the General Partner, for inspection at the principal place of business of the Partnership (or such other location designated by the General Partner, in its discretion) at reasonable times during business hours on any Business Day by each Limited Partner or its duly

[6] **NTD**: This additional language incorporates the language added pursuant to Amendment No. 3 of the PRIME LLCA.

authorized agents or representatives for a purpose reasonably related to such Limited Partner's interest in the Partnership.

(b) The General Partner shall establish and maintain the Register of Partners which shall record the list of Partners from time to time and the number and type of LP Units held by them at such time. Upon any permitted Transfer of LP Units by any Limited Partner in accordance with Article 10, the General Partner shall promptly record such permitted Transfer in the Register of Partners. In the absence of manifest error, the amounts and types of LP Units recorded at any particular time in the Register of Partners shall be dispositive as to the matters recorded therein at such time.

(c) Each Limited Partner agrees that (i) the books and records of the Partnership contain confidential information relating to the Partnership and its affairs and (ii) the General Partner may, to the fullest extent permitted by applicable law, prohibit or otherwise limit, in its reasonable discretion, the making of any copies of such books and records.

(d) Funds of the Partnership shall be deposited in the name of the Partnership in such bank or other account or accounts as the General Partner may designate and withdrawals therefrom shall be made upon such signature or signatures on behalf of the Partnership as the General Partner may designate.

Section 9.02. *Reports to Partners.* (a) The financial statements of the Partnership shall be audited as of the end of each Fiscal Year by the Partnership's independent public accountants. The Partnership's independent public accountant shall be a nationally recognized independent public accounting firm selected by the Board, upon the General Partner's recommendation.

(b) Within 90 days after the end of each Fiscal Year, the Partnership shall prepare (or cause to be prepared) and mail to each Limited Partner audited financial statements of the Partnership. Within a reasonable period of time after the end of each Fiscal Year, the Partnership shall prepare (or cause to be prepared) and mail to each Partner applicable tax information with respect to the Partnership and its activities.

(c) Within 60 days after the end of each quarter, the Partnership shall prepare (or cause to be prepared) and mail to each Limited Partner a description of the Partnership's financial position at the end of such quarter, any significant developments that occurred during the quarter and the General Partner's views of the Partnership's short-term prospects.

Section 9.03. *Certain Information from Limited Partners.* Without limiting the generality of other provisions of this Agreement, the General Partner may request, on behalf of the Partnership, such information from the Limited Partners as is necessary or desirable in order to enable the Partnership to comply

with (A) any law, regulation or order administered by OFAC, (B) the Patriot Act, United States Executive Order 13224 or other relevant U.S. or other anti-money laundering legislation and regulations, (C) the Investment Company Act or Advisers Act or (D) the REIT Rules (with respect to Prime LLC) or any other United States federal, state or local, or foreign, tax law. If a Limited Partner refuses to provide any information so requested, the Partnership may refuse to accept a subscription for LP Units by such Limited Partner or may cause the redemption (at the NAV per LP Unit as of the date of redemption) of the LP Units held by any such Limited Partner, and, to the fullest extent permitted by applicable law, the Limited Partner shall have no claim against any Person for any form of damages as a result therefrom. Each Limited Partner understands and agrees that the Partnership may release confidential information about the Limited Partner and, if applicable, any underlying beneficial owner or related person, to any Person, if the General Partner, in its discretion, determines that such disclosure is required by applicable law.

Section 9.04. *Confidentiality.* (a) Except as set forth in Section 9.05, each Limited Partner agrees to keep confidential, and not to make any use of (other than for purposes reasonably related to its interest in the Partnership or for purposes of filing such Limited Partner's tax returns or for other routine matters required by law) nor to disclose to any Person, any information or matter relating to the Partnership or its affairs or any information or matter related to any Investment (other than disclosure to such Limited Partner's employees, agents, advisors, or representatives responsible for matters relating to the Partnership (each such Person being hereinafter referred to as an "**Authorized Representative**")); *provided* that such Limited Partner and its Authorized Representatives may make such disclosure to the extent that (i) the information being disclosed is publicly known at the time of proposed disclosure by such Limited Partner or Authorized Representative, (ii) the information subsequently becomes publicly known through no act or omission of such Limited Partner or Authorized Representative, (iii) the information otherwise is or becomes legally known to such Limited Partner other than through disclosure by the Partnership, the Investment Adviser or the General Partner or (iv) such disclosure, in the opinion of legal counsel of such Limited Partner or Authorized Representative, is required by law; *provided further* that each Limited Partner will be permitted, after notice to the General Partner, to correct any false or misleading information which may become public concerning such Limited Partner's relationship to the Partnership, the General Partner or any Person in which the Partnership holds, or contemplates acquiring, any Investment. Without limitation to Section 9.05, prior to making any disclosure required by law, each Limited Partner shall notify the General Partner of such disclosure and furnish the General Partner with a copy of the opinion referred to above. Prior to any disclosure to any Authorized Representative, each Limited Partner shall advise such Authorized Representative of the obligations set forth in this Section 9.04 and the protected rights set forth in Section 9.05 and, except as set forth in Section 9.05, shall be responsible for any

breach thereof by such Authorized Representative. Notwithstanding the foregoing provisions of this Section 9.04, any Limited Partner that is a nominee, trustee or other representative of or for any other Person shall in such capacity be permitted to transmit to such other Person the reports delivered to such Limited Partner pursuant to Section 9.02, so long as such other Person undertakes to be bound by this Section 9.04. Any obligation of a Limited Partner pursuant to this Section 9.04(a) may be modified or waived by the General Partner in its discretion.[7]

(b) The General Partner may, to the fullest extent permitted by applicable law, including Section 17-305(f) of the Delaware Act, keep confidential from any Limited Partner any information (including information requested by such Limited Partner pursuant to Section 9.01) the disclosure of which (i) the Partnership or the General Partner is required by law, agreement, or otherwise to keep confidential or (ii) the General Partner reasonably believes may have an adverse effect on (A) the ability to entertain, negotiate or consummate any proposed Investment or any transaction directly or indirectly related to, or giving rise to, such Investment or any disposition thereof or (B) the Partnership, any Subsidiary, the General Partner or any Affiliate of the General Partner. Notwithstanding any other provision of this Agreement or the Delaware Act to the contrary, to the fullest extent permitted by applicable law, the Limited Partners hereby acknowledge and agree that the rights of a Limited Partner to obtain information from the Partnership, the General Partner or the Investment Adviser shall be limited to only those rights provided for in this Agreement, and, to the fullest extent permitted by applicable law, that any other rights provided under Section 17-305(a) of the Delaware Act shall not be available to the Limited Partners or applicable to the Partnership, and further acknowledge and agree that the decision of the General Partner to treat the name of any or all of the Limited Partners (or any of their respective Affiliates or related parties) as confidential shall be binding and final for all purposes.

(c) Notwithstanding any other provision of this Agreement, any Partner (and each of its employees, representatives or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Partnership, the Investments and any transaction entered into by the Partnership and all materials of any kind (including opinions or other tax analyses) that are provided to such Partner relating to such tax treatment or tax structure; *provided* that the foregoing does not constitute an authorization to disclose information identifying the Partnership, any Investment, the General Partner, the Investment Adviser, any Limited Partner or any of their respective Affiliates or any of their respective officers, directors, managers, stockholders, partners, members, employees, agents, representatives and other personnel and

[7] **NTD**: This additional language incorporates the language added pursuant to Amendment No. 3 of the PRIME LLCA.

any parties to transactions entered into by the Partnership or (except to the extent relevant to such tax structure or tax treatment) any nonpublic commercial or financial information.

Section 9.05. *Protected Rights.* Nothing in this Agreement limits the ability of any Limited Partner or any Authorized Representative thereof to communicate directly with and provide information, including documents, to the SEC, the U.S. Commodity Futures Trading Commission, the Department of Justice or any other U.S. federal, state or local governmental agency or commission ("**Government Agencies**") regarding possible legal violations, without disclosure of such communication or provision to any Person, including the General Partner. The General Partner may not retaliate against a Limited Partner or any of its Authorized Representatives for any of these activities and nothing in this Agreement or otherwise shall require any such Limited Partner or any Authorized Representative thereof to waive any monetary award or other payment that such Limited Partner or Authorized Representative might become entitled to from any Government Agency.

ARTICLE 10
TRANSFERABILITY OF LP UNITS

Section 10.01. *Definitions.* For the purpose of this Article 10, the following terms shall have the following meanings:

"**Beneficial Ownership**" means ownership of LP Units by a Person, whether the interest in the LP Units is held directly or indirectly (including by a nominee) and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings. The term "Beneficial Owner" is intended to be interpreted in the context of Section 856(h) of the Code so that the Beneficial Owners of LP Units held by an entity shall be Individuals who are treated as owners of LP Units for purposes of Section 856(h) of the Code rather than the entity itself.

"**Charitable Beneficiary**" means, with respect to a Trust, one or more beneficiaries of a Trust as determined pursuant to Section 10.04(f), provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

"**Constructive Ownership**" means ownership of LP Units by a Person, whether the interest in the LP Units is held directly or indirectly (including by a nominee) and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the

Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings. The term "Constructive Owner" is intended to be interpreted in the context of Section 856(h) of the Code so that the Constructive Owners of LP Units held by an entity shall be Individuals who are treated as owners of LP Units for purposes of Section 856(h) of the Code rather than the entity itself.

"**Excepted Holder**" means a Partner for whom an Excepted Holder Limit is created by this Article 10 or by the General Partner pursuant to Section 10.03(g).

"**Excepted Holder Limit**" means, provided that the affected Excepted Holder agrees to comply with the requirements established by the General Partner pursuant to Section 10.03(g) and subject to adjustment as provided in Section 10.03(g), the percentage limit established by the General Partner pursuant to Section 10.03(g) for such Excepted Holder.

"**Individual**" means (a) an "individual" within the meaning of Section 542(a)(2) of the Code, as modified by Section 544 of the Code, and (b) any beneficiary of a "qualified trust" (as defined in Section 856(h)(3)(E) of the Code) which qualified trust is eligible for look-through treatment under Section 856(h)(3)(A) of the Code (in which case the qualified trust shall not itself be treated as an Individual) for purposes of determining whether a REIT is closely held under Section 856(a)(6) of the Code.

"**Interest Ownership Limit**" means not more than 9.9 percent or such higher percentage as the General Partner shall from time to time determine pursuant to Section 10.03(h), in value or number of the aggregate of the outstanding LP Units. The number and value of the outstanding LP Units shall be determined by the General Partner, which determination shall be conclusive for all purposes hereof.

"**Person**", for the purposes of this Article 10, means an Individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934 and a group to which an Excepted Holder Limit applies.

"**Prohibited Owner**" means, with respect to any purported Transfer, any Person who, but for the provisions of Section 10.03(a), would Beneficially Own and/or Constructively Own LP Units and if appropriate in the context, shall also

mean any Person who would have been the record owner of the LP Units that the Prohibited Owner would have so owned.

"**Purported Record Transferee**" shall mean, with respect to any purported Transfer which results in Excess LP Units, the record holder of the LP Units, if such Transfer had been valid under this Article 10.

"**Transfer**" means any issuance, sale, transfer, redemption, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire Beneficial Ownership and/or Constructive Ownership of (or any agreement to take any such actions or cause any such events with respect to) LP Units or the right to vote or receive dividends on LP Units, including (i) the granting or exercise of any option (or any disposition of any option), (ii) any disposition of any securities or rights convertible into or exchangeable for LP Units or any interest in LP Units or any exercise of any such conversion or exchange right and (iii) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of LP Units, in each case whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings.

"**Trust**" means any trust provided for in Section 10.04(a).

"**Trustee**" means, with respect to a Trust, the Person, unaffiliated with the Partnership and a Prohibited Owner, that is appointed by the Partnership to serve as trustee of the Trust. For the avoidance of ambiguity, where references are made in this Article 10 to Beneficial Ownership "and/or" Constructive Ownership, the applicable calculations shall be made without double-counting of ownership (except to the extent double-counting would be appropriate under the REIT Rules).

Section 10.02. *Voluntary Transfer of LP Units.* (a) A Limited Partner shall not Transfer all or any of its LP Units or its interest in the Partnership (or any economic interest therein), and no Transfer shall be permitted or registered by the Partnership, without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole and absolute discretion for any reason (or no reason)~~.~~; *provided* that the General Partner shall not unreasonably withhold such consent with respect to a proposed Transfer by a Limited Partner of all or any of its LP Units or its interest in the Partnership to an Affiliate of such Limited Partner.

(b) In the case of any proposed Transfer that the General Partner reasonably determines to be adverse to the Partnership, the General Partner may in its discretion, in lieu of permitting such Transfer to the proposed transferee, elect that the LP Units proposed to be Transferred be purchased by the General Partner or its designee (which designee may include an Affiliate of the Investment

Adviser or the General Partner, an existing Partner or a third party) at the purchase price proposed to be paid by the transferee in a bona fide arm's-length transaction.

(c) Notwithstanding the provisions of Section 10.02(a), no Transfer of LP Units shall be permitted or registered if the General Partner determines in its reasonable discretion that such Transfer would or may (i) cause the Partnership to be classified as an association taxable as a corporation for U.S. federal income tax purposes, (ii) create a material risk of adverse tax consequences to any Limited Partner (other than the transferor and transferee), including without limitation any material risk that the Partnership will be treated as a "publicly traded partnership" under Section 7704 of the Code, (iii) cause a dissolution of the Partnership or (iv) result in a violation of any applicable law, including U.S. federal securities laws and ERISA, or any term or condition of this Agreement.

Section 10.03. *LP Units.* (a) *Ownership Limitations*

(i) *Basic Restrictions*.

(A) During the period commencing on the Effective Date and ending on the Restriction Termination Date, (1) no Person, other than an Excepted Holder, shall Beneficially Own and/or Constructively Own LP Units in excess of the Interest Ownership Limit and (2) no Excepted Holder shall Beneficially Own and/or Constructively Own LP Units in excess of the Excepted Holder Limit for such Excepted Holder.

(B) During the period commencing on [January 1, 2005] and ending on the Restriction Termination Date, no Person shall Beneficially Own and/or Constructively Own LP Units to the extent that such Beneficial Ownership and/or Constructive Ownership of LP Units would result in Prime LLC being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year).

(C) No Person shall Beneficially Own and/or Constructively Own LP Units to the extent that such Beneficial Ownership and/or Constructive Ownership of LP Units would result in Prime LLC failing to qualify as a REIT (including Beneficial Ownership and/or Constructive Ownership that would result in Prime LLC owning (actually or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by Prime LLC from such tenant would

cause Prime LLC to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

(D) Notwithstanding any other provisions contained herein, any Transfer of LP Units that, if effective, would result in the Partnership or Prime LLC being subject to regulation under the Investment Company Act, shall be void *ab initio* and the intended transferee shall acquire no rights in such LP Units.

(E) During the period commencing on the Effective Date and ending on the Restriction Termination Date, no Person shall Beneficially Own and/or Constructively Own LP Units to the extent that such Beneficial Ownership and/or Constructive Ownership of LP Units would result in the Partnership (1) failing to be treated as a Domestically-Controlled REIT or (2) being considered a Pension-Held REIT.

(ii) *Transfer in Trust*. If any Transfer of LP Units occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning LP Units in violation of Section 10.03(a)(i)(A), (B), (C) or (E) (such LP Units, the "**Excess LP Units**"),

(A) then that number of Excess LP Units (rounded up to the nearest whole LP Unit) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 10.04, effective as of the close of business on the Business Day prior to the date of such Transfer and such Person shall acquire no rights in such Excess LP Units; or

(B) if the transfer of Excess LP Units to the Trust described in Section 10.03(a)(ii)(A) would not be effective for any reason to prevent the violation of Section 10.03(a)(i)(A), (B), (C) or (E), then the Transfer of that number of LP Units that otherwise would cause any Person to violate Section 10.03(a)(i)(A), (B), (C) or (E) shall be void *ab initio* and the intended transferee shall acquire no rights in such LP Units.

(b) *Remedies for Breach*. If the General Partner shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 10.03(a) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership and/or Constructive Ownership of any LP Units in violation of Section 10.03(a) (whether or not such violation is intended), the General Partner shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including (i) causing the Partnership to redeem LP Units (it being understood that the General Partner shall be entitled, in its discretion, to seek redemption by particular groups of Limited Partners to the

extent it deems such action to be necessary or advisable), (ii) refusing to give effect to such Transfer on the books of the Partnership or (iii) instituting proceedings to enjoin such Transfer or other event; *provided* that any Transfer or attempted Transfer or other event in violation of Section 10.03(a) shall automatically result in the transfer to a Trust described in Section 10.03(a)(ii)(A) and, where applicable, such Transfer (or other event) shall be void *ab initio* as provided above irrespective of any action (or non-action) by the General Partner.

(c) *Notice of Restricted Transfer*. Any Person who acquires or attempts or intends to acquire Beneficial Ownership and/or Constructive Ownership of LP Units that will or may violate Section 10.03(a)(i) or any Person who would have owned LP Units that resulted in a transfer to the Trust pursuant to the provisions of Section 10.03(a)(ii) shall immediately give written notice to the Partnership of such event (or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice) and shall provide to the Partnership at its principal executive office such other information as the Partnership may request in order to determine the effect, if any, of such Transfer on Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT or with respect to the other matters referred to in Section 10.03(a).

(d) *Owners Required to Provide Information*. From the Effective Date and until the Restriction Termination Date:

(i) every Person who directly owns more than such percentage as may from time to time be established by the General Partner (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding LP Units, within 30 days after the end of each taxable year, shall give written notice to the Partnership stating the name and address of such Person, the number of LP Units Beneficially Owned and a description of the manner in which such LP Units are held. Each such Person shall provide to the Partnership such additional information as the Partnership may request in order to determine the effect, if any, of such Beneficial Ownership on Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT or with respect to the other matters referred to in Section 10.03(a), and to ensure compliance with the Interest Ownership Limit; and

(ii) each Person who is a Beneficial Owner and/or Constructive Owner of LP Units and each Person (including the Partner of record) who is holding LP Units for a Beneficial Owner and/or Constructive Owner shall provide to the Partnership such information as the Partnership may request in order to determine Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT or with respect to the other matters referred to in Section 10.03(a),

and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

(e) *Remedies Not Limited*. Nothing contained in this Section 10.03 shall limit the authority of the General Partner to take such other action as it deems necessary or advisable to protect the Partnership, Prime LLC and the interests of their respective limited partners or members, as applicable, in preserving Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT.

(f) *Ambiguity*. In the case of an ambiguity in the application of any of the provisions of this Section 10.03, Section 10.04 or any definition contained in Section 10.01, the General Partner shall have the power to determine the application of the provisions of this Section 10.03 or Section 10.04 or any such definition with respect to any situation based on the facts known to it. In the event Section 10.03 or Section 10.04 requires an action by the General Partner and this Agreement fails to provide specific guidance with respect to such action, the General Partner shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 10.01, 10.03 or 10.04.

(g) *Exceptions*. (i) Subject to Section 10.03(a)(i)(B) and [(D)], the General Partner, in its discretion, may exempt a Person from the Interest Ownership Limit and may establish or increase an Excepted Holder Limit for such Person if:

(A) the General Partner obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no Individual's Beneficial Ownership and/or Constructive Ownership of such LP Units will violate Section 10.03(a)(i)(B);

(B) such Person does not and represents that it will not actually own or Constructively Own an interest in a tenant of Prime LLC (or a tenant of any entity owned or controlled by Prime LLC) that would cause Prime LLC to actually own or Constructively Own more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant and the General Partner obtains such representations and undertakings from such Person as are reasonably necessary to ascertain this fact (for this purpose, a tenant from whom Prime LLC (or an entity owned or controlled by Prime LLC) derives (and is expected to continue to derive) a sufficiently small amount of revenue such that, in the opinion of the General Partner, rent from such tenant would not

adversely affect Prime LLC's ability to qualify as a REIT, shall not be treated as a tenant of Prime LLC); and

(C) such Person agrees that any violation or attempted violation of such representations or undertakings (or other action which is contrary to the restrictions contained in Section 10.03(a) through 10.03(f)) shall result in such LP Units being automatically transferred to a Trust in accordance with Section 10.03(a)(ii) and 10.04.

(ii) Prior to granting any exception pursuant to Section 10.03(g)(i), the General Partner may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case in form and substance satisfactory to the General Partner in its discretion, as it may deem necessary or advisable in order to determine or ensure Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT. Notwithstanding the receipt of any ruling or opinion, the General Partner may impose such conditions or restrictions as it deems appropriate in connection with granting such exception or may decline to grant an exception.

(iii) An underwriter which participates in a public offering or a private placement of LP Units may Beneficially Own and/or Constructively Own LP Units in excess of the Interest Ownership Limit, but only to the extent necessary to facilitate such public offering or private placement.

(iv) The General Partner may only reduce an Excepted Holder Limit created for an Excepted Holder (A) with the written consent of such Excepted Holder at any time, (B) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder or (C) pursuant to Section 10.03(g)(v). No Excepted Holder Limit shall be reduced to a percentage that is less than the Interest Ownership Limit.

(v) *Modification of Excepted Holder Limits*. The Excepted Holder Limits may be modified as follows:

(A) The Excepted Holder Limit for any Excepted Holder shall be reduced after any Transfer permitted in this Article 10 by such Excepted Holder by the percentage of the outstanding LP Units so Transferred, but no Excepted Holder Limit shall be reduced to a percentage which is less than the Interest Ownership Limit.

(B) Upon the issuance by the Partnership of any LP Units, the Excepted Holder Limit for any Excepted Holder shall be reduced to the percentage of the outstanding LP Units held by any such Excepted Holder immediately after any such issuance, but no Excepted Holder Limit shall be reduced to a percentage which is less than the Interest Ownership Limit.

(C) Prior to the modification of any Excepted Holder Limit pursuant to this Section 10.03(g)(v), the General Partner may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT.

(h) *Increase in Interest Ownership Limit*. Subject to Section 10.03(i), the General Partner may from time to time increase the Interest Ownership Limit. Prior to the modification of any Interest Ownership Limit pursuant to this Section 10.03(h), the General Partner may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure Prime LLC's status as a REIT, a Domestically-Controlled REIT and/or an entity that is not a Pension-Held REIT.

(i) *Limitations on Changes in Interest Ownership Limits and Excepted Holder Limits*. Neither the Interest Ownership Limit nor the Excepted Holder Limit may be increased (nor may any additional Excepted Holder Limit be created) by the General Partner if, after giving effect to such increase (or creation), five or fewer Partners who are Beneficial Owners of LP Units (including all of the then Excepted Holders) could Beneficially Own, in the aggregate, more than 49.9% in number or value of the outstanding LP Units.

Section 10.04. *Transfer of LP Units in Trust.* (a) *Ownership in Trust*. Upon any purported Transfer or other event described in Section 10.03(a)(ii) that would result in a transfer of LP Units to a Trust, such LP Units shall be deemed to have been transferred to the Trustee as trustee of the Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such Transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 10.03(a)(ii). The Trustee shall be appointed by the Partnership and shall be a Person unaffiliated with the Partnership or any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Partnership as provided in Section 10.04(f).

(b) *Status of LP Units Held by the Trustee*. LP Units held by the Trustee shall be issued and outstanding LP Units of the Partnership. The Prohibited Owner shall have no rights in the LP Units held by the Trustee. The

Prohibited Owner shall not benefit economically from ownership of any LP Units held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the LP Units held in the Trust.

(c) *Dividend and Voting Rights*. The Trustee shall have all voting rights and rights to distributions with respect to LP Units held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any distribution paid prior to the discovery by the Partnership that the LP Units have been transferred to the Trustee shall be paid by the recipient of such distribution to the Trustee upon demand and any distribution authorized but unpaid shall be paid when due to the Trustee. Any distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to LP Units held in the Trust and, subject to Delaware law, effective as of the date that the LP Units have been transferred to the Trustee, the Trustee shall have the authority (at the Trustee's discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Partnership that the LP Units have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; *provided* that if the Partnership has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article 10, until the Partnership has received notification that LP Units have been transferred into a Trust, the Partnership shall be entitled to rely on its LP Unit transfer and other Limited Partner records for purposes of preparing lists of Limited Partners entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of the Limited Partners.

(d) *Sale of LP Units by Trustee*. Within 30 days of receiving notice from the Partnership that LP Units have been transferred to the Trust, the Trustee of the Trust shall sell the LP Units held in the Trust to a Person, designated by the Trustee, whose ownership of the LP Units will not violate the ownership limitations set forth in Section 10.03(a)(i). Upon such sale, the interest of the Charitable Beneficiary in the LP Units sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 10.04(d). The Prohibited Owner shall receive the lesser of (x) the price paid by the Prohibited Owner for the LP Units or, if the Prohibited Owner did not give value for the LP Units in connection with the event causing the LP Units to be held in the Trust (*e.g.*, in the case of a gift, devise or other similar transaction), the NAV per LP Unit of the LP Units on the day of the event causing the LP Units to be held in the Trust and (y) the price received by the Trustee from the sale or other disposition of the LP Units held in the Trust. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Partnership that LP Units have been transferred to

the Trustee, such LP Units are sold by a Prohibited Owner, then (i) such LP Units shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such LP Units that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 10.04(d), such excess shall be paid to the Trustee upon demand.

(e) *Purchase Right in LP Units Transferred to the Trustee*. LP Units transferred to the Trustee shall be deemed to have been offered for sale to the Partnership or its designee, at a price per LP Unit equal to the lesser of (a) the price per LP Unit in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift or similar transaction, the NAV per LP Unit at the time of such devise or gift or similar transaction) and (b) the NAV per LP Unit on the date the Partnership or its designee accepts such offer. The Partnership or its designee shall have the right to accept such offer until the Trustee has sold the LP Units held in the Trust pursuant to Section 10.04(d). Upon such a sale to the Partnership or its designee, the interest of the Charitable Beneficiary in the LP Units sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

(f) *Designation of Charitable Beneficiaries*. By written notice to the Trustee, the Partnership shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that (a) the LP Units held in the Trust would not violate the restrictions set forth in Section 10.03(a)(i) in the hands of such Charitable Beneficiary and (b) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Section 10.05. *Enforcement.* The Partnership is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article 10.

Section 10.06. *Non-waiver.* No delay or failure on the part of the Partnership, the General Partner or the Board in exercising any right hereunder shall operate as a waiver of any right of the Partnership, the General Partner or the Board, as the case may be, except to the extent specifically waived in writing.

Section 10.07. *Expenses of Transfer, Indemnification*. All expenses, including attorneys' fees and expenses and transfer taxes, incurred by the General Partner or the Partnership in connection with any Transfer shall be fully borne by the transferring Partner or such Partner's transferee. In addition, the transferring Limited Partner or such transferee shall indemnify the Partnership and the General Partner against any losses, claims, damages, liabilities or expenses to which the Partnership or the General Partner may become subject arising out of or based upon any false representation or warranty made by or breach of or failure to

comply with any covenant or agreement of, such transferring Partner or such transferee in connection with such Transfer.

Section 10.08. *Recognition of Transfer.* (a) The Partnership shall not recognize for any purpose any purported Transfer of an LP Unit (including some or all of its rights or obligations hereunder) unless:

(i) the applicable provisions of this Agreement shall have been complied with;

(ii) the Partnership shall have been furnished with copies of the documents effecting such Transfer, in form and substance satisfactory to the General Partner, executed and acknowledged by both the transferor and the transferee;

(iii) if required by the General Partner, the Partnership shall have been furnished with an opinion of counsel reasonably satisfactory to the General Partner (as to opinion and counsel) that such Transfer (A) is not made in violation of any applicable state or federal securities laws, tax laws or REIT Rules and (B) would not cause Prime LLC (1) to cease to be treated as a Domestically-Controlled REIT or (2) to be treated as a Pension-Held REIT;

(iv) such Transfer shall have been made in accordance with all applicable laws and regulations and all necessary governmental consents shall have been obtained and requirements satisfied; and

(v) the books and records of the Partnership shall have been modified (which modification the General Partner shall cause to be made as promptly as practicable) to reflect the admission of such transferee as a Limited Partner of the Partnership.

(b) Each transferee, as a condition of the Partnership's recognition of such Transfer, shall execute and acknowledge such instruments, in form and substance satisfactory to the General Partner, as the General Partner deems necessary or desirable in its discretion to effectuate such Transfer and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to any rights and/or obligations represented by the LP Units acquired by such transferee. The recognition of any Transfer shall not require the approval of any other Partners.

Section 10.09. *Effect of Transfer.* Notwithstanding any other provision of this Agreement, upon any Transfer by a Limited Partner of any LP Units, immediately following the admission of the transferee of such LP Units as a

Limited Partner of the Partnership, the transferor will cease to be a Limited Partner of the Partnership with respect to the LP Units so Transferred.

Section 10.10. *Admission of Limited Partners.* After the Effective Date, a Person may be admitted to the Partnership as a Limited Partner upon (i) a permitted Transfer to such Person of LP Units pursuant to and in compliance with the provisions of this Article 10 or (ii) the issuance of new LP Units to such Person by the Partnership in accordance with this Agreement. No such Person will be admitted as a Limited Partner of the Partnership (to the extent that such Person is not already a Limited Partner), and no such Transfer or issuance, as applicable, shall be valid, unless and until (i) in the case of a Transfer, the provisions of Section 10.08 shall have been complied with and (ii) in the case of an issuance of new LP Units, (A) such Person and the General Partner shall have executed and delivered this Agreement and a Subscription Agreement and such other documents or instruments as shall be reasonably requested by the General Partner to confirm such Person's admission as a limited partner and (B) the books and records of the Partnership shall have been modified (which modification the General Partner shall cause to be made as promptly as practicable) to reflect the admission of such Person as a Limited Partner of the Partnership.

ARTICLE 11
DURATION AND DISSOLUTION OF THE PARTNERSHIP

Section 11.01. *Dissolution.* Subject to the requirements of the Delaware Act, the Partnership shall dissolve and its affairs shall be wound up, upon the first to occur of the following:

(i) the election by the General Partner to dissolve the Partnership;

(ii) the entry of a decree of judicial dissolution under the Delaware Act; and

(iii) at any time there are no Limited Partners of the Partnership, unless the Partnership is continued in accordance with the Delaware Act.

Except as otherwise set forth in this Section 11.01, the Partnership is intended to have perpetual existence. Neither the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Limited Partner or the occurrence of any other event that terminates the continued membership of a Limited Partner in the Partnership, nor the admission of any additional Limited Partner as a limited partner of the Partnership, shall in and of itself cause a dissolution of the Partnership, and the Partnership shall continue in existence subject to the terms and conditions of this Agreement.

Section 11.02. *Winding Up.* Except as provided in the immediately succeeding sentence, on dissolution of the Partnership the General Partner shall be the liquidating trustee to wind up the affairs of the Partnership pursuant to this Agreement. In performing its duties, subject to the Delaware Act, the liquidating trustee is authorized to sell, distribute, exchange or otherwise dispose of the assets of the Partnership in any reasonable manner that the liquidating trustee shall determine to be in the best interest of the Limited Partners. The liquidating trustee shall proceed diligently to wind up the affairs of the Partnership and make final distributions as provided herein and in the Delaware Act. The costs of liquidation shall be borne by the Partnership as a Partnership Expense. Until final distribution, the liquidating trustee shall continue to manage and operate the Partnership with all of the power and authority of the liquidating trustee.

Section 11.03. *Distribution upon Dissolution of the Partnership.* (a) Upon dissolution of the Partnership, the liquidating trustee winding up the affairs of the Partnership shall determine in its discretion which assets of the Partnership shall be sold and which assets of the Partnership shall be retained for distribution in kind to the Limited Partners. Subject to the Delaware Act, after all liabilities (contingent or otherwise) of the Partnership have been satisfied or duly provided for (as determined by the liquidating trustee in its discretion), the remaining assets of the Partnership shall be distributed to the Limited Partners ratably in proportion to the number of LP Units held by them. Notwithstanding anything else contained in this Agreement, the liquidating trustee may withhold, in its discretion, from any distributions to any Limited Partner (A) any amounts then due from such Limited Partner to the Partnership or any Subsidiary and apply the amounts withheld to pay the amounts then due and (B) any amounts required to pay any taxes and related expenses that the liquidating trustee determines to be properly attributable to such Limited Partner (including withholding taxes and interest, penalties and expenses incurred in respect thereof) and apply the amounts withheld to pay the taxes or expenses attributable thereto.

(b) In the discretion of the liquidating trustee, and subject to the Delaware Act, a portion of the distributions that would otherwise be made to the Limited Partners pursuant to this Section 11.03 may be:

(i) distributed to a trust established for the benefit of the Limited Partners for purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any liabilities or obligations of the Partnership or the General Partner arising out of, or in connection with, this Agreement or the Partnership's affairs; or

(ii) withheld, with respect to any Limited Partners, to provide a reserve for the payment of such Limited Partner's share of existing or future Partnership Expenses; *provided* that such withheld amounts shall be distributed to the Limited

Partners as soon as the liquidating trustee determines, in its discretion, that it is no longer necessary to retain such amounts.

The assets of any trust established in connection with clause (i) above shall be distributed to the Limited Partners from time to time, in the discretion of the liquidating trustee, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the Limited Partners pursuant to this Agreement.

(c) The distribution of cash and/or property to a Limited Partner in accordance with the provisions of this Section 11.03 constitutes a complete return to the Limited Partner of its investment and a complete distribution to the Limited Partner with respect to its interest in the Partnership. To the extent that a Limited Partner returns funds to the Partnership, it has no claim against any other Partner for those funds.

(d) Notwithstanding anything in this Article 11 to the contrary, the liquidating trustee winding up the affairs of the Partnership shall not make a distribution in kind of assets to the Limited Partners pursuant to this Section 11.03 except to the extent that the dissolution of the Partnership or such distribution is (i) required by applicable law, rule or regulation or (ii) required by any court or governmental authority or agency.[8]

Section 11.04. *Cancellation of Certificate.* On completion of the winding up of the Partnership's affairs as provided herein, the Partnership is terminated (and the Partnership shall not be terminated prior to such time), and the liquidating trustee (or such other Person or Persons as the Delaware Act may require or permit) shall file a certificate of cancellation with the Secretary of State of the State of Delaware, cancel any other filings made pursuant to this Agreement that are or should be canceled and take such other actions as may be necessary to terminate the Partnership. The Partnership shall continue in existence until its certificate of limited partnership is cancelled pursuant to this Section 11.04.

Section 11.05. *Reasonable Time for Winding Up.* A reasonable time as determined in the discretion of the liquidating trustee shall be allowed for the orderly winding up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 11.02 in order to minimize any losses otherwise attendant upon such winding up.

Section 11.06. *Return of Capital only from Partnership Assets.* The liquidating trustee shall not be personally liable for the return of capital or any

[8] **NTD**: This additional clause incorporates the language added pursuant to Amendment No. 2 of the PRIME LLCA.

portion thereof to the Limited Partners (it being understood that any such return shall be made solely from Partnership assets).

ARTICLE 12
TAX MATTERS

Section 12.01. *Partnership Tax Audit Rules*. (a) The General Partner is hereby designated as the "partnership representative" as defined in Section 6223 of the Partnership Tax Audit Rules **(**the **"Partnership Representative**"). The Partnership Representative shall select an individual to act on behalf of the "partnership representative" (the "**Designated Individual**"). If any U.S. state or local tax law or non-U.S. tax law provides for a partnership representative or person having similar rights, powers, authority or obligations, the Partnership Representative and Designated Individual shall also serve in such capacity. The Partnership Representative shall have all of the rights, duties, powers and obligations provided for in Sections 6221 through 6231 of the Partnership Tax Audit Rules with respect to the Partnership. All rights, powers and authority conferred upon the Partnership Representative shall also be conferred on the Designated Individual.

(b) If for any reason the Partnership is liable for a tax (including imputed underpayments), interest, addition to tax or penalty as a result of any audit (including state and local audits), each Person who was a Partner during the taxable year of the Partnership that was audited, even if such Person is no longer a Partner, including as a result of a transfer of such Partner's interest (unless a transferee Partner has agreed to bear such liability in an appropriate document evidencing a transfer), shall pay to the Partnership an amount equal to such Person's proportionate share of such liability (and any expenses incurred by the Partnership in adjudicating or otherwise resolving such liability), as determined in good faith by the Partnership Representative, based on the amount each such Person should have borne (computed at the tax rate used to compute the Partnership's liability) had the Partnership's tax return for such taxable year reflected the audit adjustment, and the expense for the Partnership's payment, adjudication or other resolution of such tax, interest, addition to tax and penalty shall be specially allocated to such Persons (or their successors) in such proportions. If the Partnership is subject to any tax liabilities as a result of an adjustment to income, gain, loss, deduction or credit of the Partnership (or any Partner's distributive share thereof) under the Partnership Tax Audit Rules, the Partnership and the Partnership Representative shall use commercially reasonable efforts to allocate the economic benefits and burdens of the adjustment among the current and former Partners in the same manner (to the maximum extent possible) in which the economic benefits and burdens of the adjustment would have been borne had the Partnership elected "out" under Section 6221(b) of the Code with respect to the applicable year, taking into account any modification of an imputed underpayment under Section 6225(c) of the Code (it being understood that the

Partnership Representative shall use commercially reasonable efforts to reduce any such liability to the greatest extent possible under Section 6225(c) of the Code as a result of the status of any Partner or former Partner (or their direct or indirect owners, as applicable)).

(c) Each Partner agrees to (i) cooperate with the Partnership Representative, (ii) provide tax and other information reasonably requested by the Partnership Representative (including, for the avoidance of doubt, any information reasonably necessary for the Partnership to comply with Section 704(c) of the Code and any U.S. federal, state, local and non-U.S. tax reporting obligations), (iii) execute, certify, acknowledge and deliver such documents and certifications as may be reasonably requested by the Partnership Representative, (iv) do or refrain from doing any or all things reasonably requested by a Partnership Representative in connection with any tax proceeding (including any audit, examination or investigation) of the Partnership, (v) keep the Partnership Representative informed of each material development with respect to any tax matter relating to or affecting the Partnership and make related documents available to the Partnership Representative before submission to any taxing authority or court, (vi) take any action reasonably requested by the Partnership Representative (or refrain from taking action so requested) in order to satisfy any requirement under the Partnership Tax Audit Rules, including taking into account any allocation or adjustment of taxes, interest and penalties determined by the Partnership Representative under the Partnership Tax Audit Rules, including in each case in connection with (x) a modification of any proposed "imputed underpayment" under the Partnership Tax Audit Rules (including the "pull-in" procedure), (y) an election under 6226 of the Code, or (z) any other action taken by a Partnership Representative.

(d) The Partnership shall indemnify and reimburse the Partnership Representative for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred by it, in its capacity as the Partnership Representative, including in connection with any administrative or judicial proceeding with respect to the tax liability of the Partnership or the Partners so long as the Partnership Representative has acted in good faith and in a manner consistent with the authority granted to it under this Agreement.

(e) This Section 12.01 shall survive a Partner's withdrawal from the Partnership and the liquidation of the Partnership.

Section 12.02. *Tax Returns*.

(a) The General Partner shall timely cause to be prepared all U.S. federal, state, local and foreign tax returns (including information returns) of the Partnership and shall cause such returns to be timely filed. As soon as reasonably practicable after the end of each taxable year, the General Partner shall furnish to each Partner a Schedule K-1 and any other information that such Partner may

reasonably require for the preparation of its U.S. federal and state income tax returns. The General Partner shall have the right to make all determinations as to tax matters relating to the Partnership, including as to the tax attributes of the Partnership's assets.

(b) Each Partner agrees not to, except as otherwise required by applicable law or regulatory requirements, (i) treat, on such Partner's individual income tax returns, any item of income, gain, loss, deduction or credit relating to such Partner's interest in the Partnership in a manner inconsistent with the treatment of such item by the Partnership as reflected on the Schedule K-1 or other information statement furnished by the Partnership to such Partner for use in preparing such Partner's income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Partnership, the filing of any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Partnership, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Partnership Representative shall be authorized to act for, and its decision shall be final and binding upon, the Partnership and all Partners, (B) all expenses incurred by the Partnership Representative or Designated Individual in connection therewith (including attorneys', accountants' and other experts' fees and disbursements) shall be expenses of, and payable by, the Partnership and (C) no Partner shall have the right to (1) participate in the audit of any Partnership tax return, or (2) participate in any administrative or judicial proceedings conducted by the Partnership arising out of or in connection with any such audit.

(c) *Partnership Status*. At all times during which the Partnership has two or more Partners, the Partnership shall be treated as a partnership (other than a publicly traded partnership) for U.S. federal, state and local tax purposes, and each Partner shall take such actions and make such elections (or refrain from taking any actions or elections) as may be necessary to achieve the foregoing.

Section 12.03. *ECI*. Subject to the last sentence of this Section 12.03, the General Partner shall use commercially reasonable efforts to not take any action that would reasonably be expected to result in any Limited Partner that is not a "United States person" within the meaning of 7701(a)(30) of the Code recognizing effectively connected income within the meaning of Section 864 of the Code ("**ECI**") solely as a result of such Limited Partner's investment in the Partnership; *provided* that in the event the General Partner becomes aware that the Partnership (or any of its Affiliates) will engage in a transaction that will result in, or would reasonably be expected to result in, any Limited Partner that is not a "United States person" (within the meaning of 7701(a)(30) of the Code) recognizing ECI solely as a result of such Limited Partner's investment in the Partnership, the General Partner shall use commercially reasonable efforts to give reasonable notice to such Limited Partner no less than [10] Business Days' prior

to the time such income is incurred; *provided*, further, that (i) the incurrence of ECI by the Partnership shall not, without more, indicate that the General Partner has failed to comply with its obligations under this Section 12.03, and (ii) the Limited Partners acknowledge and agree that none of the provisions or arrangements specifically contemplated by this Agreement violate this Section 12.03. Notwithstanding the foregoing, this Section 12.03 shall not apply to, and nothing in this Section 12.03 shall prohibit, (i) any income realized by the Partnership with respect to the Partnership's investment in Prime LLC or any other Subsidiary of the Partnership that is a REIT (including, for the avoidance of doubt, REIT capital gain dividends declared by Prime LLC or any other REIT Subsidiary), (ii) the Partnership or any of its Subsidiaries from guaranteeing or otherwise supporting borrowings or other obligations of any Subsidiary of the Partnership and (iii) the Partnership from making loans to its direct or indirect Subsidiaries or causing its Subsidiaries to make loans to other Subsidiaries.

ARTICLE 13
GENERAL PROVISIONS

Section 13.01. *Amendments; Waivers.* Any provision of this Agreement may be amended or waived from time to time by the General Partner with the approval of holders of at least two-thirds of the outstanding LP Units; *provided* that amendments may be made to this Agreement without the approval of any of the Limited Partners by the General Partner pursuant to the power of attorney contained in Section 13.08 hereof (i) to reflect any modification of any terms or provisions of this Agreement as approved by the Independent Directors pursuant to Section 6.11(c) or as expressly permitted pursuant to the terms of this Agreement or (ii) to the extent such amendments do not adversely affect the Limited Partners or the Partnership, as determined by the General Partner in its discretion, to (A) take such action in light of changing regulatory conditions or of the then current ERISA, REIT, Investment Company Act or Advisers Act laws, rules or regulations, as the case may be, as is necessary in order to permit the Partnership to continue in existence on the basis contemplated by this Agreement, (B) add to the representations, duties or obligations of the Partnership or to surrender any right granted to the Partnership herein, for the benefit of the Limited Partners, (C) effect amendments that are purely ministerial or administrative in nature or to correct any clerical mistake or to correct or supplement any immaterial provision in this Agreement which may be inconsistent with any other provision therein or herein or correct any printing, stenographic or clerical errors or omissions, which shall not be inconsistent with the provisions of this Agreement, (D) change the name of the Partnership or (E) to make any other change which is for the benefit of or not adverse to the interests of the Limited Partners.

Section 13.02. *Approvals.* Each Limited Partner agrees that, to the extent permitted by applicable law and except as otherwise provided in this Agreement,

for purposes of obtaining or granting the approval or consent of the Limited Partners (including any such approval or consent required under the Advisers Act) with respect to any proposed action by the Partnership, the General Partner, the Investment Adviser or any of their respective Affiliates, the written approval of holders of at least a majority (or such other percentage as is expressly provided for in this Agreement, including pursuant to Section 7.06) of the outstanding LP Units shall bind the Partnership and each Limited Partner and shall have the same legal effect as the written approval of each Limited Partner. Alternatively, the General Partner or the Investment Adviser may in its discretion seek the approval of the Independent Directors in connection with any approval sought under the Advisers Act, including Section 206(3) thereunder, or in respect of any conflict of interest situations, and each Limited Partner agrees that, to the extent permitted by applicable law and except as otherwise provided in this Agreement, any such approval shall be binding upon the Partnership and each Limited Partner and shall have the same legal effect as the written approval of each Limited Partner.

Section 13.03. *Successors; Counterparts.* This Agreement (i) shall be binding as to the executors, administrators, estates, heirs and legal successors of the Partners and (ii) may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

Section 13.04. *Governing Law; Severability.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. In particular, it shall be construed to the maximum extent possible to comply with all of the terms and conditions of the Delaware Act. If it shall be determined by court order not subject to appeal or discretionary review that any provision or wording of this Agreement shall be invalid or unenforceable under the Delaware Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement, this Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of applicable law, and, in the event such term or provision cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable provisions.

Section 13.05. *WAIVER OF JURY TRIAL.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 13.06. *Further Assurances.* Each Limited Partner, upon the request of the General Partner, agrees to perform all further acts and to execute, acknowledge and deliver any documents that may reasonably be necessary to carry out the provisions of this Agreement.

Section 13.07. *Filings.* The General Partner shall promptly cause to be filed, recorded and published such statements of fictitious business name and other notices, certificates, statements or other instruments required by any provision of any applicable law of the United States or any State or other jurisdiction which governs the conduct of its business from time to time. Each of the General Partner and the Investment Adviser and their respective officers, directors or other authorized persons is hereby authorized to execute, deliver and file, or cause the execution, delivery and filing of, the foregoing documents, certificates, statements or other instruments. Each Limited Partner agrees to cooperate with the Partnership in the filing of any schedule, report, certificate or other instrument required to be filed by the Partnership or any Subsidiary under the laws of the United States, any State or political subdivision thereof or any non-U.S. nation or political subdivision thereof. In connection therewith, each Limited Partner agrees to provide the Partnership with all information required to complete such filings.

Section 13.08. *Power of Attorney.* (a) Each Limited Partner does hereby constitute and appoint the General Partner and each of its officers, directors or other authorized persons from time to time, acting singly, as its true and lawful representative, agent and attorney-in-fact, in its name, place and stead to make, execute, sign, deliver and, as applicable, file (i) a Certificate of Limited Partnership of the Partnership and any amendment thereto required because of an amendment to this Agreement or in order to effectuate any change in the membership of the Partnership or its name, (ii) any amendment to or waiver under this Agreement in accordance with this Agreement (including Section 13.01) and (iii) all such other instruments, documents and certificates which may from time to time be required by the laws of the United States of America, the State of Delaware or any other State, or any political subdivision or agency thereof, or any non-U.S. country or any political subdivision or agency thereof, or otherwise, to effectuate, implement and continue the valid and subsisting existence of the Partnership or to dissolve the Partnership. The General Partner shall provide each Limited Partner with notice of any amendment to this Agreement made by the General Partner pursuant to the power of attorney contained in this Section 13.08 as soon as practicable after the effectiveness thereof.

(b) The power of attorney granted pursuant to this Section 13.08 is coupled with an interest and shall (i) survive and not be affected by the subsequent death, incapacity, disability, dissolution, termination or bankruptcy of the Limited Partner granting such power of attorney or the transfer of all or any portion of such Limited Partner's interest in the Partnership and (ii) extend to such Limited Partner's successors, assigns and legal representatives.

(c) The power of attorney granted pursuant to this Section 13.08 shall terminate upon the date on which the General Partner files a petition in bankruptcy. Notwithstanding anything in this Section 13.08 that may be construed to the contrary, no exercise of such power by the General Partner is authorized by

any Limited Partner or shall be deemed valid if it contravenes any U.S. federal, state or local law to which the Investor is subject at the time of exercise.

Section 13.09. *Third-party Rights; Creditors.* Each Indemnified Person (to the extent not a party to this Agreement) shall be deemed a third-party beneficiary of the provisions of Article 8. Subject to the foregoing, nothing in this Agreement shall be deemed to create any right in any Person not a party hereto and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (except as aforesaid). None of the provisions of this Agreement shall be for the benefit of or, to the fullest extent permitted by applicable law, enforceable by any creditors of the Partnership, and no creditor who makes a loan to the Partnership may have or acquire (except pursuant to the terms of a separate agreement executed by the Partnership in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in Partnership profits, losses, distributions, capital or property other than as a secured creditor.

Section 13.10. *Notices.* All notices, requests and other communications to any party or otherwise required to be given hereunder shall be in writing (including facsimile, electronic mail ("**e-mail**") transmission or similar writing) and shall be given to such party at its address, facsimile number or e-mail address set forth in a schedule filed with the records of the Partnership or such other address or facsimile number as such party may hereafter specify for the purpose by notice in like manner. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified pursuant to this Section 13.10 and the appropriate confirmation is received, (ii) if given by e-mail, when such e-mail is transmitted to the e-mail address specified pursuant to this Section 13.10 and so long as no message of non-delivery is received, (iii) if given by mail, 72 hours after such communication is deposited in the mails with priority mail postage prepaid, addressed as aforesaid, or (iv) if given by any other means, when delivered at the address specified pursuant to this Section 13.10.

Section 13.11. *Headings.* Section and other headings contained in this Agreement are for reference only and are not intended to describe, interpret, define or limit the scope or intent of this Agreement or any provision hereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date first written above.

GENERAL PARTNER

[●]

By: _____
Name:
Title:

INVESTMENT ADVISER

MORGAN STANLEY REAL ESTATE ADVISOR, INC.

By: _____
Name:
Title:

INITIAL LIMITED PARTNER

[●], solely to reflect its withdrawal as Initial Limited Partner

By: _____
Name:
Title:

LIMITED PARTNERS

By: [●], as agent and attorney in fact for all Limited Partners now and hereafter admitted pursuant to powers of attorney now and hereafter granted to the General Partner

By: _____
Name:
Title:

SCHEDULE A
TO
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

Description of Other Activities of the General Partner, the Investment Adviser and their Respective Affiliates

~~[Current conflicts disclosure to be inserted].~~

Introduction

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities including financial advisory services, investment management activities, lending, commercial banking, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. In the ordinary course of its business, Morgan Stanley performs full-service investment banking and financial services and therefore engages in activities where Morgan Stanley's interests or the interests of its clients may conflict with the interests of the Limited Partners. Investors should be aware that potential and actual conflicts of interest between Morgan Stanley or another portfolio entity of the Partnership or portfolio entities of one or more clients, other alternative investment funds or investment programs, accounts or businesses that Morgan Stanley, including Morgan Stanley Real Estate Investing ("**MSREI**") and Morgan Stanley Investment Management ("**MSIM**"), has advised, sponsored or managed (collectively, together with any new or successor funds, programs, accounts or businesses, the "**Affiliated Investment Accounts**"), on the one hand, and the Partnership, on the other hand, may exist and others may arise in connection with the operation of the Partnership. Morgan Stanley's employees may also have interests separate from those of Morgan Stanley and the Partnership. The discussion below enumerates certain actual, apparent and potential conflicts of interest. The Investment Adviser can give no assurance that conflicts of interest will be resolved in favor of the Partnership. By acquiring LP Units, each investor will be deemed to have acknowledged the existence of such actual, apparent and potential conflicts of interest and that such conflicts will be resolved by Morgan Stanley in its discretion, but without any guarantee that any situation involving a conflict will be resolved in favor of the Partnership, and to have consented thereto "and to have waived any claim in respect of the existence or resolution of any such conflict of interest."

This Agreement expressly provides for and authorizes the conflicts of interest, transactions and arrangements described in this Schedule A subject to the rules described in this Schedule A.

Section 6.11(c) of this Agreement describes the circumstances in which the Investment Adviser will seek the approval of the Independent Directors on behalf of the Partnership in conflict of interest situations. The Investment Adviser may also seek the approval of the Independent Directors on behalf of the Partnership in other conflict of interest situations as it considers appropriate. The Investment Adviser expects that any approval required for purposes of the Advisers Act, including Sections 205(a) and 206(3) thereunder, will be obtained from a majority of the Independent Directors on behalf of the Partnership and the Limited Partners, and any such approval of the Independent Directors for purposes of Section 205(a) and 206(3) of the Advisers Act will be binding on the Partnership and the Limited Partners for such purposes. In any case where the

Independent Directors are called upon to approve or disapprove a transaction or matter on behalf of the Partnership, they will have access in that capacity to the analysis and recommendation of the Partnership's management team (which may establish appropriate ethical walls with the potential counterparties for this purpose), together with such independent legal, accounting, brokerage or other advisors, if any, as they deem appropriate in their discretion, which will be retained on the Partnership's behalf. Any decision by the Investment Adviser to seek or not to seek such approval will not be construed as an acknowledgement that a conflict exists.

If any matter arises that the Investment Adviser determines constitutes an actual conflict of interest, the Investment Adviser may take such actions as it determines may be necessary or appropriate to ameliorate the conflict in its sole discretion. These actions may include, by way of example and without limitation, (i) disposing of the security or investment giving rise to the conflict of interest; (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest; (iii) in connection with a matter giving rise to a conflict of interest with respect to an Investment, consulting with the Independent Directors regarding the conflict of interest and either obtaining a waiver from the Independent Directors of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the Independent Directors with respect to such conflict of interest; or (iv) in connection with any actual or potential conflict of interest between the Partnership and any Affiliated Investment Account, replacing members of the Partnership's investment team with one or more investment professionals that are not members of the Partnership's investment team. There can be no assurance that Morgan Stanley will resolve all conflicts of interest in a manner that is favorable to the Partnership. In addition, investors should note that this Agreement contains provisions that, subject to applicable law, (i) reduce or eliminate the duties, including fiduciary and other duties, to the Partnership and the Independent Directors to which the Investment Adviser would otherwise be subject; (ii) waive duties or consent to the conduct of the Investment Adviser that might not otherwise be permitted pursuant to such duties; and (iii) limit the remedies of a Limited Partner with respect to breaches of such duties. Additionally, this Agreement contains exculpation and indemnification provisions that, subject to the specific exceptions enumerated therein (generally where primarily attributable to fraud, willful misconduct or gross negligence, or with respect to the Investment Adviser and its affiliates, breach of the standard of care set forth in this Agreement); *provided* that the Investment Adviser and its affiliates will be held harmless and indemnified, respectively, for matters relating to the operation of the Partnership, including matters that may involve one or more potential or actual conflicts of interest.

The following discussion enumerates certain potential conflicts of interest which should be carefully evaluated before making an investment in the Partnership.

Nonpublic Information

It is expected that confidential or material nonpublic information regarding a portfolio entity or potential investment opportunity may become available to Morgan Stanley. If such information becomes available to Morgan Stanley, the Partnership may be precluded (including by applicable law or internal policies or procedures) from pursuing an Investment or exit opportunity with respect to such portfolio entity or investment opportunity, or restrictions may be imposed on an investment or exit opportunity with respect to such portfolio entity. In addition, as a result of Morgan Stanley's policies regarding disclosure of security holdings of Morgan Stanley and its Affiliated Investment Accounts, the Partnership may dispose of an Investment sooner than desired or take another action with respect to such Investment. Morgan Stanley may also from time to time be subject to contractual "stand-still" obligations and/or confidentiality obligations that may restrict its ability to acquire certain Investments on behalf of the Partnership. In addition, Morgan Stanley may be precluded from disclosing such information to the Investment Adviser or any member of the Partnership's investment team even in circumstances in which the information would benefit the Partnership if disclosed. Therefore, the Investment Adviser may not be provided access to material non-public information in the possession of Morgan Stanley that might be relevant to an investment decision to be made by the Partnership, and the Partnership may initiate a transaction or sell an Investment that, if such information had been known to it, may not have been undertaken. In addition, certain members of the Partnership's investment team and investment committee may be recused from certain Investment-related discussions, including investment committee meetings, so that such members do not receive information that would limit their ability to perform functions of their employment with Morgan Stanley unrelated to the Partnership.

Although it is not currently contemplated that Morgan Stanley will subscribe for LP Units or that there will be a broad offering of LP Units to individuals who are employees or directors of the Investment Adviser or its affiliates or immediate family members of any such employees or directors, or any corporation, partnership, trust or other entity over which any such employees or directors have investment discretion and of which such employees or directors and/or their immediate family members are the sole owners or beneficiaries ("**MS Related Investors**") or individuals who are or were directors or employees of the Investment Adviser or its affiliates who are or were directly engaged in providing investment advisory or other services to the Partnership ("**MS Related Persons**"), in order to ensure compliance by Morgan Stanley with the requirements of the "asset management exemption" of the Volcker Rule (as defined below) in the event of any such subscription, each Limited Partner that is an affiliate of Morgan Stanley (excluding, for this purpose, any MS Related Investors and MS Related Persons, except to the extent required to be included for purposes of the Volcker Rule) (collectively, the "**MS Banking Entity Investors**") will be permitted to

redeem, on a priority basis and on potentially differing terms relative to the Limited Partners that are not MS Banking Entity Investors, a portion of its LP Units. In addition, such redemptions may be made when Morgan Stanley has access to material non-public information regarding the Investments. Investors should be aware, however, that the Investment Adviser may not itself have access to such information due to confidentiality or other legal considerations. Such information may be relevant to an investor's decision to redeem from the Partnership. Morgan Stanley is not required to afford the Investment Adviser access to all relevant information it possesses. As a result, Morgan Stanley may make decisions to redeem from the Partnership based on information upon which the Investment Adviser, had it had access to such information, would have made investment decisions different than those it would have made if it did not have such access.

Decisions by the Investment Adviser to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its LP Units may have difficulty in determining an appropriate price for such LP Units. Decisions to withhold information also may make it more difficult for Limited Partners to monitor the Investment Adviser and its performance. Additionally, it is expected that Limited Partners who designate representatives to participate on the Advisory Committee will, by virtue of such participation, have more information about the Partnership and Investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally.

In addition, certain Limited Partners may also be shareholders in other investment funds sponsored or managed by Morgan Stanley. Limited Partners may also include affiliates of Morgan Stanley, such as other Morgan Stanley funds, charities or foundations associated with Morgan Stanley personnel and/or Morgan Stanley employees and any such affiliates, funds or persons may also invest through the vehicles established in connection with Morgan Stanley's co-investment rights. It is also possible that the Partnership or its Investments may be counterparties or participants in agreements, transactions or other arrangements with a Limited Partner or an affiliate of a Limited Partner. Such Limited Partners described in the previous sentences may therefore have different information about Morgan Stanley and the Partnership than Limited Partners not similarly positioned. Similarly, not all Limited Partners monitor their investments in vehicles such as the Partnership in the same manner. For example, certain Limited Partners may periodically request from the Investment Adviser information regarding the Partnership and Investments and/or portfolio entities that is not otherwise set forth in (or has yet to be set forth in) the reporting and other information required to be delivered to all Limited Partners. In such circumstances, the Investment Adviser may provide such information to such Limited Partner, but the fact that the Investment Adviser has provided such

information upon request by one or more Limited Partners does not necessarily obligate the Investment Adviser to affirmatively provide such information to all Limited Partners (although the Investment Adviser will generally provide the same information upon request and treat Limited Partners equally in that regard). As a result, certain Limited Partners may have more information about the Partnership than other Limited Partners, and the Investment Adviser will have no duty to ensure all Limited Partners seek, obtain or process the same information regarding the Partnership and its Investments and/or portfolio entities.

Furthermore, in response to questions and requests and in connection with due diligence meetings, side letter compliance and other communications, the Partnership and the Investment Adviser may provide additional information to certain Limited Partners and prospective Limited Partners that is not distributed to other Limited Partners and prospective Limited Partners. Such information may affect a prospective Limited Partner's decision to invest in the Partnership or take actions or make decisions as a Limited Partner.

Investments by Morgan Stanley and Its Affiliated Investment Accounts

Morgan Stanley has advised Affiliated Investment Accounts that have or will have active investment programs that are focused on real estate investing or otherwise may make real estate investments.

MSREI in particular manages real estate assets on behalf of a wide range of clients, including investment funds and separate account clients ("**MSREI Investment Accounts**"). For example, as described under "Exclusivity Held by Other MSREI Clients" below, MSREI sponsors the Opportunistic Funds (as defined below), which will be accorded a preference with respect to each investment opportunity that is deemed by MSREI to be an "opportunistic" real estate investment opportunity. In the future, MSREI may also sponsor MSREI Investment Accounts to pursue other "opportunistic" or "non-opportunistic" equity-related real estate strategies. In addition, MSREI may in the future sponsor, manage and/or advise one or more MSREI Investment Accounts to pursue "non-opportunistic" real estate credit strategies. Such vehicles may pursue a variety of credit-related strategies including, for example, senior mortgages, mezzanine debt or CMBS. These vehicles may seek to originate loans and/or acquire performing or distressed real estate debt on a secondary basis. MSREI may determine to grant such existing or new clients a "preference" or "exclusivity" with respect to certain investment opportunities for such MSREI Investment Accounts notwithstanding the fact that such investment opportunities may be suitable for the Partnership.

In determining whether an investment is a "core" or "core-plus" opportunity (as compared to an "opportunistic" investment opportunity), MSREI typically identifies Investments that include some or all of the following characteristics: stable returns with low volatility, steady cash flows which are

expected to constitute a significant proportion of the investment's total return over the expected holding period, low to moderate leverage as compared to "opportunistic" Investments, located in major, economically diverse real estate markets, properties that are fully or substantially leased at the time of investment and properties that generally are in good condition, well maintained and which do not require significant capital investment and that have a risk/return profile, as determined by MSREI, at the time of investment that is lower than the risk/return profile of a typical "opportunistic" investment made by the Opportunistic Fund.

Subject to the exclusivity held by certain other MSREI Investment Accounts as described in further detail below (See "Exclusivity Held By Other MSREI Clients"), to the extent MSREI Investment Accounts have investment objectives that overlap with those of the Partnership, there may from time to time be investment opportunities that meet the investment parameters of both the Partnership and one or more other MSREI Investment Accounts. As such, conflicts of interest may arise with respect to the potential allocation of an investment opportunity made available to MSREI where such investment opportunity may be suitable for more than one MSREI Investment Account. To reduce potential conflicts of interest and to attempt to allocate such investment opportunities in a fair and equitable manner, MSREI has implemented an allocation policy (the "**Allocation Policy**"). The Allocation Policy is intended to give all clients of MSREI, including the Partnership, fair access to new real estate investment opportunities in the territories made available to such clients. Each client of MSREI, including the Partnership, is assigned a portfolio manager by MSREI senior management. The portfolio managers or their designees regularly review current real estate investment opportunities which have been identified by or made available to MSREI. If more than one portfolio manager expresses continued interest in an investment, the allocation decision is escalated to an allocation committee comprised of senior management (the "**Allocation Committee**") for resolution. The Allocation Committee will consider various factors (described below) to allocate opportunities among clients. If, after considering these factors, the Allocation Committee does not unanimously determine that the investment should be allocated to a particular MSREI client, then the opportunity will generally be allocated pursuant to a rotation system.[9]

Factors considered by the Allocation Committee in prioritizing and allocating investment opportunities include, but are not limited to: (i) rights of

[9] In certain circumstances, investment opportunities that are determined to be "off market" (including, but not limited to, opportunities identified or sourced by an independent management team of a portfolio entity controlled by a MSREI client without material assistance from Morgan Stanley employees, or resulting from a pre-existing, legally binding joint venture with a third party to develop or acquire real estate without material assistance from Morgan Stanley employees) will be allocated to a particular client without further review by the Allocation Committee.

first offer in favor of certain clients; (ii) investment guidelines, goals or restrictions of the client; (iii) capacity of the client; (iv) existing allocation to similar strategies and the diversification objectives of the client; (v) tax considerations; (vi) legal or regulatory considerations; (vii) with respect to co-investment allocations, whether the co-investor can provide added value to the operations of the business or provide future opportunities to the business of the client; and (viii) other relevant business considerations.

MSREI is empowered to take into account other considerations it deems appropriate to ensure a fair and equitable allocation of opportunities. The Allocation Policy is subject to change in the sole discretion of MSREI. For the avoidance of doubt, underlying portfolio entities of an MSREI Investment Account (including the Partnership) will not be subject to the Allocation Policy.

Prospective investors should be aware that MSREI sponsors North Haven Net REIT ("**NetREIT**"), a pooled investment vehicle, organized as a Maryland statutory trust, that invests in high-quality commercial real estate assets that are primarily long-term leased under net lease structures to tenants for whom the properties are mission critical and, to a lesser extent and on a tactical basis, commercial real estate debt-related assets. As such, investment opportunities that are appropriate for the Partnership may also be appropriate for NetREIT, and there is no assurance that the Partnership will be allocated those investments it wishes to pursue. To the extent there are investment opportunities that meet the investment parameters of both the Partnership and NetREIT, investment opportunities will be allocated according to the Allocation Policy. Nonetheless, conflicts of interest may arise with respect to the potential allocation of an investment opportunity made available to MSREI where such opportunity may be suitable for both the Partnership and NetREIT.

Affiliated Investment Accounts outside of MSREI but within one or more other divisions of Morgan Stanley (including MSIM) have or will have active investment programs that are focused on real estate investing or otherwise may make real estate investments. For instance, MSIM is an affiliate of the Investment Adviser and offers Real Estate Securities Management, a series of institutional and retail mutual funds, other pooled vehicles and separate accounts implementing a core (and, possibly in the future, a core-plus) investment strategy by investing in publicly traded real estate securities in Asia, Europe and the United States and certain institutional and retail private equity, other pooled vehicles and separate accounts within MSIM's Alternative Investment Partners business that may also invest in core and core-plus real estate under certain circumstances. Both of these businesses remain outside of MSREI and to the extent they source real estate opportunities, they would not be subject to the Allocation Policy described above. In addition, certain Affiliated Investment Accounts within MSIM may make real estate investments even if real estate investing is not a central, or even significant, aspect of their investment strategies. For instance, MSIM advises North Haven Tactical Value Fund, an "opportunistic"

private equity fund that seeks to invest across asset classes, industries and/or geographies. Although the principal purpose of such Affiliated Investment Accounts is to make non-real estate investments, such Affiliated Investment Accounts may nonetheless invest a substantial percentage of their respective assets in real estate investment opportunities that would otherwise be appropriate for the Partnership.

In addition, in March 2018, MSIM completed the acquisition of Mesa West Capital, LLC ("**Mesa West**"). Mesa West sponsors and manages private investment funds and separate accounts which pursue commercial real estate credit strategies with over $8 billion of gross assets under management as of March 31, 2025. Mesa West engages in the origination of first mortgage loans on middle-market, value-added and transitional commercial real estate assets solely in the U.S. Mesa West operates as a separate business unit within MSIM's Real Assets group, overseen by John Klopp, Head of Global Real Assets. Mesa West has a separate investment team from the MSREI team responsible for the Partnership.

Mesa West currently manages three commercial real estate credit strategies on behalf of its clients (the "**Mesa West Clients**"): (i) "core" through an open-end commingled fund, (ii) "value-add" through a series of closed-end commingled funds, and (iii) tailored investment mandates through separately managed accounts and single investor "funds of one." MSREI does not believe that there will be any material overlap between the investment opportunities that the Partnership and the Mesa West Clients will pursue.

In addition, MSIM currently sponsors the North Haven Secured Private Credit Fund ("**NHSPCF**"), which primarily seeks to invest in credit and related instruments that are of investment grade quality secured by real estate or infrastructure assets. In addition, Morgan Stanley may in the future sponsor, manage and/or advise one or more additional Affiliated Investment Accounts (as part of Mesa West or through other groups within Morgan Stanley) to pursue other "non-opportunistic" real estate credit strategies (together with the Mesa West Clients and NHSPCF, the "**RE Credit Vehicles**"). The RE Credit Vehicles may pursue a variety of credit-related strategies including, for example, one or more investment funds, structured vehicles or other collective investment vehicles and accounts investing in distressed debt, subordinated debt, high-yield securities, senior mortgages, preferred equity, mezzanine debt or CMBS and other similar debt instruments, and may target borrowers in the U.S. or globally. The RE Credit Vehicles may seek to originate loans and/or acquire performing or distressed real estate debt on a secondary basis and such RE Credit Vehicles may pursue "opportunistic," "core-plus" or "core" real estate credit strategies. Morgan Stanley may determine to grant such existing or new clients a "preference" or "exclusivity" with respect to certain investment opportunities for such Affiliated Investment Accounts notwithstanding the fact that such investment opportunities may be suitable for the Partnership. As a manager of both the Partnership and the

RE Credit Vehicles, Morgan Stanley owes a fiduciary duty to the RE Credit Vehicles as well as to the Partnership. If the RE Credit Vehicles were to purchase debt instruments from a real estate company owned by the Partnership (or if the Partnership makes or has an Investment in or becomes a lender to a company in which any RE Credit Vehicle has a debt investment), Morgan Stanley will, in certain instances, face a conflict of interest in respect of the advice it gives to, or the decisions made with regard to, such RE Credit Vehicle and the Partnership (e.g., with respect to the terms of such debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

In addition, to the extent Morgan Stanley causes RE Credit Vehicles to provide debt financing to the Partnership or its portfolio entities, Morgan Stanley could have incentives to cause the Partnership or its portfolio entities to accept less favorable financing terms from such RE Credit Vehicle than it would from a third party. The same concerns apply when any of these RE Credit Vehicles, or any other Affiliated Investment Accounts, invest in a more senior position in the capital structure of a portfolio entity than the Partnership, even if the form of the transaction is not a financing. In the case of a related party financing between the Partnership or its portfolio entities, on the one hand, and RE Credit Vehicles or their portfolio entities, on the other hand, Morgan Stanley could, but is not obligated to, rely on a third-party agent to confirm the terms offered by the counterparty are consistent with market terms, or Morgan Stanley could instead rely on its own internal analysis. If however any of Morgan Stanley, the Partnership, a RE Credit Vehicle or any of their portfolio entities delegates to a third party, such as another member of a financing syndicate, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Morgan Stanley related vehicle impacts the market terms. See also "—Morgan Stanley as Lender" below.

In March 2021, Morgan Stanley completed the acquisition of Eaton Vance, a leading provider of advanced investment strategies and wealth management solutions, with over $500 billion in assets under management. Among its investment products, Eaton Vance manages certain private funds that invest a portion of their assets in real property investments. Investment opportunities relevant to these funds could overlap with the Partnership's investment objectives, and the foregoing may result in the Partnership participating in investment opportunities to a lesser extent than would otherwise be the case (or not at all).

There may from time to time be investment opportunities that meet the investment parameters of both the Partnership and one or more other Affiliated Investment Accounts. Morgan Stanley may from time to time create new or successor Affiliated Investment Accounts that compete with the Partnership for investment opportunities or overlap in terms of investment strategy and may present similar conflicts of interest. Morgan Stanley and certain of its Affiliated

Investment Accounts have routinely made, and will continue to make, Investments that fall within the investment objectives of the Partnership. The organization of a new or successor Affiliated Investment Account could result in the reallocation of Morgan Stanley personnel, including reallocation of existing real estate professionals, to such other funds. Certain members of the Partnership's investment team and the investment committee may make investment decisions on behalf of both Morgan Stanley and such Affiliated Investment Accounts, including Affiliated Investment Accounts with investment objectives that overlap with those of the Partnership.

MS Related Persons (including Morgan Stanley's trading and principal investing businesses) will have no obligation to offer to the Partnership Investment opportunities. In such situations, an MS Related Person may pursue and make the investment for its own account. When deciding how to allocate such opportunities, Morgan Stanley will exercise its discretion and may consider its own financial interests or the interests of other clients or affiliates of Morgan Stanley ahead of those of the Partnership.

In some cases, Morgan Stanley or an Affiliated Investment Account may invite the Partnership to co-invest with it or the Investment Adviser may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Partnership, in either the same or different tiers of a portfolio entity's capital structure or in an affiliate of such portfolio entity. For instance, while not expected, the Partnership may acquire a controlling interest in a class or tranche of equity securities of a portfolio entity in which a RE Credit Vehicle has a pre-existing debt interest or such RE Credit Vehicle may acquire an interest in a class or tranche of debt securities of a portfolio entity in which the Partnership has a pre-existing controlling equity interest. In circumstances where Morgan Stanley approves a transaction outlined above, the interests of the Partnership and such RE Credit Vehicle may not always be aligned, which may give rise to actual or potential conflicts of interest and actions taken for the Partnership may be adverse to such RE Credit Vehicle, or vice versa. To the extent the Partnership holds Investments in the same portfolio entity or in an affiliate thereof that are different (including with respect to their relative seniority) than those held by Morgan Stanley or an Affiliated Investment Account, the Investment Adviser and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict. If a portfolio entity in which the Partnership has an equity or debt Investment, and in which Morgan Stanley or an Affiliated Investment Account has an equity or debt investment elsewhere in the portfolio entity's capital structure, becomes distressed or defaults on its obligations, Morgan Stanley may have conflicting loyalties between its duties to its shareholders, the Affiliated Investment Account, the Partnership, certain of its other affiliates and the portfolio entity. For example, if additional financing is necessary as a result of financial or other difficulties of a portfolio entity of the Partnership, it may not be in the best interests of a RE Credit Vehicle, as a holder

of debt issued by such company, to provide such additional financing and the ability of the Investment Adviser to recommend such additional financing as being in the best interests of the Partnership might be impaired. In that regard, actions may be taken for Morgan Stanley or such Affiliated Investment Account that are adverse to the Partnership, or actions may or may not be taken by the Partnership due to Morgan Stanley's or such Affiliated Investment Account's investment, which action or failure to act may be adverse to the Partnership. In addition, it is possible that in a bankruptcy proceeding, the Partnership's interest may be subordinated or otherwise adversely affected by virtue of Morgan Stanley's or such Affiliated Investment Account's involvement and actions relating to its investment.

Incentive Management Fees; Base Management Fees

The existence of the Investment Adviser's Base Management Fee and Incentive Management Fee based on the Partnership's asset value may create an incentive for the Investment Adviser to make riskier or more speculative Investments on behalf of the Partnership than it would otherwise make in the absence of such performance-based compensation, raise more capital and increase overall interests, and/or to defer realization of Investments and/or hold Investments longer than it otherwise would if the Base Management Fee were based on interests. Furthermore, Investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third party partners, which could also create an incentive for such parties to take risks with respect to such Investments. In addition, the method of calculating the Incentive Management Fee and the Base Management Fee may result in conflicts of interest between the Investment Adviser, on the one hand, and the investors, on the other hand, with respect to the acquisition, management and disposition of Investments. For instance, the Incentive Management Fee may create an incentive for the Investment Adviser to seek to select valuation advisors it perceives as providing relatively high valuations, especially with respect to illiquid securities. The Investment Adviser may also be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail redemptions to maintain a higher NAV, which would, in each case, increase the Base Management Fee payable to the Investment Adviser. If the Investment Adviser receives an Incentive Management Fee, such Incentive Management Fee will be primarily in respect of unrealized appreciation of the Partnership's assets, and the Base Management Fee will take into account the unrealized value of the Partnership's assets and any cash and cash equivalents.

Exclusivity Held By Other MSREI Clients

Prospective investors should be aware that MSREI advises North Haven Real Estate Fund X Global-F, L.P., a pooled investment vehicle, organized as an Alberta limited partnership, that makes opportunistic real estate and real estate-related investments on a global basis (together with its parallel, predecessor

and any successor funds that have an opportunistic strategy, the "**Opportunistic Funds**"). With respect to each investment opportunity that is deemed by MSREI to be an "opportunistic" real estate investment opportunity, the Opportunistic Funds and certain investors who have or are granted in the future co-investment rights or other existing or potential investors that MSREI determines to offer co-investment alongside the Opportunistic Funds, will be accorded a preference and will have the right to make all or part of any such investment before it is offered to the Partnership. Furthermore, other funds or products may in the future be sponsored by Morgan Stanley or its affiliates that may have a preference.

The classification of a potential investment as "opportunistic" or "non-opportunistic" will impact whether such opportunity may potentially be made available to the Partnership. This determination will be made by MSREI at the time of its evaluation of an investment opportunity, based on its underwriting of the investment and the target return ranges for the Partnership. Such classifications frequently will be subjective in nature and will be based on a variety of assumptions made in good faith by MSREI at the time of its underwriting. Consequently, an investment that MSREI determines is "opportunistic" and thus allocated away from the Partnership, may ultimately achieve a return that is within the Partnership's target return range. Conversely, an investment that MSREI determines is "non-opportunistic," and thus allocated to the Partnership, may ultimately outperform its underwriting and achieve a return that is outside of the Partnership's target return range. Accordingly, MSREI will face actual or potential conflicts of interest in making such determinations.

Partnership Expenses

As stated in Section 4.05 of this Agreement, the Partnership shall be responsible for and shall pay all Partnership Expenses out of funds of the Partnership. As used herein, the term "Partnership Expenses" means all expenses or obligations of the Partnership or the General Partner or otherwise incurred by the Partnership or the General Partner or the Subsidiaries (or by the Investment Adviser or its affiliates on behalf of the Partnership or the General Partner) in connection with this Agreement or the Partnership's or General Partner's business or affairs (other than the Investment Adviser Expenses), including:

- the Management Fee;
- all Reimbursable Investment Adviser Professional Expenses;
- Restructuring Expenses (other than Excess Restructuring Expenses);
- Any fees or compensation payable to the Independent Directors, and expenses payable to all Directors, for service on the Board;

- all costs and expenses incurred in connection with the holding of the Partnership's annual meeting, meetings of the Board, meetings of the Advisory Committee and the Advisory Committee Members and meetings of the Limited Partners, including travel costs, entertainment and other similar fees, costs and expenses of the Advisory Committee or the Limited Partners;

- costs and expenses related to the engagement of third-party consultants, advisors and service providers (including Affiliates of the Investment Adviser engaged pursuant to Section 4.06) by the Partnership and the General Partner, including costs and expenses incurred in connection with obtaining legal, tax, appraisal or accounting, insurance advisory, property management, fund administration, custody or depositary advice or services (including property management fees and expenses, including base fees, leasing commissions, incentive fees and financing fees); all fees, costs and expenses (including travel, meals, accommodations, and reasonable research and market data expenses and ancillary costs thereto) incurred in sourcing, conducting due diligence investigations into, purchasing, acquiring, developing, negotiating, structuring, monitoring, custody, hedging, financing, insuring, managing and disposing of, or attempting to dispose of, actual (or potential) Investments, including the expenses incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of any environmental, social and governance related programs and initiatives (in respect of Investments, prospective Investments and/or the Partnership); expenses incurred in connection with environmental, social and governance tracking tools, climate risk assessments and any other assessments, measurements, advice or reports conducted as part of implementing, monitoring and maintaining of certain environmental, social and governance related programs and initiatives, costs for external financial, legal, accounting, technology (including technology-related services), consulting or other advisers, or any lenders and other financing sources and other costs and fees in connection with transactions which are not consummated, including reverse break-up fees and lost deposits, duplicating, postage, delivery, and communications charges, costs of appraisal services (including obtaining an independent valuation of, or fairness opinion relating to, Investments or other assets), valuation advisers, engineering and environmental assessment services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such fees, costs and expenses by entities in which the Partnership invests or other third parties);

- third party out-of-pocket expenses incurred by the General Partner or the Investment Adviser (and third-party firms whose professionals work in the Investment Adviser's offices, use the Investment Adviser's email address

and devote all or substantially all of their working time to funds or accounts managed by the Investment Adviser and its affiliates) in connection with Investments or proposed Investments and other costs and expenses in connection with the acquisition, underwriting, market research, financing, operation, ownership, management, development, redevelopment, refinancing, sale, leasing or other disposition of Investments;

- the Partnership's allocable share of travel expenses, including travel expenses incurred in connection with evaluating and negotiating potential Investments (whether or not consummated) and monitoring actual Investments and other Partnership matters (including costs and expenses of accommodations and meals, costs and expenses related to attending trade association meetings, conferences or similar meetings for purposes of evaluating actual or potential investment opportunities, and with respect to travel on non-commercial aircraft, costs of travel at a comparable business class commercial airline rate);

- communications charges, costs of appraisal services (including obtaining an independent valuation of Investments or other assets), valuation advisers, engineering and environmental services, and property and asset management fees in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by entities in which the Partnership invests or other third-parties);

- costs and expenses (including brokerage fees, commissions, insurance premiums) relating to any fidelity bond and insurance policies of all types (including directors' and officers' liability insurance and errors and omissions insurance), or such other insurance relating to the affairs of the Partnership;

- all expenses incurred in connection with any litigation, indemnification or extraordinary expense or liability relating to the affairs of the Partnership or any Subsidiary (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

- all expenses for indemnity or contribution payable by the Partnership to any Person;

- all expenses incurred in connection with the collection of amounts due to the Partnership or any Subsidiary from any Person;

- expenses related to legal and regulatory compliance for the Partnership, the General Partner or the Investment Adviser relating to the Partnership's

investment activities (including, without limitation, Partnership-related compliance obligations and, if needed, reports, disclosures, filings and notifications prepared in accordance with the AIFM Directive);

- all expenses incurred in connection with and any principal, interest or other amounts owing in respect of any indebtedness or guarantees of the Partnership or any Subsidiary or any proposed or definitive credit facility or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Partnership or any Subsidiary or related to any Investment), including the repayment of amounts under such indebtedness, guarantees, credit facilities or other credit arrangements;

- expenses associated with portfolio and risk management including interest rate hedging;

- expenses of dissolving and winding up the Partnership;

- expenses incurred in connection with preparation of financial statements;

- fees, costs and expenses related to the organization and maintenance of any entity used to acquire, hold or dispose of one or more Investment(s) (including, for the avoidance of doubt, any Subsidiary or portfolio entity) or otherwise facilitating the Partnership's investment activities including, without limitation, any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including personnel of the Investment Adviser or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, or other overhead expenses in connection therewith;

- legal entity management expenses;

- fees or other governmental charges relating to administration of the Partnership, the General Partner and the Investment Adviser;

- fees, costs and expenses incurred in connection with any amendments, restatements, or other modifications to, and compliance with, the Partnership Agreement, the Advisory Agreement, confirmation letters with Limited Partners or any other constituent or related documents of the Partnership, the General Partner and the Investment Adviser, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the Advisory Committee or preparation of other materials in connection with compliance (or monitoring compliance) with such documents (including, for the avoidance of doubt, any such documents as related to Subsidiaries);

- any taxes imposed on the Partnership or any Subsidiary, including any taxes imposed on the Partnership or any Subsidiary in the capacity of withholding agent with respect to a Partner (and any interest, penalties or expenses relating to any such taxes), except to the extent such taxes are attributable or otherwise allocable to a Partner under the Partnership Agreement, and costs and expenses of preparing and filing tax returns on behalf of the Partnership and/or such Subsidiary in any jurisdiction in which the Partnership or such Subsidiary is required or deems it advisable to file tax returns or information with the applicable tax authorities and all costs and expenses incurred in connection with any tax audit, investigation, settlement or other proceedings in respect of the Partnership and/or such Subsidiary;

- any sales, value added, goods and services or other similar taxes (a "**GST**") to the extent that the Partnership or any entity used to acquire, hold or dispose of any investments (including any Subsidiary and/or any portfolio entity) is required by applicable law to pay, withhold or deduct such amounts from any payments of the Base Management Fee or Incentive Management Fee, so that the net amounts of Base Management Fees and/or Incentive Management Fees actually received by the Investment Adviser (and/or such entity) after such payment, withholding, deduction or imposition of such GST (including any such payment, withholding, deduction or imposition from or with respect to such additional amounts) equal the required amount of Base Management Fees and/or Incentive Management Fees otherwise payable under the Advisory Agreement;

- all administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Partners of checks, financial reports, performance reports, tax returns, communications and notices required pursuant to this Agreement, treasury, cash management, analytics and related information technology services provided to the Partnership and all other costs and expenses in relation to maintaining or compliance with the tax or legal status of the Partnership, the General Partner or the Investment Adviser;

- the organization of any Parallel Vehicle or Feeder Vehicle;

- expenses of offering LP Units and any applicable taxes, including expenses associated with updating the offering and marketing materials, expenses associated with printing the materials and expenses relating to documentation with potential investors (other than travel expenses related thereto);

- the fees, costs and expenses of any legal counsel or other advisors retained by, or at the direction or for the benefit of, the Advisory Committee;

- fees, commissions, costs and expenses relating to the AIFM Directive, the CISA or any other non-U.S. law, rule, regulation or requirement including as any of the foregoing may be implemented by any laws, rules, regulations or interpretations of countries or jurisdictions, in each case as amended, or any successor laws, rules or regulations thereto including reports, ongoing compliance, administrators, custodians, agents, representatives, depositaries, paying agents and other service providers engaged to comply with the AIFM Directive, CISA, or any other non-U.S. law, rule, regulation or requirements, the organization or maintenance of any entity used in connection with compliance with the AIFM Directive by the Partnership, any Parallel Vehicle or any Feeder Vehicle (including any entity that is an Affiliate of the Investment Adviser established to be an authorized "alternative investment fund manager" of the Partnership, any Parallel Vehicle or any Feeder Vehicle within the meaning of the AIFM Directive) as well as any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, other overhead expenses in connection therewith and/or fees for services, or, in the event a third party authorized "alternative investment fund manager" is engaged, the costs and expenses associated therewith, as applicable; and

- all other costs and expenses relating to the business of the Partnership.

The Partnership will pay all expenses related to its own operations (other than those specified as Investment Adviser Expenses) as well as certain expenses related to the Investment Adviser and other Partnership affiliated entities, including, without limitation, certain compliance obligations particular to the Partnership. Moreover, the Investment Adviser will exercise discretion in determining whether expenses will be borne by the Partnership, the Investment Adviser or other parties. The amount of fund expenses will be substantial and will reduce the actual returns realized by investors on their investment in the Partnership (and will reduce the amount of capital available to be deployed by the Partnership in Investments). Partnership expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of Partnership expenses ultimately called at any one time or in the aggregate during the Partnership's existence may exceed expectations. As described further in this Agreement, fund expenses encompass a broad range of expenses and include all expenses of operating the Partnership and its related entities, including, for example, any entities used directly or indirectly to acquire, hold or dispose of any one or more Investment(s) or otherwise facilitating the Partnership's investment activities, including, without limitation, independent director fees, corporate secretary fees, audit, tax advice, tax filing

and legal advice fees, any travel and accommodation expenses related to such entities and the salary and benefits of any personnel reasonably necessary and/or advisable for the maintenance and operation of such entities, or other overhead expenses in connection therewith.

Furthermore, the Investment Adviser has engaged certain third-party providers to provide fund administration services, including accounting, reporting, treasury, cash management, hedging administration, analytics and related information technology services to the Partnership, and the Partnership will be responsible for the expenses related to the provision of such services, together with all other administrative expenses of the Partnership, including the maintenance of books and records of the Partnership and the preparation and dispatch to the Limited Partner of checks, financial reports, performance reports and tax returns, capital calls, distribution notices, other Partnership reports, communications and notices required pursuant to this Agreement.

Any amounts paid by the Partnership for or resulting from hedging transactions will be considered a Partnership Expense relating to such investment.

The Partnership may participate in specific Investments together with one or more other Affiliated Investment Accounts and may also co-invest with co-investors (including in connection with portfolio entities in which the Partnership and such other Affiliated Investment Accounts have overlapping investments). In addition, to the extent permitted under this Agreement, the Partnership and Affiliated Investment Accounts may invest in accordance with similar investment strategies in respect of one or more categories of Investments in which the Partnership may invest. The Investment Adviser, Morgan Stanley and its affiliates will determine, in their discretion, the appropriate allocation of investment-related expenses, including broken deal expenses incurred in respect of unconsummated investments and expenses more generally relating to a particular investment strategy, among the funds, vehicles and accounts participating or that would have participated in such investments or that otherwise participate in the relevant investment strategy, as applicable, which, as discussed below, may result in the Partnership bearing more or less of these expenses than other participants or potential participants in the relevant investments. The allocation of such expenses among such entities raises potential conflicts of interest, in part because expenses paid by an entity may affect the compensation paid to or incentive fee earned by the Investment Adviser or the sponsor of the Affiliated Investment Account. The Investment Adviser intends to allocate such common expenses among the Partnership and any such other Affiliated Investment Accounts in an equitable manner as determined by the Investment Adviser (or such affiliates) in their good faith discretion. See also "—Disparate Fee Arrangements with Service Providers" and "—Co-Investment" below.

Morgan Stanley Trading and Principal Investing Activities

Morgan Stanley will generally conduct its sales and trading businesses, publish research and analysis, and render investment advice without regard for the Partnership's holdings, although these activities could have an adverse impact on the value of one or more of the Investments or could cause Morgan Stanley to have an interest in one or more portfolio entities that is different from, and potentially adverse to, that of the Partnership.

The trading activities of Morgan Stanley, its affiliates (including affiliated funds) and their customers in publicly traded securities and the research recommendations of Morgan Stanley with respect to publicly traded securities may differ from, or be inconsistent with, the interests of and activities which are undertaken for the account of the Partnership in such securities or related securities. For example, the Partnership may dispose of securities at a time when Morgan Stanley research is recommending a purchase of such securities. Furthermore, if Morgan Stanley-affiliated funds or accounts invest in securities of publicly traded companies which are actual or potential portfolio entities, the trading activities of those vehicles may differ from or be inconsistent with activities which are undertaken for the account of the Partnership in such securities or related securities. This may occur because these accounts hold public and private debt and equity securities of a large number of issuers in which the Partnership may invest or from whom Investments may be acquired. The Investment Adviser believes that the participation of Morgan Stanley in the capital markets is a significant factor in ensuring the Investment Adviser's continuing access to new transactions for investment by the Partnership. The Investment Adviser will make its own independent determination with respect to the trading activities of the Partnership, and the Partnership may not pursue an Investment in a portfolio entity as a result of such trading activities by other Morgan Stanley affiliates.

Morgan Stanley's sales and trading, financing, and principal investing businesses have invested, and in the future may invest, in real estate and real estate-related opportunities. Such activities may put Morgan Stanley in a position to exercise contractual, voting, or creditor rights, or management or other control with respect to the portfolio entities, and in these instances Morgan Stanley may, in its discretion, act to protect its own interests or interests of clients, and not the interests of the Partnership.

To resolve this conflict of interest, the Investment Adviser may, for example, rely on a separate, independent team of Morgan Stanley-affiliated professionals to represent the interests of the Partnership and the other party or it may abstain from exercising management rights and rely instead on other partners in such transaction or outside advisors. In addition, in the event that the Partnership invests in operating companies, there may be situations where the Investment Adviser must recuse itself from making certain decisions with respect

to such entities to the extent that such entities engage in transactions with affiliates of Morgan Stanley.

In addition, Morgan Stanley may engage in a variety of transactions, including entering into derivatives contracts, to limit its exposure to the risk of investments made in its Affiliated Investment Accounts. For example, Morgan Stanley may choose to hedge exposures (currency, interest rate, equities or commodities) arising from its Investments in, or exposure to through performance based fees or carried interest, the Affiliated Investment Accounts. The Affiliated Investment Account may invest in a particular market sector and Morgan Stanley, to hedge its exposures to the investment risks of that sector, may establish a short position in that sector by means of a derivative or other financial product or instrument related to a market index comprised of securities in that same market sector. This short position may be designed to profit from a decline in the price of the securities in that market sector, thus limiting Morgan Stanley's exposure to the investment risks associated with investing in, or receiving performance-based compensation or having a carried interest in, such Affiliated Investment Account. As a result of and taking into account such hedging, the performance of investors in an Affiliated Investment Account who do not engage in hedging on their own may differ materially from those investors (including Morgan Stanley) who do engage in such activities. It should be noted, however, that such hedging activities are not free from risk and that Morgan Stanley or clients that engage in such transactions may result in losses or diminish performance. In addition, such activities may diminish the alignment of interest between Morgan Stanley and a particular private fund's investors.

Subject to the investment limitations set forth in this Agreement and compliance with applicable laws, the Partnership may purchase from or sell assets to, or make Investments in, portfolio entities in which Morgan Stanley has or may acquire an interest, including as an owner, creditor or counterparty.

Allocations of Co-Investments with Morgan Stanley Affiliates

If the Investment Adviser determines that the Partnership should invest less than the amount offered to the Partnership with respect to an investment opportunity or should decline an investment opportunity, all or any portion of such investment opportunity remaining after taking into account the Investment, if any, by the Partnership may be presented to any person (including Morgan Stanley, its affiliates or an Affiliated Investment Account). In any case where a prospective Investment involves both real estate and non-real estate assets (such as loan portfolios that include both real estate and non-real estate loans), the Investment Adviser may seek the participation of other Morgan Stanley affiliates that are interested in the non-real estate assets to assist with the valuation of, and to reduce the Partnership's exposure to, the non-real estate assets.

The decision to allocate a particular Investment between the Partnership and other Morgan Stanley affiliates may involve conflicts of interest. Further potential conflicts could arise after the Investment is consummated where, for example, the investment objectives or financial resources of the co-investing entities differ substantially from those of the Partnership.

Morgan Stanley's Real Estate and Investment Banking Activities

Morgan Stanley is involved in a broad range of investment banking activities, as described in the first paragraph of this Schedule A. For example, Morgan Stanley often represents potential purchasers and sellers in real estate-related transactions or parties in corporate transactions and may pursue investments on a proprietary basis on its own behalf.

Morgan Stanley advises clients on a variety of mergers, acquisitions and financing transactions. Morgan Stanley may act as an advisor to clients, including Affiliated Investment Accounts that may compete with the Partnership, with respect to Investments in which the Partnership may invest. Morgan Stanley may give advice and take action with respect to any of its clients or proprietary accounts that may differ from the advice given, or may involve an action of a different timing or nature than the action taken, by the Partnership. Morgan Stanley may give advice and provide recommendations to persons competing with the Partnership and/or any portfolio investment that are contrary to the best interests of the Partnership and/or any investment.

Morgan Stanley could be engaged in financial advising, whether on the buy side or sell side, or in financing or lending assignments that could result in Morgan Stanley's determining in its discretion or being required to act exclusively on behalf of one or more third parties, which could limit the Partnership's ability to transact with respect to one or more existing or potential investments. Alternatively, there could be buy-side or sell-side assignments in which the buyer or seller permits the Partnership to act as a participant in the transaction. In such cases, certain conflicts of interest would be inherent, including those involved in negotiating a purchase price. Morgan Stanley may have relationships with third-party funds, companies or investors who may have invested in or may look to invest in portfolio companies, and there could be conflicts between the best interests of the Partnership, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand.

Morgan Stanley will continue to accept such assignments after the establishment of the Partnership. In these cases, such Morgan Stanley client relationships or proprietary investment activities may result in the Partnership not being able to pursue certain investment opportunities. Alternatively, the Partnership may be forced to sell or hold existing Investments as a result of investment banking relationships or other relationships that Morgan Stanley may have or transactions or Investments Morgan Stanley may make or have made.

Accordingly, no assurances can be given that all potentially suitable real estate investments will be offered to the Partnership.

From time to time, Morgan Stanley's investment banking professionals may introduce to the Partnership a client that requires equity to complete an acquisition transaction. If the Partnership pursues the resulting investment, Morgan Stanley could have a conflict in its representation of the client over the price and terms of the Partnership's Investment. Furthermore, the Partnership will not generally purchase securities being underwritten by Morgan Stanley, thereby limiting the ability of the Partnership to make such Investments.

Morgan Stanley has long-term relationships with a significant number of property managers, facilities managers, developers, institutions and corporations and their advisors. In determining whether to pursue a particular transaction on behalf of the Partnership, these relationships will be considered by Morgan Stanley and there may be certain potential transactions that will or will not be pursued on behalf of the Partnership in view of such relationships. In addition, as a result of such relationships, the Investment Adviser may not be permitted to pursue litigation as vigorously as it may if it were not associated with Morgan Stanley.

In addition, Morgan Stanley could provide real estate and investment banking services to competitors of companies in which the Partnership invests, in which case it will take appropriate steps to safeguard the confidential information of each client. Morgan Stanley is under no obligation to share and may not share any such information with the Partnership or Investment Adviser. Such activities may present Morgan Stanley with a conflict of interest vis-à-vis the Partnership's portfolio entities and may also result in a conflict with respect to the allocation of investment banking resources to portfolio entities.

To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under chapter 11 of the U.S. Bankruptcy Code or similar laws in other jurisdictions, the Investment Adviser's flexibility in making Investments, on behalf of the Partnership, in such companies or properties owned by such companies undergoing restructuring may be limited.

Morgan Stanley may be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, may represent potential buyers of businesses through its mergers and acquisition activities, and may provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realized consideration and is usually contingent, in substantial part, upon the closing of the transaction. The Partnership may be precluded from participating in a loan to the company being sold if the seller has required Morgan Stanley to act exclusively on its behalf. Additionally, there may

be seller assignments in which the seller permits the Partnership to act as a participant in the purchase of the company. In that case, certain conflicts of interest would be inherent in the situation, including those involved in negotiating a purchase price. If a Morgan Stanley affiliate serves as underwriter with respect to a portfolio company's securities, the Partnership may be subject to a "lock-up" period following the offering under applicable regulations during which time its ability to sell any investments that it continues to hold would be restricted. This may prejudice the Partnership's ability to dispose of such securities at an opportune time.

Morgan Stanley may derive ancillary benefits from providing any such services to the Partnership and/or a portfolio company, and providing such services may enhance Morgan Stanley's relationships with various parties, facilitate additional business development and enable Morgan Stanley to obtain additional business and generate additional revenue. In addition, Morgan Stanley may derive ancillary benefits from certain decisions made by the Investment Adviser. While the Investment Adviser will make decisions for the Partnership in accordance with its obligations to manage the Partnership appropriately, the fees, allocations, compensation and other benefits to Morgan Stanley (including benefits relating to business relationships of Morgan Stanley) arising from those decisions may be greater as a result of certain portfolio, investment, service provider or other decisions made for the Partnership than they would have been had other decisions been made, which also might have been appropriate for the Partnership. Other than as specifically set forth in this Agreement, Morgan Stanley will not share any of the interest, fees and other compensation discussed herein received by it (including amounts received by the Investment Adviser) with the Partnership or the investors, and the Management Fee payable by or on behalf of the Partnership and the investors will not be reduced thereby.

Fees for Services

Morgan Stanley and its current or former affiliates may perform certain limited services for, and will expect to receive customary compensation from, the Partnership, the entities in which the Partnership invests or other parties in connection with transactions related to the Partnership's Investments. Such compensation could include fees relating to financing, hedging, real estate and loan servicing management with respect to Investments in which no joint venture operating partner participates with the Partnership, if the Investment Adviser determines in good faith that such arrangement is in the best interests of the Partnership. These fees will not be shared with the Partnership or the investors of the Partnership and may not be the result of arm's-length negotiations, although this Agreement provides that such fees must be on market terms, and the terms will be disclosed to the Board. Furthermore, the Investment Adviser or Morgan Stanley will not guarantee the performance by its affiliates of any services provided to the Partnership.

In addition, from time to time, the Investment Adviser may request various Morgan Stanley business units, or entities in which Morgan Stanley business units have an economic interest, to provide services to the Partnership for customary compensation.

Morgan Stanley and its personnel can be expected to receive certain intangible and/or other benefits, discounts and/or perquisites arising or resulting from their activities on behalf of the Partnership which will not be shared with the Partnership, the investors and/or portfolio entities. For example, airline travel or hotel stays incurred as Partnership Expenses may result in "miles" or "points" or credit in loyalty or status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the benefit of Morgan Stanley and/or such personnel or related parties receiving them (and not the Partnership, the investors and/or portfolio entities) even though the cost of the underlying service is borne by the Partnership and/or portfolio entities. The Limited Partners consent to the existence of these arrangements and benefits.

Morgan Stanley's Investment Management Activities

Morgan Stanley conducts a variety of investment management activities, including sponsoring investment funds that are registered under the Investment Company Act and subject to its rules and regulations. Such activities also include managing assets of pension funds that are subject to federal pension law and its regulations, management of real estate separate accounts for institutional clients and management of portfolios of publicly traded securities. Such activities may present conflicts of interest if the Partnership pursues an Investment in or transaction involving a company or property in which Morgan Stanley's investment management clients and investment companies have previously invested or a company or property in which an entity in which Morgan Stanley's investment management clients or investment companies have previously invested has an interest. In certain situations, the Partnership may be restricted or precluded from pursuing an Investment with respect to any such company or property due to certain regulatory considerations, such as Section 17 of the Investment Company Act.

Conflicts with Portfolio Entities

Officers and employees of the Investment Adviser or Morgan Stanley may serve as directors of certain portfolio entities and, in that capacity, will be required to make decisions that they consider to be in the best interest of the portfolio entity. In certain circumstances, for example in situations involving bankruptcy or near insolvency of the portfolio entity, actions that may be in the best interests of the portfolio entity may not be in the best interests of the Partnership, and vice versa. In addition, the possibility exists that the entities with which one or more members of the investment team or other employees of Morgan Stanley are involved could engage in transactions that would be suitable

for the Partnership, but in which the Partnership might be unable to invest. Accordingly, in these situations, there may be conflicts of interests between such person's duties as an officer or employee of the Investment Adviser or Morgan Stanley and such person's duties as a director of the portfolio entity.

Morgan Stanley may invest on behalf of itself and/or its Affiliated Investment Accounts in a portfolio entity that is a competitor of a portfolio entity of the Partnership or that is a service provider, supplier, customer or other counterparty with respect to a portfolio entity of the Partnership. In providing advice and recommendations to, or with respect to, such portfolio entities, and in dealing in their securities on behalf of itself or such Affiliated Investment Accounts, to the extent permitted by law, Morgan Stanley will not take into consideration the best interests of the Partnership and its portfolio entities. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Partnership or its portfolio entities. Conflicts of interest may also arise with respect to the allocation of Morgan Stanley's time and resources between such portfolio entities. In addition, in providing services to such portfolio entities, Morgan Stanley may come into possession of information that it is prohibited from acting on (including on behalf of the Partnership) or disclosing, even though such action or disclosure would be in the best interests of the Partnership. To the extent not restricted by confidentiality requirements or applicable law or otherwise, Morgan Stanley may apply experience and information gained in providing services to portfolio entities of the Partnership to provide services to competing portfolio entities invested in by Morgan Stanley or Affiliated Investment Accounts, which may have adverse consequences for the Partnership. See also "—Nonpublic Information" above.

It is possible that Morgan Stanley or an Affiliated Investment Account will invest in a venture that is or becomes a competitor of an Investment of the Partnership. Such investment could create a conflict between the Partnership, on the one hand, and Morgan Stanley or the Affiliated Investment Account, on the other hand. In such a situation, Morgan Stanley may also have a conflict in the allocation of its own resources to the portfolio entity.

It should be noted that Morgan Stanley has, directly or indirectly, made large Investments in certain of its Affiliated Investment Accounts, and accordingly Morgan Stanley's investment in the Partnership (if any) may not be a determining factor in the outcome of any of the foregoing conflicts. Nothing herein or in this Agreement precludes, restricts or in any way limits the activities of Morgan Stanley in other investment management activities not related to the Partnership, including its ability to buy or sell interests in, or provide financing to, equity and/or debt instruments, funds or portfolio entities, for its own accounts or for the accounts of Affiliated Investment Accounts or other investment funds or clients.

Certain U.S. Bank Regulatory Considerations

As discussed above, Morgan Stanley is a bank holding company and has elected financial holding company status under the BHCA. Morgan Stanley is subject to various restrictions under U.S. banking laws and regulations and is also subject to supervision and regulation by the Federal Reserve.

The above-referenced banking laws, rules and regulations and the interpretation thereof by the staff of the Federal Reserve may also restrict the transactions and relationships between Morgan Stanley, on the one hand, and the Partnership, on the other hand, and may restrict the Investments and transactions by the Partnership.

By acquiring an interest in the Partnership, each investor will be deemed to have acknowledged that Morgan Stanley may need to take actions (or decline to take actions) to comply with banking laws and regulations that apply to it even though such actions may adversely affect the Partnership, and to have consented thereto, and to have waived any claim in respect of the existence or resolution of any such conflict of interest.

The Dodd-Frank Act includes certain provisions, known as the "**Volcker Rule**," that restrict the ability of a banking entity, such as Morgan Stanley or any of its affiliates, from acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring, certain private funds ("covered funds") and prohibits certain transactions between a banking entity and any of its affiliates, on the one hand, and a covered fund to which the banking entity or any of its affiliates serves, directly or indirectly, as the investment manager or investment adviser, or that the banking entity or any of its affiliates sponsors or invests in connection with organizing and offering the covered fund pursuant to the Volcker Rule's asset management exemption (or with any other covered fund that is controlled by such fund), on the other hand.

Morgan Stanley's status as a bank holding company may result in incremental structuring costs, compliance costs and other related fees and expenses which would not otherwise be borne by the Partnership (and indirectly by the Limited Partners) were the Partnership not to be advised by a bank holding company.

The Investment Adviser has concluded that, under the Volcker Rule and its implementing regulations, the Partnership is not a covered fund and, therefore, the activities of Morgan Stanley and its affiliates with respect to the Partnership are not subject to the restrictions of the Volcker Rule and its implementing regulations.

If the Partnership were to become a covered fund (i.e., if it were at some point in the future required to rely on Sections 3(c)(1) or 3(c)(7) of the Investment

Company Act to avoid registration as an investment company) and if Morgan Stanley or any of its affiliates were deemed to sponsor the Partnership in connection with organizing and offering it pursuant to the Volcker Rule's asset management exemption, certain impacts would be likely. For example, while Morgan Stanley does not currently have any investment in the Partnership, any future investment by Morgan Stanley in the Partnership would be limited to no more than 3% of the value of the ownership interests of the Partnership, and Morgan Stanley's aggregate permitted investments in all covered funds would be limited to the maximum amount permitted by the Volcker Rule implementing regulations, which amount cannot be more than 3% of the tier 1 capital of Morgan Stanley. In addition, while no current directors or employees of Morgan Stanley have an investment in the Partnership, to the extent that any directors or employees of Morgan Stanley or its affiliates not directly engaged in providing investment advisory or other services to the Partnership at the time they acquired any ownership interests in the Partnership retain any such ownership interests, those ownership interests would have to be redeemed or transferred. Directors or employees of Morgan Stanley and its affiliates would not be permitted to acquire any ownership interests in the Partnership unless such persons are directly engaged in providing investment advisory or other services to the Partnership at the time of acquisition. In addition, the Volcker Rule's prohibition on "covered transactions," as defined in section 23A of the Federal Reserve Act, between Morgan Stanley and any of its affiliates and the Partnership, or any covered fund that is controlled by the Partnership, would restrict certain Partnership activities. Further, the trading and other investment opportunities of the Partnership may be limited to the extent that they would involve or result in a material conflict of interest, result in a material exposure to high-risk assets or high-risk trading strategies, or pose a threat to the safety and soundness of Morgan Stanley or to the financial stability of the United States.

Diverse Membership; Relationships with Investors

The investors in the Partnership are expected to include taxable and tax-exempt entities and may include persons or entities organized in various jurisdictions, including the United States and Asian, Middle Eastern and European countries, which may have conflicting investment, tax and other interests in respect of their investments in the Partnership. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of Investments made by the Partnership, the structuring of the acquisition of the Partnership's Investments, the purchase by the Partnership of Investments where certain investors did not participate in such Investment and the timing of disposition of Investments. Such structuring of the Partnership's Investments and other factors may result in different returns being realized by different investors. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Adviser, including in respect of the nature or structuring of Investments, that may be more beneficial for one

investor than for another investor, especially in respect of investors' individual tax situations. In addition, the Partnership may make Investments which may have a negative impact on, or compete with or are adverse to, Investments made by Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for the Partnership, the Investment Adviser will consider the investment objectives and tax consequences of the Partnership as a whole, not the tax consequences or investment or other objectives of any investor individually. In this regard, the Investment Adviser anticipates that the Partnership will continue to be a domestically-controlled entity with a significant percentage of its LP Units held by tax-exempt investors.

Certain investors may be significant or long-standing clients of Morgan Stanley's investment management or securities businesses. Morgan Stanley may consider these relationships in its dealings with the Partnership.

Brokerage Activities

To the extent permitted by the applicable regulatory authorities, Morgan Stanley will be authorized to engage in transactions in which it acts as a broker for the Partnership and for another person on the other side of the transaction. The Investment Adviser may, in its discretion, subject to its determination in its discretion that such transactions are on arm's-length terms, and subject to applicable law, choose to execute trades or enter into derivative or hedging transactions for the Partnership and portfolio entities with Morgan Stanley, with Morgan Stanley acting as agent and charging a commission or acting as principal and retaining all profits it may realize as a result of such transactions. If Morgan Stanley acts as agent for the Partnership or a portfolio entity in such a situation, Morgan Stanley may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such transactions. Morgan Stanley may also act as agent for the Partnership and other clients in selling publicly traded securities simultaneously. In such a situation, transactions will be bundled and clients, including the Partnership, will receive proceeds from sales based on average prices received, which may be lower than the price that could have been received had the Partnership sold its securities separately from Morgan Stanley's other clients.

Morgan Stanley may sponsor, distribute or refer clients to investment vehicles that compete for opportunities with the Partnership or otherwise have conflicting interests with respect to the Partnership.

Co-Investment

Investing in the Partnership does not entitle any Limited Partner to allocations of co-investment opportunities. However, from time-to-time, the Investment Adviser may give certain persons an opportunity to co-invest in particular Investments, albeit in such circumstances, such opportunities may be

offered to some, but not other, Limited Partners or to third parties (including affiliates of Morgan Stanley) who are not investors in the Partnership. The Investment Adviser may allocate co-investment opportunities (if any) among interested parties in its sole discretion, including, for instance, based on the consideration of the strategic value of the co-investor or on the basis of the size of interests to the Partnership and other Affiliated Investment Accounts as well as a broad range of other considerations, including, without limitation, commercial considerations for the applicable Investment, a Limited Partner's stated desire to participate in co-investments, the Investment Adviser's determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties and other aspects of such co-investor's relationship with Morgan Stanley including strategic partnerships. The allocation of co-investment opportunities may involve a direct or indirect benefit to Morgan Stanley including, without limitation, performance-based allocations or fees from the co-investment opportunity, which will be calculated independently from the fees in respect of the Partnership and interests to other Morgan Stanley funds. Other than as explicitly set forth herein, there can be no assurance with respect to the portion of any investment opportunity that will be allocated to the Partnership. Moreover, the Partnership may, under certain circumstances, bear broken deal expenses associated with unconsummated transactions which may be in excess of the amount of the Partnership's share of such investment had such investment been consummated (e.g., to cover the portion thereof attributable to any co-investors that do not bear such broken deal expenses), and in such circumstances the amount of expenses borne by the Partnership would be expected to increase. Nothing herein constitutes a guarantee, prediction or projection of the availability to a Limited Partner of any co-investment opportunities.

Investing in the Partnership does not entitle any Limited Partner to allocations of co-investment opportunities and such opportunities may, and typically will, be offered to some but not other Limited Partners or to third parties (including affiliates of Morgan Stanley) who are not investors in the Partnership. In addition, if the Investment Adviser gives a particular investor an opportunity to co-invest in one or more Investments, such investor may be offered fewer co-investment opportunities than investors with the same or smaller interests in the Partnership and other Affiliated Investment Accounts, and some investors may receive no such offers while other investors with interests of the same or lower amount may receive substantial offers for such opportunities. Past performance is not necessarily indicative of future results and the actual number of co-investment opportunities made available to Limited Partners may be significantly higher or lower than those made available in connection with other Affiliated Investment Accounts.

The terms of a co-investment applicable to one co-investor may be different than the terms applicable to another co-investor, including that certain

co-investors may be required to pay performance-based allocations or fees and/or management fees while other co-investors (including affiliates of Morgan Stanley) may not be required to pay such amounts. The Investment Adviser may or may not charge management fees, one time funding fees, performance-based allocations, administration fees and/or incentive fees in respect of co-Investments, subject to the terms of any applicable agreements with investors.

The appropriate allocation of fees and expenses generated in connection with potential investments that are not consummated with an investment of the Partnership's assets, including without limitation out-of-pocket fees associated with attorney fees and the fees of other professionals ("**Broken Deal Expenses**"), will be determined by the Investment Adviser in its good faith discretion. Co-investors that participate in a co-investment opportunity may be required to undertake an obligation to bear a share of Broken Deal Expenses in the event such transaction is not consummated. However, until such time as a co-investor or a strategic investor makes such commitment related to one or more specific investments (including persons who co-invest, or are approached to co-invest, with some regularity), such investors may not be required to share in Broken Deal Expenses that are paid by the Partnership, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Partnership. Thus, absent specific agreement, the Partnership will generally bear all of the Broken Deal Expenses.

In addition, even if the Partnership and any co-investor invest in the same investment, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Partnership and such other co-investors may not be the same. In particular, the Investment Adviser may be presented with such conflicts in light of its role as investment adviser to both the Partnership and any co-investment vehicle through which co-investors participate in an investment. Furthermore, it is possible the Partnership's interest may be subordinated or otherwise adversely affected by virtue of such co-investors' involvement and actions relating to its investment.

Multi-Fund Investors/Strategic Partnerships

Morgan Stanley has entered into and may in the future enter into one or more strategic partnerships directly or indirectly with investors (and/or one or more of their affiliates) that commit significant capital to a range of products and investment ideas sponsored by Morgan Stanley. Such arrangements may include the receipt by Morgan Stanley of additional fees or other compensation and Morgan Stanley granting certain preferential terms to such investors, including without limitation specialized reporting, discounts on and/or reimbursement of management fees and/or performance-based allocations or fees applied to some or all of the relevant investment program and/or investment vehicles (including, as applicable, the Partnership), secondment of personnel from the investor to

Morgan Stanley (or vice versa), the referral of potential investment opportunities to such investor based on targeted geographic, sector and other profiles outside the Partnership (and which referral arrangements may also require payment to Morgan Stanley of management fees, referral fees or other compensation) as well as targeted amounts for co-investments alongside other Morgan Stanley funds (including, without limitation, preferential or favorable allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Morgan Stanley vehicles (including any incentive allocation, carried interest and/or management fees to be charged with respect thereto)). Such preferential terms are generally not subject to the "most favored nation" provisions of the governing documents of a particular Limited Partner. The co-investment that is part of a strategic partnership may include co-investment in Investments made by the Partnership. Strategic partnerships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to Limited Partners. In connection with the foregoing, when making investment allocation decisions with respect to the MSREI Investment Accounts (including the Partnership), Morgan Stanley may be incentivized to allocate all or a portion of such potential investments or types of potential investments to one or more strategic partnership investors. See also "Investments by Morgan Stanley and its Affiliated Investment Accounts" above.

Morgan Stanley as Lender

Morgan Stanley is engaged in the business of making, underwriting and syndicating senior and other loans to corporate and other borrowers, which, to the extent permitted by applicable law, may include the owners of properties in which the Partnership has invested or will consider investing. To the extent permitted by applicable law, the Partnership may invest in transactions in which Morgan Stanley acts as arranger and receives fees from these sponsors. Any fees earned by Morgan Stanley as an administrative agent or initial arranger of loans will not be shared with the Partnership. If the Partnership were to purchase securities from Morgan Stanley, or Morgan Stanley were to receive a fee from an issuer for placing securities with the Partnership, certain conflicts of interest, in addition to the receipt of fees, would be inherent in the transaction. For example, Morgan Stanley as administrative agent or arranger may be exposed to liabilities to purchasers of loans and others in connection with the services it renders in such capacities, and its defense of such liabilities would result in it taking actions in its own interests that may be contrary to the interests of purchasers of loans, which may include the Partnership. Moreover, the interests of one of Morgan Stanley's clients with respect to a borrower of a loan on a property in which the Partnership has an Investment may be adverse to the best interests of the Partnership. In conducting the foregoing activities, Morgan Stanley will be acting for its other clients and will have no obligation to act in the best interests of the Partnership.

Morgan Stanley engages in a variety of activities involving the origination, funding and purchase of loans relating to real estate through its Commercial Real

Estate Lending Group ("**CRELG**"). Situations may arise where the Partnership is one of several bidders for an investment property and CRELG or another Morgan Stanley affiliate is financing a bid of another bidder for the same property. CRELG or another Morgan Stanley affiliate may hold a loan on a property and such loan may be repaid in connection with an equity investment by a client advised by Morgan Stanley or an affiliate (including those of the Partnership). To the extent permitted by applicable law, CRELG or other Morgan Stanley affiliates may originate loans to facilitate the Partnership's purchase of properties, or purchase existing loans on properties held by the Partnership until they can be securitized or resold. In these and other situations, the interests of CRELG or the other relevant Morgan Stanley affiliate may conflict with those of the Partnership. For example, the situation may arise where CRELG is required to take action or make decisions with respect to loans relating to one or more of the Partnership's properties (such as renegotiating the terms of a loan, deciding whether to grant a consent or waiver with respect to such loan or taking action due to a default under such loan) that were originated by or pledged to CRELG in the course of its business activities. These activities (such as loan origination or purchase) will be undertaken by Morgan Stanley in its own capacity and solely with regard to its own interests, will not require the consent of the Partnership, the Independent Directors or the investors (except where required by law), and may conflict with the interests of the Partnership. In any event, in connection with the foregoing activities, appropriate safeguards will be maintained to preserve the confidentiality of the respective clients' information.

To the extent permitted by applicable law, leverage may be provided to certain entities in which the Partnership invests by Morgan Stanley. Although the Investment Adviser will approve such transactions only on terms as the Investment Adviser determines in good faith to be fair and reasonable to the Partnership, it is possible that Morgan Stanley's interests as a lender or other counterparty in any of those circumstances could be in conflict with those of the Partnership and the interests of the investors. The Investment Adviser, which is responsible for pursuing the Partnership's investment objectives, is an affiliate of Morgan Stanley and may encounter conflicts where, for example, a decision regarding the acquisition, holding or disposition of an Investment is considered attractive or advantageous for the Partnership yet poses a risk of loss of principal to Morgan Stanley as lender.

The Partnership as a Potential Creditor

To the extent permitted by applicable law and under the Investment Guidelines, the Partnership may invest directly or indirectly in debt securities or obligations of other Morgan Stanley affiliates or clients, in which case potential conflicts of interest would arise insofar as the Partnership would have an interest in structuring the financial and other terms (such as interest and repayment terms, covenants and events of default) to be more restrictive than the Morgan Stanley affiliate or client, as equity owner, may desire. In addition, further conflicts could

arise after the closing of the Investment. For example, conflicts would arise if a company is unable to meet its payment obligations or comply with covenants relating to securities held by the Partnership. If additional funds are necessary as a result of financial or other difficulties, it may not be in the best interests of the Partnership to provide such additional funds. If the obligor would lose its investment as a result of such difficulties, the Investment Adviser may have a conflict of interest relative to the other Morgan Stanley affiliate or Morgan Stanley client in recommending actions that are in the best interest of the Partnership.

Restructuring Activities

Morgan Stanley may be engaged to act as financial advisor to financially troubled properties in which the Partnership holds an Investment, including in connection with the restructuring of their capital structures or in connection with their bankruptcy. Morgan Stanley's compensation for such activities is generally based upon the successful completion of a restructuring, which may include raising funds for the purchase of existing securities or for an equity infusion. In such case, certain conflicts of interest would be inherent in the situation, including those involved in valuing the company.

Other Affiliate Transactions

Subject to applicable law, the Partnership may engage in the following transactions or may enter into similar affiliated transactions not referred to in "Fees for Services," "Morgan Stanley as Lender" and otherwise above, which may raise potential conflict of interest issues. In situations such as those described above and in this section in which significant conflicts develop, the Investment Adviser may call upon the Independent Directors to exercise the rights of the Partnership in appropriate circumstances. To the extent they are unable to do so, other appropriate measures to manage the conflict will be undertaken.

The Partnership's portfolio entities may borrow money from multiple lenders, including Morgan Stanley, from time to time as provided for by this Agreement. In addition, portfolio entities may participate as a counterparty with, or as a counterparty to, Morgan Stanley in connection with currency and interest rate hedging, derivatives (including swaps and forwards of all types), obtaining leverage and other transactions. By executing this Agreement, each investor will consent to all such counterparty transactions with Morgan Stanley to the fullest extent permitted by law. Although the Investment Adviser will approve such transactions only on terms that are determined by the Investment Adviser in good faith to be appropriate for the Partnership, it is possible that Morgan Stanley's interests as a lender or counterparty could be in conflict with those of the Partnership. The Investment Adviser, which is responsible for pursuing the Partnership's investment objectives, is under common control with Morgan Stanley and may encounter conflicts where, for example, a decision regarding the

acquisition, holding or disposition of an Investment is considered attractive or advantageous for the Partnership yet poses a risk of economic loss of principal to Morgan Stanley as lender or counterparty. If such conflicts arise, potential investors should be aware that Morgan Stanley, as lender or counterparty, may act to protect its own interests ahead of the Partnership's investment interests.

In connection with selling Investments by way of a public offering, Morgan Stanley may, on behalf of the Partnership, effect transactions, including transactions in the secondary markets where Morgan Stanley is also acting as a broker or other adviser on the other side of the same transaction. Morgan Stanley may receive commissions from such agency cross-transactions, and has a potential conflict of interest regarding the Partnership and the other parties to those transactions. See also "Brokerage Activities" above. The Investment Adviser will approve any such transactions in which Morgan Stanley acts as an underwriter, as broker for the Partnership, or as broker or adviser on the other side of a transaction with the Partnership or bunches or aggregates transactions with others only where it believes in good faith that such transactions are appropriate for the Partnership and, by executing this Agreement, an investor will consent to all such transactions, along with the other transactions involving conflicts of interest described herein, to the fullest extent permitted by law.

Mitsubishi UFJ Financial Group ("**MUFG**") owns an approximately 24% interest in Morgan Stanley on a fully-diluted basis. Morgan Stanley and MUFG have agreed to pursue a global strategic alliance and have identified numerous areas of collaboration, including asset management, capital markets and corporate and retail banking.

To the extent permitted by applicable law, including the applicable restrictions of the Volcker Rule, the Partnership may purchase or sell assets or Investments from or to the Investment Adviser and its affiliates (including other Morgan Stanley-sponsored funds and Affiliated Investment Accounts). These purchases or sales may cause conflicts of interest, including with respect to the consideration offered and the obligations of such affiliates. The purchases or sales referred to in this paragraph will be subject to the approval of a majority of the Independent Directors on behalf of the Partnership.

The Partnership may sell LP Units to Morgan Stanley or one of its affiliates. Any such sale will not require the approval of the Independent Directors so long as sold at the NAV per LP Unit.

From time to time, as permitted by applicable law, Morgan Stanley or an Affiliated Investment Account may invite the Partnership to co-invest with it or the Investment Adviser may invite Morgan Stanley or an Affiliated Investment Account to co-invest with the Partnership, in either the same or different tiers of a portfolio entity's capital structure or in an affiliate of such portfolio entity. Any co-investment by the Partnership with Morgan Stanley or an Affiliated Investment

Account that is on a substantially *pari passu* basis will not require the approval of the Independent Directors, although they may be called upon to exercise the Partnership's rights should conflicts develop later for example, in connection with enforcement of rights of one party against the other, the making of partner loans or the exercise of buy-sells. To the extent the Partnership holds Investments in the same portfolio entity or in an affiliate thereof that are different (including with respect to their relative seniority) than those held by Morgan Stanley or an Affiliated Investment Account, the Investment Adviser and Morgan Stanley may be presented with decisions when the interests of the two co-investors are in conflict, and in such situations the Investment Adviser may call upon the Independent Directors to exercise the rights of the Partnership. If the portfolio entity in which the Partnership has an investment in equity or debt, and in which Morgan Stanley or an Affiliated Investment Account has an investment in equity or debt elsewhere in the portfolio entity's capital structure, becomes distressed or defaults on its obligations, Morgan Stanley may have conflicting loyalties between its duties to its shareholders, the Affiliated Investment Account, the Partnership, certain of its other affiliates and the portfolio entity. In that regard, actions may be taken for Morgan Stanley or such Affiliated Investment Account that are adverse to the Partnership, or actions may or may not be taken by the Partnership due to Morgan Stanley's or such Affiliated Investment Account's investment, which action or failure to act may be adverse to the Partnership. In addition, it is possible that in a bankruptcy proceeding the Partnership's interest may be subordinated or otherwise adversely affected by virtue of Morgan Stanley's or such Affiliated Investment Account's involvement and actions relating to its investment.

Expenses may be incurred that are attributable to the Partnership and one or more other Affiliated Investment Accounts (including in connection with portfolio entities in which the Partnership and such other Affiliated Investment Accounts have overlapping investments and in connection with the general operation and administration of such entities). The allocation of such expenses among such entities raises potential conflicts of interest. The Investment Adviser and its affiliates intend to allocate such common expenses among the Partnership and any such other Affiliated Investment Accounts in an equitable manner as determined by the Investment Adviser (or such affiliates) in good faith.

The Investment Adviser or an affiliate may have a large capital investment in certain other Affiliated Investment Accounts and therefore may have conflicting interests in connection with any joint investments with the Partnership. Because of the differentials in cost of capital and other circumstances, there can be no assurance that the return on the Partnership's investment will be equivalent to or better than the returns obtained by the other Morgan Stanley affiliates participating in such transactions.

To the extent permitted by applicable law, the Partnership may also make short-term Investments of excess cash in Morgan Stanley-managed money market

funds or other cash management vehicles from which Morgan Stanley will receive customary fees.

It is possible that the Investment Adviser may decide to permit Morgan Stanley, one or more of its clients, or government regulatory agencies or other parties with influence over Morgan Stanley, an affiliate of Morgan Stanley or the Investment Adviser to be tenants in one or more of the properties owned by the Partnership or otherwise engage in transactions with Morgan Stanley on behalf of the Partnership. Conflicts of interest could arise in connection with the negotiation and management of these transactions and relationships. To the extent any such transaction involves more than 50,000 square feet of space and a lease term in excess of one year, the transaction will be presented to the Independent Directors for approval.

In addition to the other affiliate transactions disclosed above and acknowledged by the Limited Partner, the Independent Directors are authorized by this Agreement to approve, waive or otherwise resolve such conflict of interest situations that are brought before the them, and if the Investment Adviser acts in a manner, or pursuant to standards or procedures, approved by the Independent Directors with respect to such conflict of interest situation, then none of the Investment Adviser or any of its affiliates shall have any liability to the Partnership or any Limited Partner for actions in respect of such matter taken in good faith by them, including actions in the pursuit of their own interests.

Conflicts Related to the Structure and Management of the Partnership

Management of the Partnership

It is expected that the Morgan Stanley officers and employees involved with the management of the Partnership will continue to oversee other funds and separate accounts managed by MSREI. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The members of the Partnership's investment team will generally devote such time as Morgan Stanley, in its sole discretion, deems necessary to carry out the operations of the Partnership effectively. The members of the Partnership's investment team may also work on projects for Morgan Stanley (including the Affiliated Investment Accounts), and conflicts of interest may arise in allocating management time, services or functions among such affiliates. The agreements and arrangements among Morgan Stanley, the Partnership and the members of the Partnership's investment team have been and will be established by Morgan Stanley and may not be the result of arm's-length negotiations. Certain members of the Partnership's investment team, including senior members thereof, are not expected to be involved in each aspect of the Partnership, including in evaluating and reviewing certain types of investments made by the Partnership. Morgan Stanley (including the Investment Adviser, members of the Partnership's

investment team and members of the investment committee) is not precluded from conducting activities unrelated to the Partnership.

Senior Advisors

Morgan Stanley may engage and retain consultants or advisory board members (collectively, "**Consultants**") who are not employees or affiliates of Morgan Stanley. The nature of the relationship with each of the Consultants and the amount of time devoted or required to be devoted by them may vary considerably. In certain cases, they may provide the Investment Adviser with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they may take on more extensive roles and contribute to the origination of new investment opportunities. They will be compensated (including pursuant to retainers and expense reimbursement) from Morgan Stanley. There can be no assurance that any of the Consultants will continue to serve in such roles and/or continue their arrangements with Morgan Stanley in respect of the Partnership throughout the term of the Partnership.

Consultants generally are not considered Morgan Stanley personnel and may be retained by Morgan Stanley pursuant to consulting agreements. Morgan Stanley typically bears retainer fees under these consulting agreements. In some instances, portfolio entities also retain and bear the fees of these Consultants for their services, or operating executives may serve on the portfolio entity's board of directors. Any such directors' fees or other remuneration received by Consultants may be retained by such persons.

Partnership Creditworthiness

The Partnership will be required to establish business relationships with its counterparties based on the Partnership's own credit standing. Morgan Stanley will not have any obligation to allow its credit to be used in connection with the Partnership's establishment of its business relationships, nor is it expected that the Partnership's counterparties will rely on the credit of Morgan Stanley in evaluating the Partnership's creditworthiness.

Placement Agent Fees

From time to time broker-dealers that are affiliates of Morgan Stanley may act as placement agents (the "**Placement Agents**") to assist in the placement of LP Units to certain investors in the Partnership. The prospect of receiving, or the receipt of, additional compensation by the Placement Agents may provide such Placement Agents and their salespersons with an incentive to favor sales of LP Units and interests in funds whose affiliates make similar compensation available over sales of interests in funds (or other fund investments) with respect to which the Placement Agent does not receive additional compensation, or receives lower

levels of additional compensation. Prospective investors should take such payment arrangements into account when considering and evaluating any recommendations related to the LP Units. Morgan Stanley employees involved in the marketing and placement of the LP Units are not acting as tax, financial, legal or accounting advisers to potential investors in connection with the offering of the LP Units. Potential investors must independently evaluate the offering and make their own investment decisions.

Timing of Drawdowns and Distributions

The Investment Adviser may determine in its sole discretion to retain and use distributable cash or temporary investment income, as the case may be, that otherwise would be distributable to an investor to cover all or part of any drawdowns of interests for Investments or to pay any existing or future expenses of the Partnership. Such cash may be held in an account of the Partnership for the benefit of the Limited Partners or may be invested in money market accounts or other similar temporary Investments. While the expected duration of such holding period is expected to be relatively short, in the event the Partnership is unable to find suitable Investments, such cash positions may be maintained at the fund-level for longer periods which would be dilutive to overall investment returns. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary Investments pending deployment into Investments will generate significant interest, and investors should understand that such low interest payments (if any) on the temporarily invested cash may adversely affect overall Partnership returns.

Conflicts Related to Certain Relationships

Joint Venture Partners

Some of the third parties and joint venture partners with which the Investment Adviser may elect to co-invest the Partnership's capital have pre-existing investments with Morgan Stanley. The terms of these pre-existing investments may differ from the terms upon which the Partnership invests with such third parties and joint venture partners. To the extent a dispute arises between Morgan Stanley and such third parties and partners, the Investments relating thereto may be affected.

Furthermore, Investments made with third parties in joint ventures or other entities may involve performance-based allocations or fees and/or other fees payable to such third-party partners of co-investors, which could also create an incentive for such parties to take risks with respect to such Investments. In addition, no carried interest or fees paid to joint venture partners would reduce or offset Management Fees or incentive fees payable to the Investment Adviser. Additional conflicts could arise if a joint venture partner is related to Morgan Stanley in any way, such as an investor in, lender to, a shareholder of, or a service

provider to Morgan Stanley, the Partnership, Affiliated Investment Accounts, or their respective portfolio entities, or any affiliate, personnel, officer or agent of any of the foregoing.

In addition, from time to time and subject to compliance with applicable internal policies and procedures, the Partnership or Morgan Stanley may enter into exclusivity, non-competition or other arrangements with one or more third parties, operating partners or joint venture partners (each, an "**Exclusive Partner**") with respect to potential investments in a particular geographic region or with respect to a specific asset type pursuant to which the Partnership or Morgan Stanley may agree, among other things, not to make Investments in such region or with respect to such industry or asset type outside of its arrangement with such Exclusive Partner. Accordingly, there may be circumstances in which the Partnership could be precluded from pursuing an investment opportunity or obligated to bear an incremental layer of fees and expenses with respect to such investment opportunity.

Disparate Fee Arrangements with Service Providers

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), to the Partnership and its portfolio entities also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, the Investment Adviser or their affiliates. Such advisors and other service providers may be investors in the Partnership, former employees of Morgan Stanley, affiliates of the Investment Adviser sources of investment opportunities or co-investors or counterparties therewith. Morgan Stanley may receive discounts from such advisors and other service providers due to certain economies of scale. These other services and relationships may influence the Investment Adviser in deciding whether to select or recommend such a service provider to perform services' for the Partnership or a portfolio entity (the cost of which will generally be borne directly or indirectly by the Partnership or such portfolio entity, as applicable, and indirectly, by the Limited Partners). Notwithstanding the foregoing investment transactions for the Partnership that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the Investment Adviser believes to be of benefit to the Partnership. In certain circumstances, advisors and other service providers, or their affiliates, charge different rates or have different arrangements for services provided to Morgan Stanley, the Investment Adviser or their affiliates as compared to services provided to the Partnership and its portfolio entities, which may result in more favorable rates or arrangements than those payable by the Partnership or such portfolio entities. In connection with the engagement of any such service provider (including accountants), it is likely that the Partnership, the Investment Adviser and their

respective affiliates will need to acknowledge that to the fullest extent permitted by law, such service provider does not represent or owe any duty to any Limited Partner.

Client Relationships

Morgan Stanley has existing and potential relationships with a significant number of corporations, institutions and individuals. In providing services to its clients and the Partnership, Morgan Stanley may face conflicts of interest with respect to activities recommended to or performed for such clients, on the one hand, and the Partnership, the investors or the entities in which the Partnership invests, on the other hand. In addition, these client relationships may present conflicts of interest in determining whether to offer certain investment opportunities to the Partnership.

In acting as principal or in providing advisory and other services to its other clients, Morgan Stanley may engage in or recommend activities with respect to a particular matter that conflict with or are different from activities engaged in or recommended by the Investment Adviser on behalf of the Partnership.

Outsourcing

The Investment Adviser is solely responsible for the Investment Adviser's internal administration, overhead and compensation for employees of the Investment Adviser, except that the Investment Adviser may be reimbursed for internal legal, accounting and other professional costs and expenses (including allocable compensation and overhead) associated with the operation of the Partnership and that would otherwise be provided by outside professionals so long as such costs and expenses are on economic terms no less favorable than could be obtained from an unaffiliated third party. In addition, the Investment Adviser may, without the consent of the Board, any Limited Partner or any other person, "outsource" any internally provided services, such as in-house administration, legal, accounting, tax, insurance or other services, by engaging third parties to provide such services in lieu of the Investment Adviser. In the foregoing cases, the costs, fees and expenses associated with the provision of such services may be borne by the Partnership instead of the Investment Adviser, thereby increasing the expenses borne by the Limited Partners. See the definition of "Partnership Expenses" in this Agreement. Outsourcing may not occur uniformly for all Morgan Stanley managed vehicles and accounts and, accordingly, certain costs may be incurred by the Partnership through the use of third party service providers that are not incurred for comparable services used by other Morgan Stanley managed vehicles and accounts. The decision by Morgan Stanley to initially perform particular services in house for the Partnership will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties.

Outside Statements

The Investment Adviser and its affiliates and employees have made, and may in the future, confirm factual matters to incoming Limited Partners, make, oral and written statements or expressions of intent or expectation to investors in the Partnership or their affiliates or acknowledge statements by such persons ("**Outside Statements**") regarding the Partnership or Morgan Stanley's activities pertaining thereto in one or more respects. These may include, for example, the anticipated or expected allocation and terms of co-investment opportunities, the anticipated or expected allocation of investment opportunities to the Partnership generally and other topics often addressed in legally binding side letters. Although such Outside Statements are not legally binding, such Outside Statements may influence allocation and other decisions of the Investment Adviser and its affiliates and employees with respect to the operations and investment activities of the Partnership and may influence a prospective investor's decision as to whether to invest in the Partnership. There can be no assurance that any such arrangements will not have an adverse effect on the Partnership or any Limited Partner.

Legal Counsel

Davis Polk & Wardwell LLP and other counsel (collectively, "**Counsel**") represent the Investment Adviser, Morgan Stanley and certain of their affiliates, including certain of the Affiliated Investment Accounts, from time to time in a variety of different matters. Counsel may also act as counsel to the Partnership, equity sponsors of the Partnership, other creditors of the Partnership or an agent therefor, a seller of loans to the Partnership, a partner seeking to acquire some or all of the assets or equity of the Partnership, or a person engaged in litigation with the Partnership. Counsel does not represent or owe any duty to any or all of the investors. Counsel represents the Investment Adviser, including with respect to the Investment Adviser's role in relation to the Partnership. It is not anticipated that, in connection with the organization or operation of the Partnership, the Investment Adviser will have the Partnership engage counsel separate from Counsel to the Investment Adviser and its affiliates. In no event will Counsel or any other separate counsel engaged by the Partnership be acting as counsel for the investors. Furthermore, in the event a conflict of interest or dispute arises between the Investment Adviser and the Partnership or any investor, Counsel will act as counsel to the Investment Adviser and not counsel to the Partnership or investors, notwithstanding the fact that, in certain cases, Counsel's fees are paid through or by the Partnership. Counsel's representation of the Investment Adviser is limited to specific matters as to which it has been consulted by the Investment Adviser. There may exist other matters that could have a bearing on the Partnership, the Investment Adviser and/or their affiliates as to which Counsel has not been consulted. In addition, Counsel has not undertaken to monitor the compliance of the Investment Adviser and their affiliates with the investment program, valuation procedures and other guidelines and terms set forth in the Offering Memorandum and this Agreement, nor does Counsel monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy or completeness of the information set forth in this Schedule A concerning the Partnership, the Investment Adviser and their affiliates and personnel.

SCHEDULE B
TO
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

Principles for Amendments to this Agreement

1. The Investment Adviser or an Affiliate thereof will assume ownership and control of the General Partner.

2. Except as otherwise set forth in this Agreement (including Section 6.11 hereof with respect to matters over which the Board has authority and Section 7.06 hereof with respect to matters for which Limited Partner action is required), the General Partner will have exclusive power and authority over the conduct of the Partnership's management, business, operations and affairs.

3. The General Partner and/or the Investment Adviser, as applicable, will have all investment management authority and powers, day-to-day administration authority, as well as the rights, power and authority specified in the Partnership Agreement to be within the rights, power or authority of or to be carried out by the "General Partner," subject to the limitations on such rights, power and authority specified in this Agreement, including pursuant to Sections 6.11 and 7.06 hereof.

4. The scope of the Board's authority will be as set forth in Section 6.11hereof, except as set forth below.

5. Board approval will not be required in order for the General Partner to (a) change the name of the Partnership, the registered office and agent of the Partnership under the Delaware Act, the location of the principal office of the Partnership, or the address of the Partnership; (b) adopt or change the distribution policy; (c) dissolve the Partnership; (d) effect a merger, consolidation or sale of all or substantially all of the assets of the Partnership; or (e) make any material amendment to this Agreement for which approval of the Limited Partners will not be sought.

6. The Board will consist of five Directors, no more than two of whom may be Affiliated Directors. The number of Directors may be increased by a majority vote of the Directors; provided that the number of Independent Directors will at all times constitute a majority of the Board.

7. Limited Partners will vote on an annual basis, pursuant to Section 7.06 of this Agreement, on the election of the Independent Directors, who will be nominated by the Investment Adviser or the General Partner. Independent Director vacancies will be filled by nominees selected by the Investment Adviser or the General Partner and voted upon by a majority of Directors. A decision to remove an Independent Director for cause will be determined by a vote of the remaining Directors.

8. The Investment Adviser and the General Partner may be removed by the Board upon a vote of a majority of the Independent Directors, with the concurrence of Limited Partners holding at least three-quarters (75%) of the outstanding LP Units and a majority of the Limited Partners by number. Neither the Investment Adviser nor the General Partner will be removable by the Board without Limited Partner action.

EXHIBIT A
TO
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
PRIME PROPERTY FUND, LP

Form of Initial Omnibus Letter

Prime Property Fund GP, LLC
[•][1]
[•], 2026

Re: Prime Property Fund, LP

Dear Prime Property Fund Investor:

As General Partner of Prime Property Fund, LP (the "**Fund**"), we are pleased to provide this letter to you, as a Limited Partner of the Fund, in order to confirm certain matters relating to your participation in the Fund. Capitalized terms not defined in this letter have the meanings ascribed to them in the Amended and Restated Agreement of Limited Partnership of the Fund dated as of [•], 2026 (as amended or restated from time to time, the "**Fund Agreement**").

1. Except for the provisions hereof (as supplemented, amended or modified from time to time and whether set forth herein or in any other form) there are no side letters or similar documents that have been or will be entered into with any Limited Partner that affect or modify such Limited Partner's rights or obligations with respect to the Fund Agreement. The foregoing will not restrict the modification of rights or obligations under the Fund Agreement that would be applicable to all investors above a certain investment size and which terms would be disclosed to all investors; *provided* however, that such modifications of rights or obligations are made in a manner consistent with Section 13.01 of the Fund Agreement.

2. Except as previously disclosed to the Limited Partners, to the best of the General Partner's knowledge (i) as of June 30, 2004 there were no actions, proceedings or investigations pending before any court or governmental authority, including without limitation, the U.S. Securities and Exchange Commission or any state securities regulatory authority, against the Investment Adviser that claim or allege violation of any U.S. federal or state securities law, rule or regulation and (ii) prior to June 30, 2004, the Investment Adviser has not been found liable for any such violation in any such action, proceeding or investigation in connection with Prime LLC.

3. [Reserved.]

[1] **Note to Draft**: To be updated with General Partner entity address, once confirmed.

4. Prime LLC (not including any affiliated entities) did not have more than forty full-time employees at any time during the twelve-month period preceding June 30, 2004.

5. As of June 30, 2004 (and taking into account the shares of Prime LLC issued in the initial closing of Prime LLC) (i) no single shareholder of Prime LLC held twenty percent or more of the aggregate number of shares of Prime LLC issued as of June 30, 2004, and (ii) there were at least five shareholders in Prime LLC.

6. [Reserved.]

7. For the avoidance of doubt, the Fund will not be responsible for travel and entertainment expenses incurred solely in connection with attracting new capital to the Fund.

8. With respect to any Limited Partner that is a U.S. state agency listed on Annex A hereto, the person or entity (or persons or entities) listed opposite such Limited Partner's name on Annex A shall constitute acceptable legal counsel for purposes of any opinions of counsel which are required to be delivered by such Limited Partner pursuant to the Fund Agreement.

9. With respect to any Limited Partner listed on Annex B hereto, the person or entity listed opposite such Limited Partner's name on Annex B shall be the duly authorized agent or representative of such Limited Partner for purposes of Section 9.01(a) of the Fund Agreement.

10. With respect to any Limited Partner that is a U.S. state agency listed on Annex C hereto, to the extent such Limited Partner is prohibited by constitution, statute or regulation from agreeing to the indemnification obligations set forth in Section 8.01 of the Fund Agreement, such Limited Partner will have no indemnification obligations under such Section; *provided* that such Limited Partner acknowledges in writing to the General Partner that (i) such Limited Partner will be responsible for any taxes (including withholding taxes) imposed upon the income of or distributions by the Fund to such Limited Partner, as well as any interest, penalties or additions to tax with respect thereto and (ii) nothing in this paragraph shall in any way limit, restrict or otherwise impair the ability of the Fund or any other person from making a claim against such Limited Partner or pursuing any other remedy otherwise available under applicable law.

11. With respect to any Limited Partner that is an international treaty organization listed on Annex D hereto that is not subject to the jurisdiction of any United States court, any dispute, controversy or claim involving such Limited Partner arising out of this letter agreement, the Fund Agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal, or the breach, termination or invalidity thereof, shall be referred by the interested party to binding arbitration in accordance with United Nations Commission on International Trade Law ("**UNCITRAL**") arbitration rules in effect as of

the time such arbitration is initiated (except as otherwise provided for in this paragraph 11). Arbitration shall be initiated by the delivery of notice to each interested party of an intent to arbitrate pursuant to the terms of this paragraph 11. There shall be a single arbitrator, selected in accordance with UNCITRAL rules. The arbitration proceedings shall be held at such location and at such time in the City of New York as the arbitrator shall specify. Costs and expenses incurred in connection with any arbitration pursuant to this paragraph 11 shall be allocated in accordance with any provision in the Fund Agreement relating thereto, or in the event the Fund Agreement does not specify which party shall bear the burden of a particular cost or expense, as the arbitrator shall determine. The arbitrator shall have no authority to award punitive damages. With respect to any such arbitration proceeding, any provision of the Fund Agreement, this letter agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal which refers to any governing law shall extend only to the substantive provisions of such law and only to the extent consistent with the privileges and immunities, facilities and exemptions enjoyed by such international treaty organization.

12. With respect to any Limited Partner that is a U.S. state agency, international treaty organization or foreign state (as such term is defined in the Foreign Sovereign Immunities Act of 1976) listed on Annex E hereto, nothing in the Fund Agreement, this letter agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal shall be construed to deprive such Limited Partner of its sovereign immunity or of any other privileges and immunities, or of any legal requirements, protections, exclusions or limitations of liability applying to the Fund Agreement, this letter agreement, or such Limited Partner's Subscription Agreement or Letter of Transmittal or afforded to such Limited Partner by the laws of its U.S. state, its charter, any international treaty or convention to which it is a party or by virtue of its status as a foreign state.

13. The General Partner shall provide each Limited Partner listed on Annex F hereto with an annual certification of the Fund's continued status as a "venture capital operating company" within the meaning of the regulations of the U.S. Department of Labor set forth in 29 C.F.R. §2510.3-101 (as amended by Section 3(42) of ERISA) as soon as is practicable following the close of each annual valuation period.[2]

14. This letter shall be governed by and construed in accordance with the laws of the State of Delaware. In particular, it shall be construed to the maximum extent possible to comply with all of the terms and conditions of the Delaware Act. If it shall be determined by court order not subject to appeal or discretionary review that any provision or wording of this letter shall be invalid or unenforceable under the Delaware Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire letter, this letter shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of applicable law, and, in the event such term or provision

[2] Any Limited Partner subject to the provisions of ERISA that would like to be included on Annex F should contact the General Partner.

cannot be so limited, this letter shall be construed to omit such invalid or unenforceable provisions.

The provisions of this letter are intended to supplement the Fund Agreement and the terms hereof shall control in the event any conflict exists between the Fund Agreement and the contents hereof. The General Partner reserves the right, at any time and from time to time, to supplement, amend or otherwise modify this letter (including any existing or future annexes to this letter) on a basis consistent with paragraph 1 above. To the extent permitted pursuant to the terms of the Fund Agreement, the General Partner retains the right to amend or otherwise modify the Fund Agreement in order to effect, reflect or give effect to the terms of any provision set forth herein. Statements made in this letter are as of the date hereof unless expressly stated otherwise.

Best regards.

Prime Property Fund GP, LLC
as General Partner of Prime Property Fund, LP

By: _____
Name: [•]
Title: [•]

Annex A

[Limited Partner names have been redacted for purposes of confidentiality]

Annex B

[Limited Partner names have been redacted for purposes of confidentiality]

Annex C

[Limited Partner names have been redacted for purposes of confidentiality]

Annex D

[Limited Partner names have been redacted for purposes of confidentiality]

Annex E

[Limited Partner names have been redacted for purposes of confidentiality]

Annex F

[Limited Partner names have been redacted for purposes of confidentiality]