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October 1, 2010

Department of State
Division of Corporations
Corporate Filings
P.O. Box 6327
Tallahassee, FL 32314

RE: Bella Vista Apts., LTD.

Dear Ladies/Gentlemen:

Enclosed herewith please find the original First Amended and Restated Certificate and Limited Partnership Agreement of Bella Vista Apts., LTD. Also enclosed, please find my firm check to cover the costs of filing same. Please file the original and return a proof of filing to my office in the enclosed self-addressed stamped envelope.

If you have any questions or comments regarding this matter, please do not hesitate to give me a call.

With kindest regards, I am

Sincerely,

Kelly Hardwick

KH/mlp
Enclosures

cc: Elizabeth M. Whitaker (w/o enclosures)
Rodney Dudley (w/o enclosures)
Barbara MaGalski (w/o enclosures)

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

10 OCT -5 PM 2:44

FIRST AMENDED AND RESTATED CERTIFICATE AND
LIMITED PARTNERSHIP AGREEMENT
OF
BELLA VISTA APTS., LTD.
(A Florida Limited Partnership)

FIRST AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
BELLA VISTA APTS., LTD.

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THE SECURITIES REPRESENTED BY THIS LIMITED PARTNERSHIP AGREEMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. WITHOUT SUCH REGISTRATION, THESE SECURITIES MAY NOT BE RESOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED AT ANY TIME EXCEPT UPON DELIVERY TO THE PARTNERSHIP OF AN OPINION OF COUNSEL SATISFACTORY TO THE GENERAL PARTNER OF THE PARTNERSHIP THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER AND/OR THE SUBMISSION TO THE GENERAL PARTNER OF THE PARTNERSHIP OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE GENERAL PARTNER TO THE EFFECT THAT ANY SUCH TRANSFER WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS AND ANY RULE OR REGULATION PROMULGATED THEREUNDER. IN ADDITION, ANY SALE OR OTHER TRANSFER OF THESE SECURITIES IS SUBJECT TO CERTAIN RESTRICTIONS WHICH ARE SET FORTH IN THIS AGREEMENT.

FIRST AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT

OF

BELLA VISTA APTS., LTD.

This Limited Partnership Agreement (hereinafter sometimes referred to as the "Partnership Agreement" or the "Agreement") is made and entered into as of April 7, 1992, by and between William R. Gunby, Jr., as the general partner ("General Partner"), Intervest Capital Corporation, a Mississippi Corporation as the special general partner (the "Special General Partner"), Greer E. Gunby as the original limited partner ("Original Limited Partner"), and those persons who may be admitted to the Partnership as limited partners ("Limited Partners") as provided by this Partnership Agreement pursuant to the provisions of the Partnership Law (as defined in Article XVII). This Agreement supersedes all oral and other written agreements between the Partners (as defined in Article XVII) concerning the Partnership, and supersedes all inconsistent provisions of the Partnership Law (as defined in Article XVII) except to the extent that any such inconsistent provisions may not be superseded by agreement of the Partners.

In consideration of the mutual covenants and benefits contained in this Agreement, the Partners agree as follows:

ARTICLE I.

NAME, LOCATION OF BUSINESS AND REGISTERED AGENT

1.01 Name. The name of the Partnership is Bella Vista Apts., Ltd.

1.02 Principal Office. The principal office and mailing address of the Partnership shall be located at 2415 Costa Verde Blvd. #317, Jacksonville Beach, Duval County, Florida 32250-6291.

1.03 Principal Place of Business. The principal place of business of the Partnership shall be 910 Gunby Boulevard, Bunnell, Florida 32110.

1.04 Registered Agent. The registered agent for service of process for the Partnership shall be William R. Gunby at 2415 Costa Verde Blvd., #317, Jacksonville Beach, Florida 32250-6291.

ARTICLE II.

CHARACTER OF BUSINESS

2.01 Purpose and Authority. The Partnership is organized and shall have authority:

(a) to acquire the Project (as defined in "Article XVII") and personal property associated therewith for the purposes of development and/or operation as a forty-five (45) unit low income housing project (44 apartment units of which qualify for LIHTC),

(b) to finance the Project through the Farmers Home Administration of the United States Department of Agriculture ("FmHA") pursuant to a certain subsidy program with said FmHA; additionally, the Partnership may obtain refinancing on the Project when, in the sole discretion of the General Partner, such refinancing is in the best interest of the Partnership,

(c) to execute a note and mortgage or deed of trust in order to obtain the Mortgage Loan (as defined in Article XVII hereof), to execute all Project Documents required by the FmHA in connection with the Mortgage Loan and the acquisition, development, improvement, maintenance and operation of the Project or otherwise as required by the FmHA in connection with the Project,

(d) to prepay, in whole or in part, refinance or modify the Mortgage Loan or any other indebtedness affecting the Project and in connection therewith to execute any modifications of the Mortgage Loan or such other indebtedness,

(e) to enter into and perform the Project Documents and such other agreements and documents as are required in connection with the Project by the FmHA or any other governmental agency providing, or which may provide, rental subsidies for the Project, or otherwise required in connection with or incidental

to the accomplishment of the purposes of the Partnership, including contracts with Affiliates of the General Partner or Special General Partner; and to require any incoming Partner, as a condition to receiving an interest in the Partnership, to agree to be bound by the Mortgage Loan, and any other documents required in connection with the Mortgage Loan or other Project Documents to the same extent and on the same terms as the Partners;

(f) to own, finance, operate, manage, repair and maintain the Project and other assets of the Partnership;

(g) to demolish, renovate, remodel and reconstruct improvements with respect to the Project;

(h) to construct additional improvements on the Project which may be necessary for or incidental to the operation of a multi-family low income housing project;

(i) to acquire by purchase or otherwise any and all personal property necessary for or incidental to the operation of a multi-family low income housing project;

(j) to invest funds of the Partnership; and

(k) to engage in any activities, and execute and perform any contracts and agreements which are necessary for, incidental to or in connection with, the business of the Partnership.

The Partnership shall not be required to engage in all activities permitted by and specified in this Section 2.01, and shall begin business upon engaging in any such activity.

2.02 Representations and Warranties of the General Partner. The General Partner hereby represents and warrants to the Limited Partners that the following are true and correct as of the Commencement Date:

(a) the Partnership is a duly organized and limited partnership validly existing under the laws of the state of Florida and has complied with all filing requirements necessary for the protection of the Limited Partners;

(b) no event or proceeding is pending or threatened or has occurred which would (i) adversely affect the Partnership or the Project, or (ii) adversely affect the ability of the General Partner to perform their obligations hereunder, under any Project Document or under any other agreement with respect to the Project;

(c) no default (or event which, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any of the Project Documents and the same are in full force and effect;

(d) no Partner has or will have any personal liability with respect to the Mortgage Loan;

(e) there is no violation by the Partnership or the General Partner of any zoning, environmental or similar regulation applicable to the Project;

(f) the Partnership has complied with all applicable municipal and other laws, ordinances and regulations relating to the construction, operation and use of the Project;

(g) the Partnership holds fee simple title to, and has possession of, the Project subject to no material liens, charges or encumbrances other than those which are permitted by the Project Documents and are noted or excepted in the title policy for the Project;

(h) the execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken pertaining to the Partnership or the Project by the General Partner, or by each Affiliate of the General Partner will not constitute a violation of any law, administrative regulation or court decree;

(i) no Bankruptcy has occurred with respect to the General Partner;

(j) all necessary consents or approvals of the FmHA or any other Person to the admission of the Partnership as the Limited Partner have been obtained and no other approvals are required;

(k) all accounts of the Partnership required to be maintained under the terms of the Project Documents, including, without limitation, any account for replacement reserves, are currently funded to levels required by the FmHA;

(l) the General Partner hereby represents and warrants to the Limited Partners that the Project qualifies for a Low-Income Housing Tax Credit in the annual amount of \$59,886, of which no less than \$59,886 will be allowable in 1992 and in each year thereafter through and including 2001;

(m) the General Partner shall at all times maintain their net worth at a sufficient level to assure that the Partnership will be classified for federal income tax purposes as a

partnership and not as an association taxable as a corporation;
and

(n) the General Partner will not take any action that would result in the Partnership being treated as publicly traded within the meaning of Section 7704 of the Code.

If at any time material reduction shall occur in the net worth (calculated on the basis of fair market values of his assets but excluding any interest in any limited partnership and any accounts and notes receivable from or payable to any limited partnership) of the General Partner, the General Partner shall consult with tax counsel and, if such counsel is of the opinion that such reduction is likely to adversely affect the treatment of the Partnership as such for federal income tax purposes, the General Partner will obtain additional capitalization sufficient to satisfy any then existing requirements of the Internal Revenue Service for a ruling that an entity, whether or not a corporation, has sufficient net worth so that a limited partnership of which it is a general partner has the characteristic of unlimited liability

ARTICLE III.

NAMES AND ADDRESSES OF PARTNERS

3.01 Names and Addresses. The names and addresses of the General Partner, the Special General Partner, the Original Limited Partner and the Limited Partners are as follows:

(a) General Partner

<u>Name</u>	<u>Address</u>
William R. Gunby, Jr.	2313 Costa Verde Blvd. #302 Jacksonville Beach, Florida 32250

(b) Special General Partner

<u>Name</u>	<u>Address</u>
Intervest Capital Corporation	Suite 500 Orleans Square 855 South Pear Orchard Road Ridgeland, Mississippi 39157

(c) Original Limited Partner

<u>Name</u>	<u>Address</u>
Greer E. Gunby	2313 Costa Verde Blvd. #302 Jacksonville Beach, Florida 32250

(d) Limited Partners

The name and address of each Limited Partner is contained in the Subscription Agreement (as defined in Article XVII) which is made a part of this Partnership Agreement by reference, provided the General Partner accepts the Subscription Agreement. The Limited Partners shall be admitted to the Partnership on the Commencement Date when the Certificate (as defined in Article XVII) is filed for record.

3.02 Change of Address. A Partner shall notify the Partnership of any change in either his residence address or mailing address within ten (10) days after said change.

ARTICLE IV.

CAPITAL CONTRIBUTIONS

4.01 Initial Capital Contribution and Offering of Units. Each Partner shall contribute cash and/or other property to the capital of the Partnership as required by this Article IV. The General Partner and the Original Limited Partner have previously contributed cash to the capital of the Partnership. The Capital Contribution of the General Partner will satisfy the 3% equity requirement of the Mortgage Loan subject to the FmHA Section 515 Programs. The 2% operating capital requirement of the Mortgage has been satisfied by the General Partner through a Letter of Credit. The General Partner's capital contribution will be returned to the General Partner upon the sale or the refinancing of the Project pursuant to Section 5.03(b) hereof or in the case of the 2% operating capital at such earlier time as FmHA may permit, and on or before the Commencement Date the Partners shall contribute or have already contributed cash and other property to the capital of the Partnership as follows:

(a) General Partner

<u>Name</u>	<u>Capital Contribution</u>
William R. Gunby, Jr.	\$68,900 (\$41,340 as cash and \$27,560 available through a Letter of Credit)

(b) Special General Partner

<u>Name</u>	<u>Capital Contribution</u>
Interinvest Capital Corporation	\$100.00

(c) Original Limited Partner

<u>Name</u>	<u>Capital Contribution</u>
Greer E. Gunby	\$100.00

On the Commencement Date the entire Partnership interest of the Original Limited Partner shall be liquidated under § 736 of the Code (as defined in Article XVII) automatically by the Partnership which shall return the cash contribution of the Original Limited Partner to the Original Limited Partner.

(d) Limited Partners

The Partnership shall offer ten (10) Units to Investors pursuant to the Memorandum (as defined in Article XVII). The Special General Partner may, in his sole discretion, authorize the purchase of fractional Units and may authorize the purchase of less than one (1) Unit per Investor but in no event shall the Special General Partner authorize the purchase of Units by more than thirty-five investors who do not qualify as Accredited Investors as defined in Regulation D promulgated under the Securities Act of 1933. Each Investor who executes, and delivers to the Partnership, the Execution Documents (as defined in Article XVII) shall be admitted to the Partnership as a Limited Partner on the Commencement Date, provided the Special General Partner accepts the Subscription Agreement of the Investor. Each Investor shall state in his Subscription Agreement the number of Units (as defined in Article XVII) which he desires to acquire. Each Limited Partner shall contribute \$40,000 to the capital of the Partnership for each whole Unit acquired by the Limited Partner. Each Limited Partner's contributions to the capital of the Partnership shall be made to the Partnership pursuant to the provisions of Section 4.02.

4.02 Amount of Capital Contribution. For each Unit acquired, each Limited Partner shall make contributions to the capital of the Partnership wholly in cash as hereinafter provided:

(a) the Limited Partner shall execute and deliver to the Partnership a Subscription Agreement and other Execution Documents. In addition, upon execution of the Subscription Agreement, the Limited Partner shall deliver to the Partnership a cash contribution of \$40,000 for each whole Unit.

(b) The contributions of cash as specified in this Section 4.02 shall be held in escrow until the Commencement Date and shall be released from said escrow and contributed to the Partnership on the Commencement Date.

4.03 Liability of Limited Partner. A Limited Partner shall be liable for the repayment and discharge of the debts and obligations of the Partnership only to the extent of his capital contribution, and no Limited Partner shall have any other liability with respect to the debts and obligations of the Partnership, except as provided by Section 14.04 hereof and §620.148 of the Partnership Law. Except as provided in Section 14.04 hereof, in no event shall any Limited Partner be obligated to make any contribution to the capital of the Partnership in excess of the contributions required under Sections 4.01 and 4.02, or be obligated to lend any money or other property to the Partnership.

4.04 Withdrawal of Capital Contributions. No Limited Partner, except the Original Limited Partner, shall be entitled to withdraw any portion of his capital contribution to the Partnership, except as provided by Section 5.03(b) or upon the termination of the Partnership as provided by Article XIV. The General Partner or the Special General Partner shall not be personally liable for the return of all or any portion of the capital contributions of the Limited Partners, and all Partners expressly agree that any repayment of the capital contributions of the Limited Partners shall be made solely from the assets of the Partnership. At no time shall the General Partner or Special General Partner be required to pay all or any portion of a debit balance of any Limited Partner's capital account to the Partnership or any Limited Partner except as provided by Section 14.04.

4.05 Reductions in Capital Contributions. The Partnership may make distributions of cash or other property to the Limited Partners in repayment of the cash contributions of said Limited Partners, as provided by Section 5.03(b), and, in the event of any such distributions, the amount of the contribution to the

capital of the Partnership required from each Limited Partner shall be reduced automatically.

4.06 Capital Accounts. A separate Capital Account shall be maintained for each Partner by the Partnership and shall be determined as provided in this Section 4.06; provided, however, that notwithstanding anything to the contrary contained herein, the Capital Account of a partner shall be determined in all events solely in accordance with the rules set forth in Treasury Regulation § 1.704-1(b)(2)(iv), as the same may be amended or revised hereafter.

(a) Increases of Capital Account. The Capital Account of each Partner shall be increased in an amount equal to the following:

- (i) Such Partner's original cash contribution, and any other contribution of money by such Partner to the Partnership;
- (ii) The fair market value (as determined by the contributing Partner and the Partnership) of property such Partner contributes to the Partnership (net of liabilities assumed by the Partnership and liabilities to which such contributed property is subject); and
- (iii) Such Partner's distributive share of the income (including tax exempt income) and gain (or item thereof) of the Partnership.

(b) Decreases of Capital Account. The Capital Account of each Partner shall be decreased in an amount equal to the following:

- (i) The cash distributed by the Partnership to such Partner;
- (ii) The fair market value (as determined by the distributee Partner and the Partnership) of any property distributed to such Partner by the Partnership, net of liabilities assumed by such Partner and liabilities to which such distributed property is subject;
- (iii) Such Partner's distributive share of loss and deductions (or item thereof) of the Partnership; and
- (iv) Such Partner's distributive share of expenditures of the Partnership described in

Section 705(a)(2)(B) of the Code, such Partner's distributive share of the costs of offering the Units for sale and other syndication fees of the Partnership, and such Partner's distributive share of any unamortized costs.

4.07 Interest on Capital Accounts. No interest shall be paid by the Partnership on the credit balance of any Partner's Capital Account.

ARTICLE V.

ALLOCATION OF PROFITS AND LOSSES

5.01 Allocation of Profits and Losses. Income, gain, loss, deduction, or credit (or item thereof) of the Partnership and each other item required to be separately allocated for federal and/or state income tax purposes, computed in accordance with the accrual method of accounting, shall be allocated between and among the Partners as provided in this Section 5.01; provided, however, that notwithstanding anything to the contrary contained herein, allocations shall be made in such a manner that such allocations either have substantial economic effect or are in accordance with the Partners' interests in the Partnership as required by Section 704 of the Code and the Regulations thereunder, as the same may be amended or revised hereafter:

(a) (1) Except as provided in Sections 5.01(a)(2) and 14.01, the Partnership's income, gain, loss, deduction, or credit (or item thereof) as well as any other Partnership item shall be allocated 0.99% to the General Partner, 0.01% to the Special General Partner and 99% to the Limited Partners. For purposes of this Section, the allocation to each Limited Partner shall be in proportion to the Unit or Units owned by such Limited Partner to all Units owned by all Limited Partners.

(a) (2) For any Taxable Year of the Partnership during which there is a sale, condemnation, or other transfer of, including foreclosure upon, any asset of the Partnership, including any transfer upon the termination of the Partnership, then any gain realized and recognized by the Partnership with respect to said asset shall be allocated to the Partners for such Taxable Year of the Partnership in the same percentages specified in Section 5.03(b):

5.02 Fees to General Partner and Special General Partner. The amount of any compensation paid by the Partnership to the General Partner or the Special General Partner for services

rendered to the Partnership and which is deductible by the Partnership for federal income tax purposes shall be an operating expense of the Partnership, and either a guaranteed payment under Code Section 707(c) to the General Partner or Special General Partner by the Partnership to the extent the General Partner or Special General Partner performs services in its capacity as a General Partner or Special General Partner of the Partnership or a payment under Code Section 707(a) to the extent the General Partner or Special General Partner performs services which are substantially similar to services rendered to persons other than the Partnership.

5.03 Distributions of Distributable Cash Flow, Net Cash Proceeds from Sale, and Reserve Funds. Except for the Taxable Year (as defined in Article XVII) in which the Partnership dissolves and for Taxable Years after said dissolution, distributions of the Distributable Cash Flow (as defined in Article XVII) shall be made annually within seventy-five (75) days after the end of said Taxable Year or shall be made at such more frequent intervals as the General Partner may determine as follows:

(a) Except as provided by Section 5.03(d), the Distributable Cash Flow, shall be distributed first to the General Partner to pay any funds advanced by the General Partner to the Partnership pursuant to the Operating Deficit Guaranty Agreement as provided in Section 6.09, and then 40% to the General Partner, 10% to the Special General Partner and 50% to the Limited Partners. For purposes of this Section, the distribution to each Limited Partner shall be in proportion to the Unit or Units owned by such Limited Partner to all Units owned by all Limited Partners.

(b) In the event of the sale, condemnation, or other transfer of, including foreclosure upon, any asset of the Partnership, then the Net Cash Proceeds from Sale shall be distributed between and among the Partners in the following manner:

- (i) First, 100% to the Limited Partners until the Limited Partners receive 100% of their capital contribution to the Partnership;
- (ii) Second, 100% to the General Partner until the General Partner receives 100% of his capital contribution and any funds advanced to the Partnership pursuant to the Operating Deficit Guaranty Agreement as provided in Section 6.09.
- (iii) Third, to the Partners in the percentages specified in Section 5.03(a).

(c) In the event any asset of the Partnership is refinanced, any Net Cash Proceeds from Sale shall be distributed to the Partners in accordance with the provisions of 5.03(b) as though such asset of the Partnership had been sold for an amount equal to the amount of the refinancing less costs associated therewith. In the event of a subsequent sale or other transfer of such asset, distributions with respect to such asset shall be made in accordance with the provisions of Section 5.03(b).

(d) For the Taxable Year in which the Partnership dissolves and for Taxable Years after said dissolution, the Distributable Cash Flow, Net Cash Proceeds from Sale, and Reserve Fund shall be distributed according to the provisions relating to the use of funds and priority of distributions as set forth in Section 13.04 and Article XIV.

5.04 Minimum Gain Chargeback and Qualified Income Offset.

(a) Notwithstanding anything to the contrary set forth above, if at the close of any Taxable Year of the Partnership (1) the foregoing allocation provisions of Section 5.01 and the distribution provisions of this Agreement would (but for this Section 5.04) cause the negative Capital Account balance of any Partner to exceed such Partner's Share (as defined below) of the Partner's Minimum Gain, taking into account the rules of Treas. Reg. §§ 1.704-1(b)(2)(ii)(d)(4), (5) and (6), plus any amounts which such Partner is required to restore to the Partner upon liquidation (or that are treated as such amounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(ii)(c)), or (2) the allocation of further taxable loss or deductions of the Partner pursuant to the other provisions of Sections 5.01 and 5.03 would result in any such excess, then to the extent (but only to the extent) required to eliminate or prevent the creation of any such excess: (i) all items of taxable loss and deduction of the Partnership for such year and subsequent years shall be allocated to Partners having positive Capital Account balances in proportion to such balances until such balances are reduced to zero and (ii) all gross income of the Partnership for such year and subsequent years shall be allocated to those Partners having excess negative Capital Account balances in proportion to such excess balances until such excess negative balances are reduced to zero. Thereafter, all taxable income, taxable loss and deductions of the Partnership shall be allocated in accordance with the foregoing provisions of Section 5.01. This Section 5.04 is intended to comply with the minimum gain chargeback requirements of Treas. Reg. Sections 1.704-1T(b)(4)(iv)(e) and -1T(b)(4)(iv)(h)(4) and with the qualified income offset requirement of Treas. Reg. Section

1.704-1(b)(2)(ii)(d). For purposes of this Section 5.04, a Partner's Share of the Partnership's Minimum Gain shall mean the excess of (A) the sum of (X) the aggregate nonrecourse deductions of the Partnership (as defined in Treas. Reg. Section 1.704-1T(b)(4)(iv)(b)) and partner nonrecourse deductions of the Partnership (as defined in Treas. Reg. Section 1.704-1T(b)(4)(iv)(h)(3)) allocated to such Partner, plus (Y) its distribution of any financing or refinancing proceeds allocable (under Treas. Reg. Section 1.704-1T(b)(4)(iv)(g)) to an increase in Partnership Minimum Gain with respect to a liability other than a Partner Loan plus (Z) its distribution of any financing or refinancing proceeds allocable (under Treas. Reg. Section 1.704-1T(b)(4)(iv)(h)) to an increase in Partnership Minimum Gain with respect to a Partner Loan but only if such Partner (or a person related to such Partner) bears the economic risk of loss for the Partner Loan at the time of the distribution with respect to such distribution, over (B) its share of any net decrease in the Partners's Minimum Gain as determined under Treas. Reg. Sections 1.704-1T(b)(4)(iv)(f) and 1.704-1T(b)(4)(iv)(h)(5).

(b) If there is a net increase in Partner Minimum Gain for a taxable year of the Partnership (or a net decrease in the Minimum Gain attributable to a Partner Loan) allocable to the disposition of a Property, then each Partner must be allocated items of income or gain of the Partnership for such year in proportion to, and to the extent of, the portion of such Partner's share of the net decrease in Partnership Minimum Gain determined under Treas. Reg. Sections 1.704-1T(b)(4)(iv)(f) or such Partner's share of the net decrease in the Minimum Gain attributable to a Partner Loan as determined under Treas. Reg. Section 1.704-1T(b)(4)(iv)(h)(5). This Section 5.04(b) shall be applied before applying Section 5.04(a).

(c) "Minimum Gain" shall mean the amount determined by computing with respect to each nonrecourse liability of the Partnership, including for this purpose a loan for which a Partner bears the economic risk of loss, the amount of gain (of whatever character), if any, that would be realized by the Partnership if it disposed (in a taxable transaction) of the property subject to such liability in full satisfaction thereof, and by then aggregating the amounts so computed.

5.05 Federal Income Tax Elections. Upon the transfer of a Unit, the death of a Partner, or the distribution of any of the Partnership's property to any Partner, the Partnership may file an election to adjust the basis of the Partnership's property for

federal income tax purposes as provided by Code Section 734, Code Section 743, and Code Section 754.

ARTICLE VI.

MANAGEMENT AND OPERATION OF PARTNERSHIP

6.01 General Partner's Authority to Manage and Control. The General Partner shall have the exclusive authority to manage and control the business of the Partnership. The Limited Partners shall neither take part in nor interfere with the management and control of the Partnership's business.

6.02 General Partner's Specific Rights, Powers and Responsibilities. Subject to the other terms and provisions of this Partnership Agreement, the authority and obligation of the General Partner to conduct the business of the Partnership shall include all powers and authority granted to general partners under the Partnership Law to the extent not inconsistent with the provisions of this Partnership Agreement. The General Partner may not option, sell, assign, exchange or otherwise transfer the Project or any portion or portions thereof within fifteen years (15) after the Partnership acquires title to the Project except upon the prior approval of a majority of the Units owned by Limited Partners. Except as otherwise provided in this Partnership Agreement, the obligations of the General Partner and the powers and authority granted to the General Partner shall include, but not be limited to, the following:

(a) The General Partner shall diligently and faithfully devote such time to the Partnership's business as may be necessary to properly conduct said business and, whenever reasonably requested, shall render to the Limited Partners an accurate account of all activities and transactions of the Partnership;

(b) The General Partner may option, sell, exchange and/or lease any property owned by the Partnership upon such terms as the General Partner considers to be advantageous to the Partnership except as otherwise mentioned in this Section;

(c) The General Partner is expressly authorized to negotiate, execute and deliver for and on behalf of the Partnership all contracts, agreements and commitments and other documents relating to the business of the Partnership, and said contracts, agreements, commitments and other documents shall be binding upon the Partnership;

(d) The General Partner shall not be liable to the Partnership or any Limited Partner for any act or failure to act by the General Partner, any agents or employees of the General Partner or any other Person, unless such act or omission either (1) was performed or omitted fraudulently or in bad faith, or (2) constituted wanton and willful misconduct or gross negligence, and the General Partner shall be indemnified by the Partnership for and against all expenses, including attorneys' fees, judgments and amounts paid in settlement incurred by the General Partner in connection with any threatened, pending or completed action, suit or proceeding to which the General Partner was or is a party, or is threatened to be made a party because it is or was a general partner of the Partnership;

(e) No Person conducting business with the Partnership shall be required to determine the authority of the General Partner to act for and on behalf of the Partnership, or to determine any facts or circumstances bearing upon the existence of such authority, including the securing of any necessary consent or approval of the Limited Partners, and no lessee or purchaser of any asset owned by the Partnership shall be required to determine the sole and exclusive authority of the General Partner to sign and deliver, on behalf of the Partnership and the Limited Partners, any and all instruments of conveyance, including leases and warranty deeds, or to determine the application or distribution of rent or proceeds paid or credited in connection with said instruments of conveyance, unless such lessee or purchaser shall have received written notice affecting said authority of the General Partner;

(f) The General Partner shall not be required to devote its full time to the business of the Partnership but shall devote only such time as shall be required to conduct said business properly;

(g) The General Partner may charge the Partnership for reasonable services rendered and expenses incurred in connection with the Partnership's business;

(h) The General Partner may borrow, and authorize the borrowing of, money required for the business of the Partnership from any Person and may secure the repayment of such loans by executing deeds of trust or by pledging or otherwise encumbering or subjecting to security interests all or any portion of the Project or other assets owned by the Partnership;

(i) The General Partner shall not option, sell, assign, exchange, lease, pledge or subject to a deed of

trust or security interest the Project except for the purposes of the Partnership;

(j) The General Partner shall apply for, obtain and maintain any and all types of insurance necessary to adequately protect the Partnership from (1) liability for personal injury and/or property damage to the general public and the agents and employees of the Partnership, and (2) loss of or damage to the Project and other assets owned by the Partnership from theft, fire and other casualties;

(k) The General Partner shall take title to all property acquired by the Partnership solely in the name of the Partnership; and

(l) Except as may otherwise be provided in this Agreement or the Memorandum, the General Partner may contract on behalf of the Partnership with any Person affiliated with it or with the Partnership to provide services or materials for the Partnership, provided that the fees to be paid therefor and the terms and conditions thereof are not less favorable to the Partnership than those which could be reasonably obtained by the Partnership from unaffiliated third parties.

(m) The General Partner is hereby granted the power and authorized on behalf of each Limited Partner as such Limited Partner's agent and attorney-in-fact to amend the Partnership Agreement as necessary to effect compliance with the rules and regulations issued under Section 704 of the Code, as the same may be amended or revised hereafter, relating to maintenance of capital accounts and allocations among the Partners of Partnership income, gain, loss, credit, deduction (or item thereof) as well as other Partnership items. The Limited Partners hereby consent to any such necessary amendments.

(n) The General Partner shall select the property manager of the Project.

(o) The General Partner shall select the Certified Public Accountant for the Partnership.

6.03 Liability of the General Partner, the Special General Partner Indemnification. The General Partner, the Special General Partner and their affiliates shall have no liability to the Partnership or to any Partner for any loss suffered by the Partnership which arises out of any action or inaction of the General Partner, the Special General Partner or their Affiliates if the General Partner, the Special General Partner or their affiliates, in good faith, determined that such conduct was in

the best interests of the Partnership and such course of conduct did not constitute negligence or misconduct of the General Partner, Special General Partner or their Affiliates. The General Partner, Special General Partner and their Affiliates shall be indemnified by the Partnership against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by them in connection with the Partnership, provided that the same were not the result of negligence or misconduct on the part of the General Partner, Special General Partner or their Affiliates. Notwithstanding the above, the General Partner, Special General Partner or their Affiliates shall not be indemnified for any losses, liabilities or expenses arising from or out of an alleged violation of federal or state securities laws unless (1) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee; (2) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee; or (3) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee. In any claim for indemnification for federal or state securities law violations, the parties seeking indemnification shall place before the court the position of the Securities and Exchange Commission and the Mississippi Securities Division with respect to the issue of indemnification for securities law violations. The Partnership shall not incur the cost of the portion of any insurance, other than public liability insurance, which insures any party against any liability as to which such party is herein prohibited from being indemnified.

6.04 Management of Partnership's Business. It is expressly understood and agreed that the General Partner shall manage the Partnership's business, but the General Partner is expressly authorized to retain managers and agents to conduct the daily business activities of the Partnership. The compensation paid to any such manager and/or agent shall be an operating expense of, and shall be paid by, the Partnership. Any new General Partner admitted to the Partnership as the general partner or the Special General Partner following the removal of a General Partner shall have the right to terminate every contract between the Partnership and the removed General Partner and Affiliates of the General Partner so removed, upon not more than ten (10) days written notice to the party contracting with the Partnership.

6.05 Obligation to Continue. Upon the retirement of the General Partner, the remaining Special General Partner shall have the right and obligation to continue the business of the Partnership employing its assets and name, all as contemplated by the Partnership Law. Within thirty (30) days after it receives notice of the retirement of the General Partner, the Special

General Partner shall notify the Limited Partner of such retirement.

6.06 Special General Partner's Specific Rights, Powers and Responsibilities. The obligations of the Special General Partner and the powers and authority granted to the Special General Partner shall include:

(a) The Special General Partner will serve as an intermediary between the Partnership and the Limited Partners on all matters; and

(b) The Special General Partner shall have the right to approve the certified public accountants for the Partnership who shall be engaged to prepare the Partnership's tax returns and audited financial statements prior to February 25th of each year and such approval shall not be unreasonably withheld.

(c) The Special General Partner will serve as the general partner in the event the General Partner is removed by the Limited Partners or cannot serve in such capacity as the General Partner.

6.07 Fees to the General Partner for Services. The Partnership shall pay the General Partner a fee of \$293,000 for developing the Project.

6.08 Fees to the Special General Partner. The Special General Partner shall receive one time fees, as enumerated, for the following miscellaneous services rendered:

(a) An Investor Services Fee will be paid by the Partnership to:

(i) Monitor the General Partners' reporting of operational results of the Project in the form of quarterly cash receipts and cash disbursements reports and other books of account of the Partnership.

(ii) Review the tax returns prepared by the certified public accountants of the Partnership selected pursuant to the Partnership Agreement and provide the partners with tax information as soon as possible.

(iii) Inform the partners regarding occupancy and maintenance of the physical appearance of the Project.

(b) An Asset Management Fee will be paid by the Partnership to establish and maintain policies, procedures,

protocols, checklists and schedules for regular periodic inspections and maintenance designed to preserve and assure the structural and physical integrity of the buildings and other improvements constituting the Project; to perform regular periodic inspections of the Project to ascertain if deferred maintenance is necessary and/or required; to perform regular periodic inspections and maintenance of the Project to preserve and assure that it is at all times fully in compliance with FmHA rules and regulations with regard to structural and physical integrity;

(c) A Tax Advisory Fee will be paid by the Partnership to render tax advice to the Partnership.

(d) A Compliance Monitoring Fee will be paid to monitor the ownership and operation of the Project and Partnership to assure full compliance with Section 42 of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, and all applicable rules and regulations of FmHA.

(e) A Partnership Organization Fee will be paid to establish bookkeeping and tax accounting procedures, review the Partnership Agreement and orchestrate the organization of the Partnership.

6.09 Operating Deficit Guaranty Fee. The General Partner shall enter into an Operating Deficit Guaranty Agreement with the Partnership for a one time fee in the amount of \$500. Such Agreement will provide that the General Partner will provide funds not to exceed \$150,000 to the Partnership in an amount equal to any Operating Deficit arising during the period beginning with the Commencement Date and ending five (5) years from the Commencement Date. Such amounts will be provided by the General Partner as a loan to the Partnership at the prime rate +2% per annum. For purposes of this section and the Operating Deficit Guaranty Agreement, the term Operating Deficit shall mean the amount determined for the Taxable Year by which all cash basis Partnership costs and expenses for such year (exclusive of return to owner), including without limitation principal and interest payments on any indebtedness of the Partnership or to which any Partnership asset is subject and including any operating accounts payable at the end of the year, exceed the sum of (1) any cash in the Partnership's General Operating Account at the beginning of such year, (2) any cash received from the operation of the Partnership during such year, (3) FmHA approved transfers from the Reserve Fund available to pay any Partnership costs and expenses for such year, and (4) any amounts paid under the Operating Deficit Guaranty Agreement during such year for the previous year.

6.10 Decisions of General Partner. All decisions relating to the management and the business operations of the Partnership shall be made by the General Partner. Any decision made by the General Partner pursuant to this Section 6.08 shall be the decision made by the said General Partner and shall be binding upon the General Partner and the Partnership.

6.11 Filing of Certificates. Promptly following the execution of this Partnership Agreement and the Certificate, the General Partner shall if required by law properly file for record said Certificate.

6.12 Restriction on Authority. Notwithstanding any other provision of this Agreement no General Partner shall have authority to perform any act in violation of any applicable laws or regulations, the Project Documents or any agreement between the Partnership and the Lender, or to take any action which under the Partnership Law or this Agreement requires the approval, ratification or Consent of a majority of the Units held by the Limited Partners, without first obtaining such approval, ratification or Consent.

ARTICLE VII.

PROPERTY MANAGER

7.01 Property Manager. The Partnership has engaged the Property Manager for the Project pursuant to a certain Property Management Contract. In consideration of its management services, the Property Manager shall receive a Management Fee payable from time to time by the Partnership for management services as Stipulated in the management contract, on terms which are at least as favorable to the Partnership as would be obtainable in an arm's-length transaction.

7.02 Duty to Manage Project. The General Partner shall have responsibility for managing the Project and for selecting and supervising the Property Manager. The General Partner shall have the duty to manage the Project during any period when there is no Property Manager.

ARTICLE VIII.

DURATION OF PARTNERSHIP

8.01 Duration. The Partnership was organized on September 26, 1989. On the Commencement Date the Partnership shall file for record the Certificate and the Limited Partners shall be admitted to the Partnership. The Partnership shall

continue until the close of business on December 31, 2049, unless sooner terminated as provided in Article XIII.

8.02 Continuation. The parties hereto agree to continue the Partnership formed pursuant to the provisions of the Partnership Law, and to elect to be governed by the provisions of the Partnership Law.

ARTICLE IX.

FISCAL YEAR

9.01 Taxable Year. The Partnership shall adopt the calendar year as its Taxable Year for tax and accounting purposes.

ARTICLE X.

BOOKS OF ACCOUNT

10.01 Books of Account. The General Partner shall keep true and correct books and records which fairly reflect the financial condition and the operating results of the Partnership. The books and records shall be kept in accordance with the accrual method of accounting adopted by the Partnership which shall be applied in a consistent manner by the independent certified public accountants employed by the Partnership. The said books and records shall be kept at the principal office of the Partnership or at the office of the Property Manager or at the principal place of business of the Partnership and shall be available for inspection and copying, but not at the Partnership's expense, by any Limited Partner at all reasonable times.

10.02 Annual Statements and Tax Information. The Special General Partner shall cause the Partnership to prepare and furnish to each Limited Partner a report which contains a financial statement and all necessary income tax information for said Limited Partner (Schedule K-1[Form 1065]) prior to February 25 following the end of the prior tax year. The financial statement shall consist of a balance sheet, an opinion audit income statement, a statement of Partners' capital and a statement of changes in the Partnership's financial condition, prepared as of the end of the Partnership's Taxable Year, and an opinion with respect to said financial statement by the independent certified public accountants employed by the Partnership. Upon written request, the Partnership shall furnish any requesting Limited Partner with a copy of the federal income tax return (Form 1065) and applicable state income tax returns of the Partnership. Unless written objection is made within fifteen

(15) days after the mailing of such report, the Limited Partners shall be deemed to have agreed to such report.

ARTICLE XI.

FUNDS OF PARTNERSHIP

11.01 Funds of Partnership. The funds of the Partnership shall be deposited in such bank account or accounts in federally insured banks and/or savings and loan associations or in such investment accounts or assets as shall be designated by the General Partner, and withdrawals from such accounts shall be made upon such signatures as the General Partner may designate.

ARTICLE XII.

RIGHTS AND RESTRICTIONS OF LIMITED PARTNERS

12.01 Restrictions on Limited Partners. The Limited Partners shall not participate in the management or control of the Partnership's business and shall not transact any business for the Partnership.

12.02 Rights of Limited Partners. Each Limited Partner shall (1) have access to inspect and copy, at the Limited Partner's expense, the Partnership's books and records at the principal office of the Partnership, including those records required to be kept by the Partnership Law, (2) be kept advised by the General Partner of all material transactions of the Partnership, (3) receive an annual report from the General Partner containing tax information and a financial statement reflecting the Partnership's financial affairs during the preceding Taxable Year, (4) receive their share of the Partnership's distributions, and (5) receive their share of the Partnership's capital upon the termination of the Partnership.

12.03 No Priority on Contributions and Distributions. No Limited Partner shall have any right to priority over any other Limited Partner with respect to his contributions to the Partnership or his share of the distributions of the Partnership. No Limited Partner shall have any right to demand and receive property other than cash in return for his contributions to the Partnership.

12.04 Removal of the General Partner.

(a) If an Event of Default shall occur, a majority of the Units held by the Limited Partners shall have the right to remove the defaulting General Partner, upon ten (10) days prior written notice to such General Partner. Any such removed General Partner shall forfeit to the Special General Partner his Interest in the Partnership and all unpaid fees due such General Partner from the Partnership. Upon the removal of the General Partner, the Special General Partner shall be the general partner of the Partnership.

(b) Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" hereunder on the part of the General Partner if, within ten (10) days after notice of such default from the Limited Partners, such General Partner fails to cure the default:

(i) the breach of the General Partner of his fiduciary responsibilities as a General Partner of the Partnership;

(ii) the occurrence of any breach or violation of or under this Agreement by or with respect to the General Partner;

(iii) the making by the General Partner of a warranty or representation under this Agreement which was false when made;

(iv) the occurrence of a default under the Mortgage Loan, any Project Document or any other material agreement or document affecting the Partnership which default is not cured within the applicable notice and grace period;

(v) the violation by the Partnership or the General Partner of any law, regulation or order applicable to the Partnership or the General Partner;

(vi) the Bankruptcy of the General Partner; or

(vii) the incurrence by the Partnership of Operating Deficits in excess of the amount required to be advanced by the General Partners under the Operating Deficit Guaranty pursuant to the Operating Deficit Guaranty Agreement (See Section 6.09) and the failure of the General Partner to fund such excess amounts.

ARTICLE XIII.

DISSOLUTION OF THE PARTNERSHIP

13.01 Events Causing Dissolution. The Partnership shall be dissolved upon the occurrence of any of the following events:

- (a) By the written consent of all Partners;
- (b) By any event which makes it unlawful for the business of the Partnership to be conducted, or for the Partners to conduct said business, as a limited partnership under the laws of the State of Florida;
- (c) By the Partnership or the General Partner filing, in any court pursuant to any federal and/or state statute (1) a petition in bankruptcy or insolvency, (2) for a reorganization, or (3) for the appointment of a receiver or trustee of all or a portion of the petitioner's property, or making an assignment for the benefit of creditors;
- (d) Upon the adjudication of the Partnership or the General Partner as bankrupt or insolvent;
- (e) Upon the decree of any competent court, which orders the dissolution and termination of the Partnership, becoming final and non-appealable;
- (f) By the sale of, or the occurrence of casualty loss with respect to, substantially all of the Partnership's assets;
- (g) By the death or adjudication as incompetent or insanity of all general partners of the General Partner; or
- (h) December 31, 2049.

13.02 Death of a General Partner. The Partnership shall not dissolve upon the (1) death of, (2) adjudication as incompetent or insane of, (3) filing, in any court pursuant to any federal or state statute (a) of a petition in bankruptcy or insolvency by, (b) for a reorganization by, or (c) for the appointment of a receiver of all or a portion of the petitioner's property by, and/or (4) making an assignment for the benefit of creditors by the General Partner. In any of the above events, the business of the Partnership shall be continued and the Special General Partner will be the general partner of the Partnership.

13.03 Death of a Limited Partner. The Partnership shall not dissolve upon the death, insolvency, bankruptcy or adjudication of incompetency or insanity of any Limited Partner.

13.04 Winding Up the Partnership. The Partnership shall not terminate upon the dissolution of the Partnership, but the Partnership shall cease to engage in further business operations except to the extent necessary to perform existing contracts and to preserve the value of its assets. The General Partner or its

successor shall liquidate the assets of the Partnership, and the Partners shall continue to share in Partnership income, gain, loss, deduction, credit (or item thereof) as well as other Partnership items as provided in this Partnership Agreement, but the Partnership shall make no distributions of property, including money, to the Partners except pursuant to Article XIV.

ARTICLE XIV.

DISTRIBUTION OF ASSETS UPON TERMINATION

14.01 Sale of Assets. Upon the dissolution of the Partnership, the General Partner shall sell, exchange or otherwise transfer the assets owned by the Partnership, unless such dissolution is a technical dissolution under the Partnership Law and the Partnership is immediately reconstituted as a limited partnership under the Partnership Law or the General Partner determines that the Partnership would realize a loss upon the forced sale of the Partnership assets which may be avoided by a later sale of such assets. The proceeds received by the Partnership upon any such sale, exchange or other transfer shall be applied toward the payment of all of the Partnership's debts and liabilities not satisfied by other Partnership funds. After paying or providing for all of the Partnership's debts and liabilities, the General Partner may establish reasonable reserves for any contingent or unforeseen liabilities and obligations of the Partnership, and the remainder of said proceeds shall be distributed as provided by Section 14.03. Said reserves shall be held in escrow for a reasonable period not exceeding two (2) years, as determined by the General Partner, for the purpose of paying any such contingent and unforeseen liabilities of the Partnership, and, after the expiration of said escrow period, the reserve shall be distributed according to the priorities established in Section 14.03.

14.02 Distribution of Assets. Upon the dissolution of the Partnership, the General Partner may distribute the assets owned by the Partnership, in kind if the dissolution is a technical dissolution under the Partnership Law and the Partnership is immediately reconstituted as a limited partnership under the Partnership Law or if the General Partner determines that the Partnership would realize a loss upon the forced sale of the Partnership assets which may be avoided by a later sale of the Partnership assets. In such event each Partner shall receive an undivided interest in the Partnership assets, subject to said Partner's share of any liabilities secured by said distributed property determined pursuant to the provisions of Article V, with said undivided interest to be determined in accordance with the provisions of Section 14.03. The Partnership assets shall be distributed at their net fair market values as determined by one

or more competent appraisers selected by the General Partner. Prior to any such distribution, the Capital Accounts of the Partners shall be adjusted, pursuant to the provisions of Article IV and the pertinent provisions of the Code, to reflect any difference between the Partnership's adjusted basis in such distributed property and the fair market value of said property. No Limited Partner shall be personally liable for any debts and liabilities of the Partnership with respect to any distributed property.

14.03 Priority of Distribution. For the Taxable Year in which the Partnership terminates, the Distributable Cash Flow, the Reserve Funds and Net Cash Proceeds from Sale of the Partnership, reduced by amounts held as reserves pursuant to Section 14.01, shall be distributed according to the following priorities:

(a) To the creditors of the Partnership, except the General Partner, with said distributions to be in the order of priority as provided by law;

(b) To the Limited Partners in repayment of their Capital Contributions;

(c) To the General Partner in repayment of its Capital Contribution and in repayment of any loan made to the Partnership; and

(d) The balance, if any, to the Partners in accordance with each Partner's Capital Account.

14.04 Deficit Balance in Partners' Capital Account. Any Partner with a deficit balance in his Capital Account following the distribution of liquidation proceeds shall restore to the Partnership the amount of such deficit balance, and such restored amount shall be distributed to Partners in accordance with their positive Capital Account balances or paid to creditors.

14.05 Cancellation of Certificate of Limited Partnership. Upon the termination of the Partnership the General Partner shall file a cancellation of the Certificate of Limited Partnership of the Partnership.

ARTICLE XV.

TRANSFER OR CONVERSION OF A PARTNER'S INTEREST

15.01 Transfer or Conversion of General Partnership Interest in the Partnership.

The General Partner may sell his interest in the Partnership to a Third Party Transferee upon the receipt of a bone fide, good faith offer to purchase the interest only after (1) the approval of the FmHA of such Third Party Transferee as the general partner, (2) the execution of an amended certificate of limited partnership and this Partnership Agreement by the Third Party Transferee, (3) the approval of the Special General Partner which approval will not be unreasonably withheld after a thorough underwriting and investigation, the cost of which will be borne by the Special General Partner, (4) the Third Party Transferee has a net worth sufficient to insure that the Partnership will not be taxed as an association, (5) compliance with the right of first refusal provisions of this Section 15.01(a) and (6) compliance by the Third Party Transferee with any other provisions of this Partnership Agreement or the Memorandum applicable to the General Partner.

Prior to making any transfer subject to this Section 15.01, the General Partner shall give to the Special General Partner written notice (the "Offer Notice") which shall include a copy of the bone fide, good faith third party offer and an offer (the "First Refusal Offer") to sell the interest of the General Partner to the Special General Partner at the same price and on the same terms as those contained in the bone fide, good faith third party offer. The First Refusal Offer shall be irrevocable for a period ending at 11:59 p.m., at the Partnership's principal place of business, on the 90th day following the day the General Partner receives the Offer Notice (the "Offer Period"). At any time during the Offer Period the Special General Partner may accept the First Refusal Offer by giving notice of such acceptance to the General Partner. In the event that the First Refusal Offer is accepted by the Special General Partner the closing of the sale of the interest of the General Partner shall take place within ninety (90) days after the postmark date or date of personal delivery of the Notice of Acceptance by the Special General Partner. The General Partner and the Special General Partner shall execute such documents and instruments as may be necessary or appropriate to effect the sale of the General Partner's interest pursuant to the terms of the First Refusal Offer of this Section 15.01. If the First Refusal Offer is not accepted by the Special General Partner in the manner provided herein, the General Partner may sell his interest to the Third Party Transferee at any time within sixty (60) days after the last day of the Offer Period, provided that such sale is made on

terms no more favorable to the Third Party Purchaser than the terms contained in the Third Party Offer and provided further that such sale complies with all other applicable, terms, conditions, and restrictions of this Agreement.

Upon the transfer of all or any portion of a general partnership interest, the Partnership shall file for record an amended certificate of limited partnership as required by the Partnership Law.

15.02 Restrictions on Transfer by Limited Partner.

No Limited Partner may voluntarily assign all or any part of his Partnership Unit or Units without the written consent of the General Partner (which consent may be withheld in the discretion of the General Partner) and the approval of a majority of the Units owned by the Limited Partners excluding the Units owned by the Limited Partner desiring to transfer his or her Units. In addition, except for the transfer or assignment of all or part of his Unit (i) to another Partner or Partners, (ii) to or for the benefit of himself, his spouse or any of his parents, brothers, sisters or natural or adopted descendant or their spouses, (iii) as a gift to an organization described in Section 170(c) of the Code or (iv) upon his bankruptcy, death or adjudication of incompetence, no Limited Partner may sell, transfer, assign or otherwise dispose of all or any part of his Units (whether voluntarily, involuntarily or by operation of law) without first offering such Units in writing to the General Partner at a price and upon terms no less favorable than those which the selling Limited Partner has been offered and is willing to accept from a third party (as evidenced by a bona fide written offer received by the selling Limited Partner from such third party). The General Partner may accept the offer by written notice sent to the selling Limited Partner within fifteen (15) days after the General Partner has received such offer. If the General Partner declines to accept the offer during that fifteen (15) day period, the selling Limited Partner may, within twenty (20) days following expiration of such fifteen (15) day period, transfer the Unit to the third party, but only on terms no less favorable to the selling Limited Partner than the terms at which such Unit was offered to the General Partner. If the Unit is not so disposed of within that twenty (20) day period, then, before disposing of his Unit, the selling Limited Partner shall again be obligated to reoffer it pursuant to this Section.

15.03 No Partnership Termination. The General Partner shall have the power and authority to prohibit the transfer of a Unit by any Limited Partner if such transfer would, in the opinion of counsel to the Partnership, result in the termination of the Partnership for federal income tax purposes or violate any

applicable federal or state securities law or other laws or administrative regulations or rules.

15.04 Requirements for Transfer. No transfer of all or any portion of any Unit or any interest therein by a Limited Partner shall be recognized by the Partnership, and any such transfer is void, unless (1) the Limited Partner shall deliver to the Partnership an opinion of counsel satisfactory to the General Partner that registration under the Securities Act of 1933, as amended, is not required for such transfer and/or shall submit to the Partnership such other evidence as may be satisfactory to the General Partner that such transfer will not be or result in violation of the Securities Act of 1933, as amended, and all applicable state securities laws and any rule or regulation promulgated thereunder, and (2) the transferee of the Limited Partner executes a copy of this Partnership Agreement.

15.05 Certain Assignments Permitted. As provided at Section 13.03, the Partnership shall not dissolve upon the death, insolvency, bankruptcy or adjudication of incompetency or insanity of any Limited Partner, but the trustee, executor, administrator, custodian or guardian of his estate shall have all the rights of a Limited Partner for the purpose of settling or managing his estate and such (and only such) power as the bankrupt, deceased or incompetent Limited Partner possessed to assign all or any part of his Unit.

15.06 Admission of Assignee Limited Partners. The General Partner shall have the power and authority to admit to the Partnership, as a limited partner, any Person (as defined in Article XVII) who is a transferee or assignee of a Limited Partner, the estate or an heir of a deceased Limited Partner, or the legal representative of an incompetent, insane, bankrupt or insolvent Limited Partner. No such Person shall be admitted to the Partnership as a limited partner, within the meaning of the Partnership Law, except upon (1) the written consent of the General Partner, (2) the execution of a copy of this Partnership Agreement by such Person, (3) compliance with all provisions of Article XV, and (4) the payment to the Partnership by such Person of all expenses incurred by the Partnership as a result of his admission to the Partnership as a limited partner. Such Person shall be admitted to the Partnership as a limited partner on the date of the written consent by the General Partner or the date of execution of this Partnership Agreement, whichever shall be later. The Limited Partners hereby consent to the admission of any such Person to the Partnership as a limited partner.

15.07 Restriction on Admission of Assignee Limited Partner. Except as provided by this Article XV, the General Partner shall have no power or authority to admit a Person to the Partnership as a Limited Partner.

15.08 Allocations to Transferor and Transferee Partners.

For purposes of Section 706 of the Code, upon the admission of a new partner to the Partnership or upon the transfer or liquidation of all or any portion of a Unit, the Partnership shall determine each Partner's share of each item of income, deduction, gain, loss, and credit, including ordinary income and ordinary loss, of the Partnership for the Taxable Year of such admission, sale or liquidation by either (1) an interim closing of the Partnership's books, or (2) a daily proration based upon the portion of said taxable year prior to and after such admission, transfer or liquidation.

ARTICLE XVI.

POWER OF APPOINTMENT

16.01 Appointment of General Partner as Attorney-in-Fact.

The General Partner is hereby granted the power and authorized on behalf of each Limited Partner to execute any and all instruments and to do or have done all things deemed by the General Partner to be necessary or convenient to the Partnership's business, and shall, to the extent necessary therefore, irrevocably be and hereby is made, constituted and appointed for each Limited Partner, agent and attorney-in-fact for all purposes relative to creation and continuation of the Partnership as a limited partnership and for the conduct of its business. Without limitation of the foregoing, the General Partner shall have full power and authority to act in the name of, and on behalf of each Limited Partner, in the execution, acknowledgment, verification and filing of the following documents:

(a) The Certificate and any amendments thereto or a cancellation of the certificate of limited partnership under the Partnership Law and the laws of any state in which such certificates, affidavits or other documents creating, evidencing, or preserving the Partnership, as a limited partnership which may or should, in the opinion of the General Partner, be filed or recorded;

(b) Any other instrument which may be required to be filed or recorded by the Partnership under the laws of any state or by any governmental agency, or which the General Partner considers advisable to file of record;

(c) Any documents which may be required to effect the continuation of the Partnership, the addition of a limited partner, the amendment of this Partnership Agreement and the certificate of limited partnership as authorized and provided for by Sections 6.02(m), 15.01(b) or otherwise, or the dissolution and termination of the Partnership, provided

such continuation, substitution, addition, amendment or dissolution and termination are in accordance with the terms of this Partnership Agreement.

16.02 Description of Power of Attorney. The Power of Attorney granted by each Limited Partner to the General Partner pursuant to the preceding Section:

- (a) Is a special power of attorney coupled with an interest, is irrevocable, and shall survive the death or dissolution of the Limited Partner;
- (b) May be exercised by the General Partner for all Limited Partners by a single signature and acknowledgment or verification of the General Partner, acting as attorney-in-fact for all the Limited Partners together, or by listing all of the Limited Partners and executing any instrument with a single signature and acknowledgment or verification of the General Partner, acting as attorney-in-fact for all of the Limited Partners together; and
- (c) Shall survive the delivery of an assignment by a Limited Partner of the whole or a portion of his Unit or Units and, where the assignee thereof has been approved by the General Partner for admission to the Partnership as a limited partner, shall survive such admission and constitute a similar power of attorney from the new limited partner.

ARTICLE XVII.

CERTAIN DEFINITIONS

17.01 Definition of Terms. For all purposes of this Partnership Agreement, the following terms shall have the meanings assigned in this Article unless otherwise specified or the context requires a different construction:

"Affiliates" means any person performing services on behalf of the Partnership who: (i) directly or indirectly controls, is controlled by, or is under common control with a General Partner or Special General Partner; (ii) owns or controls 10% or more of the outstanding voting securities of a General Partner or Special General Partner; (iii) is an officer, director, partner or trustee of a General Partner or Special General Partner; or (iv) if a General Partner or Special General Partner is an officer, director, partner or trustee, is any company for which the General Partner acts in any such capacity.

"Capital Account" means the capital account of each Partner as defined in Section 4.06 of this Partnership Agreement.

"Certificate" means the Certificate of Limited Partnership of the Partnership which shall if required by law be filed for record in the office of the Secretary of State of Florida, Tallahassee, Florida, on the Commencement Date to admit Investors to the Partnership as Limited Partners.

"Closing" means the completion of the Offering in the manner described in the Memorandum.

"Code" means the Internal Revenue Code of 1986.

"Commencement Date" means the date the Certificate of Limited Partnership is if required by law filed for record in the office of the Secretary of State of Florida, Tallahassee, Florida, to admit Investors to the Partnership as Limited Partners.

"Distributable Cash Flow" means all or any portion of the return to owner allowed by FMHA in accordance with the terms of the loan agreement provided, however, that Net Cash Proceeds from Sale shall not be included in Distributable Cash Flow.

"Execution Documents" means the Subscription Agreement, and the signature page for this Partnership Agreement, together with any other documents to be executed by an investor who subscribes for Units pursuant to the provisions of the Memorandum.

"FmHA" means the Farmers Home Administration.

"General Partner" shall mean William R. Gunby, Jr. or its successor, the Special General Partner, as general partner of the Partnership.

"Investor" means the purchasers of the Units offered pursuant to the Confidential Private Placement Memorandum of Bella Vista Apts., Ltd. who will become Limited Partners in the Partnership which may include the General Partner or the Special General Partner.

"Limited Partners" means (1) the persons who execute this Partnership Agreement other than the General Partner acting in its capacity as a general partner and the Original Limited Partner, and (2) any successor or assignee of a Limited Partner who is admitted to the Partnership as a limited partner. A Limited Partner means one of the Limited Partners.

"Memorandum" means the Confidential Private Placement Memorandum pursuant to which Units were offered prior to the execution of this Partnership Agreement.

"Mortgage Loan" means the mortgage loan financing evidenced by a certain Promissory Note for the Project from the FmHA pursuant to the Farmers Home Section 515 Program.

"Net Cash Proceeds from Sale" means the gross amount of cash received from refinancing, sale or other transfer or condemnation of the Project or any other of the Partnership's assets, less any related costs including offering expenses, sales commissions and legal expenses, and less any outstanding indebtedness on any of the transferred or condemned assets of the Partnership.

"Offering Proceeds" means the cash received from Investors by the Partnership at Closing as a result of the Offering of its 10 Units to Investors. The total Offering Proceeds received from Investors will equal \$400,000. The \$40,000 purchase price of each Unit will be payable wholly in cash upon execution of the Subscription Agreement.

"Operating Deficit Guaranty" means the agreement between the Partnership and the General Partner on the terms of which the General Partner has guaranteed to fund any Operating Deficit (as defined in Section 6.09 hereof) of the Partnership beginning with the date of Closing and ending five years after the Commencement Date.

"Original Limited Partner" means Greer E. Gunby.

"Partners" means the General Partner, Special General Partner, the Original Limited Partner, and the Limited Partners of the Partnership. A Partner means one of the Partners.

"Partnership" means Bella Vista Apts., Ltd., a Florida limited partnership, initially formed by the General Partner and the Original Limited Partner, for which this Partnership Agreement is the limited partnership agreement on and after the admission of the Limited Partners on the Commencement Date, at which time the Partnership shall include the General Partner and the Limited Partners.

"Partnership Agreement" means the Limited Partnership Agreement of Bella Vista Apts., Ltd.

"Partnership Law" means the Florida Uniform Limited Partnership Law and the Florida Uniform Partnership Law.

"Person" means any individual, corporation, general or limited partnership, trust, estate or other entity.

"Project" means the Property and the apartment complex known as "Bella Vista Apartments," which is located at 910 Gunby Boulevard, Bunnell, Flagler County, Florida, and improvements

thereon and any tangible or intangible property connected therewith.

"Project Documents" means and includes the Mortgage Loan, any loan agreements, subsidy Agreements, and all other commitments to enter into any of the foregoing and all other instruments delivered from time to time to the FmHA in connection with the Project.

"Property" means that certain real property described as follows:

A portion of Lots 15, 16, 17, and 18, Block "C", Section 11, Township 12 South, Range 30 East, BUNNELL DEVELOPMENT COMPANY'S SUBDIVISION, as per map or plat of record in Plat Book 1, at page 1, of the Public Records of Flagler County, Florida, together with a portion of Lots 1 and 2, Block "B", Section 14, Township 12 south, Range 30 East, BUNNELL DEVELOPMENT COMPANY'S SUBDIVISION, as per map or plat of record in Plat Book 1, at page 1, of the Public Records of Flagler County, Florida, being more particularly described as follows: As a point of reference, commence at the North quarter corner of said Section 14, also known as the Northeast corner of Lot 1, of said Block "B"; thence South 89 degrees, 41 minutes, 44 seconds West, along the Northerly line of said Section 14, 590.57 feet to the Point of Beginning of the following described lands: thence South 39 degrees, 20 minutes, 46 seconds West, 297.99 feet; thence North 52 degrees, 07 minutes, 09 seconds West, 356.67 feet; thence North 39 degrees, 08 minutes, 51 seconds East, 255.00 feet; thence North 52 degrees, 07 minutes, 09 seconds West, 137.49 feet; thence North 39 degrees, 20 minutes, 46 seconds East, 372.00 feet; thence South 51 degrees, 54 minutes, 57 seconds East, along the Easterly projection of the Southerly and/or Westerly right of way line of South Lemon Street, a 50 foot right of way, 495.00 feet; thence South 39 degrees, 20 minutes, 46 seconds West, 327.27 feet to the Point of Beginning.

TOGETHER WITH a 50 foot easement for ingress and egress lying adjacent to the Northerly line thereof, being an Easterly and/or Southerly projection of South Lemon Street, a 50 foot right of way. (The easement is 588.75 feet in length, more or less, and 50 feet in width as evidenced by survey dated March 6, 1989 prepared by James E. Phillips, P.L.S. No. 2048 and designated Project No. 89171)

"Property Management Agreement" means the contract between the Property Manager and the Partnership providing for management of the Project by the Property Manager.

"Property Management Fee" means the monthly fee, as approved by FmHA to be paid by the Partnership to the Property Manager as provided in the Property Management Agreement.

"Property Manager" means Gunby Building Co. which will contract with the Partnership under the Property Management Agreement to manage the Project.

"Reserve Fund" means the cash reserve amount to be established by the Partnership to be used for purposes permitted by FmHA.

"Special General Partner" shall mean Intervest Capital Corporation, a Mississippi corporation.

"Subscription Agreement" means the instrument executed by an Investor who subscribes for Units pursuant to the provisions specified in the Memorandum and thereby becomes a Subscriber.

"Taxable Year" means the taxable year of the Partnership, which shall be a calendar year.

"Units" mean the ten (10) whole limited partnership interests in the Partnership offered pursuant to the Memorandum. "Unit" means one of the Units. The General Partner may, in its sole discretion, authorize the purchase of fractional Units, and may authorize the purchase of less than one (1) Unit per Investor.

ARTICLE XVIII.

MISCELLANEOUS

18.01 Notices. All notices, waivers and all other communications under this Partnership Agreement shall be in writing, duly signed, and shall be sufficiently given if before midnight, Eastern Time Zone, of the appropriate day such notice, waiver or other communication either is mailed by certified or registered mail addressed to the mailing address of the Partnership, if given to the Partnership, and to the mailing address of the Partner, if given to any Partner, or is hand delivered to the principal office of the Partnership, if given to the Partnership, and is hand delivered to the residence address of the Partner, if given to any Partner.

18.02 Meetings. Upon ten (10) days written notice to the Partners, meetings of the Partners may be called by the General Partner, and shall be called upon the written request of Partners owning at least 50% of the Units. The notice of the meeting

shall state the nature of the business to be transacted. Partners may vote in person or by proxy at any such meetings.

18.03 Waiver of Action for Partition. During the term of the Partnership, each Partner irrevocably waives any right that he may have to maintain any action for partition with respect to the Project and any other asset of the Partnership.

18.04 Integration and Amendment. This Partnership Agreement constitutes the entire agreement of the Partners, supersedes any prior agreement or understanding between them, and may not be modified or amended except by the written consent of all the Partners. No waiver by a Partner of any right under this Partnership Agreement shall be valid unless said waiver is signed in writing by said Partner, and any waiver shall be binding only in the instance for which the waiver is given and shall not be or be deemed to be a continuing waiver.

18.05 Amendments to Certificate of Limited Partnership. Upon any change in the composition of the Partnership, Schedule A and the Certificate of Limited Partnership shall be amended by the Partners to reflect the then current composition of the Partnership.

18.06 Further Action by Partners. Each Partner agrees to execute and deliver such papers, documents and instruments and perform such acts as are necessary or appropriate to implement the terms of this Partnership Agreement.

18.07 Captions. Articles, titles or captions contained in this Partnership Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Partnership Agreement or the intent of any of its provisions.

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

18.09 Counterparts. This Partnership Agreement may be executed in any number of counterparts and all of such counterparts shall constitute one agreement which shall be binding upon the Partners, notwithstanding that all Partners may not have executed the same counterpart.

18.10 Applicable Law. This Partnership Agreement shall be governed by the laws of the State of Florida notwithstanding the fact that one or more of the parties to this Partnership Agreement may be or become a resident or a citizen of, or be or become domiciled in, a different state. The invalidity,

illegality or unenforceability of any particular provision of this Partnership Agreement shall not affect the other provisions, and this Partnership Agreement shall be construed in all respects as if such invalid, illegal or unenforceable provision had been omitted.

18.11 Other Ventures. The General Partner, the Special General Partner and any of the Limited Partners may engage in other business ventures, including those similar to the Partnership's business, and in such event the other Partners shall have no interest in such business ventures or the income or cash flow derived therefrom. The Limited Partners specifically acknowledge that they know that the general partners of the General Partner are and will continue to be engaged in other business ventures similar to the Partnership's business and that the General Partner may undertake similar business ventures in the future.

18.12 Benefits. This Partnership Agreement shall be binding upon the General Partner the Special General Partner, the Original Limited Partner the Limited Partners, their heirs, legal representatives, successors and assigns. The executor, administrator, or personal representative of a deceased, incompetent or insane Partner shall execute and deliver any and all documents or legal instruments necessary or desirable to implement the provisions of this Partnership Agreement.

18.13 No Waiver and Remedies Cumulative. The remedies of the Partnership and the Partners under this Partnership Agreement are cumulative, and this Partnership Agreement shall not be considered to exclude any other remedies to which the Partnership and/or the Partners may be legally entitled. The failure of the Partnership and/or any Partner to insist upon strict compliance with the provisions of this Partnership Agreement shall not constitute a waiver of the Partnership's and/or any Partner's right to demand strict compliance with the provisions of this Partnership Agreement at any time.

18.14 Computation of Time. Whenever the last day for the exercise of any privilege or the discharge of any duty under this Partnership Agreement shall occur on a Saturday, Sunday or public or legal holiday of the State of Florida or the United States of America, the Partnership and/or any Partner having such privilege or duty shall have until midnight, eastern time zone, on the next succeeding regular business day to exercise such privilege or discharge such duty.

18.15 Designation of Tax Matters Partner.

(a) Until the General Partner exercises its discretion to appoint another individual or entity, the Special General Partner

shall act as the Tax Matters Partner of the Partnership, as provided in regulations pursuant to Section 6231 of the Code. Each Partner hereby consents to such designation and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be deemed necessary or appropriate to evidence such consent. To the extent and in the manner provided by applicable Code sections and regulations thereunder, the Tax Matters Partner shall furnish the name, address, profits, interest and taxpayer identification number of each Partner to the Internal Revenue Service. To the extent and in the manner provided by applicable Code Sections and regulations thereunder, the Tax Matters Partner shall inform each Partner of administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review").

(b) The Tax Matters Partner is authorized, but not required:

(1) to enter into any settlement with the Internal Revenue Service with respect to any tax audit or judicial review, and in the settlement agreement the Tax Matters Partner may expressly state that such agreement shall bind all Partners except that such settlement agreement shall not bind any Partner who (within the time prescribed pursuant to the Code and regulations thereunder) files a statement with the Internal Revenue Service providing that the Tax Matters Partner shall not have the authority to enter into a settlement agreement on behalf of such Partner;

(2) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed to the Tax Matters Partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(3) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(4) to file a request for an administrative adjustment with the Internal Revenue Service at any time and, if any part of such request is not allowed by the Internal Revenue Service, to file an appropriate pleading

(petition or complaint) for judicial review with respect to such request;

(5) to enter into an agreement with the Internal Revenue Service to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(6) to take any other action on behalf of the Partners or the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

(c) The Partnership shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any tax audit or judicial review proceeding with respect to the tax liability of the Partners, the payment of all such expense shall be made before the distribution of cash flow available for distribution to the Partners. Moreover the General Partner shall not be called upon through his Operating Deficit Guaranty to bear such expense. Neither the General Partner nor any affiliate thereof nor other person shall be obligated to provide funds for such purpose. The taking of any action and the incurring of any expense by the Tax Matters Partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Tax Matters Partner. Any expense paid by the Tax Matters Partner in connection with any such proceeding will be a loan to the Partnership at prime +2% per annum. The provisions on limitations of liability of the General Partner and indemnification set forth in this Agreement shall be fully applicable to the Tax Matters Partner in its capacity as such.

18.16 Financing Regulations.

(a) So long as the Project shall continue to be governed by FmHA requirements: (1) Each of the provisions of this Agreement shall be subject to, and the General Partner covenants to act in accordance with, the Project Documents; (2) the Project Documents, as amended or supplemented, shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns to the extent expressly provided therein; (3) upon any dissolution of the Partnership or any transfer of the Project, no title or right to the possession and control of the Project and no right to collect the rent therefrom shall pass to any Person who is not, or does not become, bound by the Project Documents and other FmHA documents in a manner satisfactory to FmHA; (4) no amendment of the Project Documents specified above shall become effective without the

prior written consent of FmHA; and (5) the affairs of the Partnership shall be subject to FmHA regulation and no action shall be taken which would require the consent or approval of FmHA unless the same is first obtained.

(b) No new Partner shall be admitted to the Partnership without the consent of FmHA to the extent required under the Loan Agreement.

(c) The General Partner shall at all times hold and maintain a financial interest of not less than 5% in the Partnership.

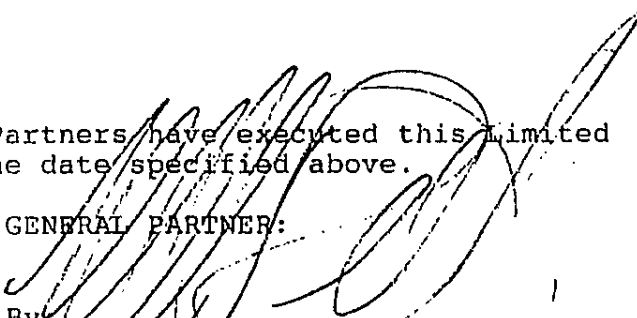
(d) Any conveyance or transfer of title to all, or any portion, of the Project required or permitted under this Agreement shall in all respects be subject to all conditions, approvals and other requirements of FmHA rules and regulations applicable thereto.

(e) The General Partner shall be bound by the Project Documents, and no additional General Partner shall be admitted to the Partnership who does not first agree to be bound by the Project Documents to the same extent and on the same terms as the General Partner.

18.17 Separability of Provisions. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid; and (ii) if for any reason any provision or provisions of this Agreement would cause the Limited Partner to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

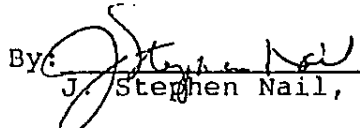
IN WITNESS WHEREOF, the Partners have executed this Limited Partnership Agreement as of the date specified above.

GENERAL PARTNER:

By: 
William R. Gunby, Jr.

SPECIAL GENERAL PARTNER:

INTERVEST CAPITAL CORPORATION

By: 
J. Stephen Nail, President

WITHDRAWING ORIGINAL LIMITED PARTNER:

By: 
Greer E. Gunby

LIMITED PARTNERS:	<u>UNITS</u>
W. E. "Gene" Owens 602 Ranchwood Drive Hattiesburg, MS 39402	1.0
David W. Baker Rt. 3 Box 345-J Hamilton, AL 35570	0.5
Harold C. Myatt P. O. Box 327 Purvis, MS 39475	1.0
William E. Walker Sue D. Walker, JWFROS 422 Bradford Dr. Brandon, MS 39042	1.0

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DIVISION OF CORPORATION

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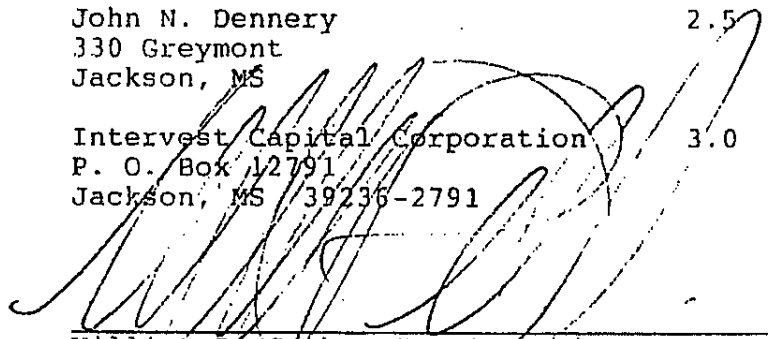
Robert Canizaro
1530 Gay Street
Jackson, MS 39204

John N. Dennergy
330 Greymont
Jackson, MS

2.5

Intervest Capital Corporation
P. O. Box 12791
Jackson, MS 39236-2791

3.0


William R. Gunby, Jr. General Partner,
as attorney-in-fact for each of the
above Limited Partners pursuant to
Exhibit A to First Amended and Restated
Certificate and Limited Partnership
Agreement of Bella Vista Apts., Ltd.