

(viii) all other information which is reasonably requested by the Investor Limited Partner regarding the Partnership and its activities during the quarter covered by the report, including but not limited to, copies of any filings and correspondence with the United States Treasury or the Agency regarding the Apartment Complex.

(d) If the General Partner or Partnership shall fail to deliver any of the information required by Section 12.6(a) within the specified time limits, the General Partner shall pay damages to the Investor Limited Partner in the sum of \$250 per day thereafter until such information is received by the Investor Limited Partner. Such damages shall be paid forthwith by the General Partner and failure to so pay shall constitute a material default of the General Partner under this Agreement. In addition, if the General Partner fails to so pay, the General Partner shall forthwith cease to be entitled to the distribution of any Cash Flow or Net Proceeds to which it may otherwise be entitled under Article IV hereof. Such distributions of Cash Flow and Net Proceeds shall be restored and allowed only upon the payment of such damages in full and any amount of such damages not so paid shall be deducted against payments of the Cash Flow or Net Proceeds otherwise due to the General Partner.

### **ARTICLE XIII**

#### **POWER OF ATTORNEY**

Section 13.1. *Power of Attorney.* The Limited Partner and each additional or substituted Limited Partner hereby irrevocably constitutes and appoints the General Partner and any substitute General Partner, and each officer or executive officer of the General Partner, or their equivalents, with full power of substitution, its true and lawful Attorney-in-Fact, in its name,

place and stead, with full power to act, to make, execute, sign, acknowledge, swear to, verify, deliver, file, record and publish the following documents:

(a) The Certificate;

(b) Any certificate, instrument or document which may be required to effect the qualification or continuation of the Partnership, the Withdrawal of a Limited Partner, the admission or substitution of a Limited or General Partner or the dissolution and termination of the Partnership, provided such qualification or continuation, admission or substitution, dissolution and termination is in accordance with the terms of this Agreement; and

(c) Any amendment to this Agreement made in accordance with Section 14.3 hereof.

Section 13.2. *Duration of Power of Attorney.* (a) It is expressly intended by the Limited Partner and the General Partner that the power of attorney granted under Section 13.1 hereof (the "Power of Attorney") is coupled with an interest, and it is agreed that the Power of Attorney shall survive (i) the death, dissolution or incompetency of any Limited Partner or General Partner, and (ii) the assignment by any Limited Partner of the whole or any portion of its Interest, except that, where the transferee of the Interest has been approved by the General Partner for admission to the Partnership as a Substituted Limited Partner, the Power of Attorney shall survive such transfer for the sole purpose of enabling the Attorney to execute, acknowledge and file any instrument or document necessary to effect such substitution.

(b) Notwithstanding the foregoing, the Power-of-Attorney granted herein will lapse with respect to the General Partner upon the occurrence of an event which would allow the Limited Partner to remove the General Partner.

#### ARTICLE XIV

#### MISCELLANEOUS

Section 14.1. *Brokers.* To the extent permitted by law, each Partner shall and does hereby covenant and agree, absolutely, unconditionally and irrevocably, to indemnify and hold harmless the Partnership and the other Partners from any damages, claims, expenses or losses incurred by the indemnitee by reason of any brokerage or finder's agreement made by the indemnifying Partner with respect to the transactions contemplated by this Agreement.

Section 14.2. *Notice.* Any notice required to be given hereunder shall be in writing and either hand delivered or mailed by certified mail, postage prepaid, or by overnight delivery, simultaneously to all parties at the addresses set forth below. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Any Partner may require notices to be sent to a different address by giving notice to the Partnership in accordance with this Section 14.2.

If to the General Partner:

Royal American Development, Inc.  
1002 West 23rd Street  
Suite 400  
Panama City, FL 32405

If to the Investor Limited Partner:

First Union National Bank  
of North Carolina  
One First Union Center, DC-6  
301 South College Street  
Charlotte, NC 28288-0600  
Attention: Paul E. Norris

with copies to:

Gregg S. Yeutter, Esq.  
Kutak Rock  
1650 Farnam Street  
Omaha, NE 68102-2186

and

James F. Powers, Esq.  
Senior Vice President  
and Assistant General Counsel  
First Union Corporation  
One First Union Center, TW-31  
301 South College Street  
Charlotte, NC 28288-0630

Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the date of receipt indicated on the receipt, if the notice is accepted, and from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.

Section 14.3. *Amendments.* This Agreement may be amended or modified by the General Partner with the Consent of the Limited Partner.

Section 14.4. *Meetings.* Meetings of the Partnership may be called by the General Partner for any matter for which the Partners may vote as set forth in this Agreement or to obtain information concerning the Partnership. A list of names and addresses of all Partners

shall be maintained as part of the books and records of the Partnership and shall be made available upon request to any Partner or its representative at cost. Upon receipt of a request either in person or by registered mail stating the purposes of the meeting, the General Partner shall provide the Partners, within ten days after receipt of such request, written notice of a meeting and the purpose of such meeting to be held on a date not less than 15 nor more than 30 days after receipt of such request, at a time and place within or without the State convenient to the Partners.

Section 14.5. *Entire Agreement.* This Agreement and all other written agreements referred to herein constitute the entire agreement among the parties and supersede any prior agreements or understandings among them with respect to the subject matter hereof.

Section 14.6. *Headings.* All article and section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any article or section.

Section 14.7. *Separability Provisions.* If the operation of any provision of this Agreement would contravene the provisions of the Uniform Act, or would result in the imposition of general liability on any Limited Partner, such provision only shall be void and ineffectual.

Section 14.8. *Binding Agreement.* This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns, except as otherwise provided herein.

Section 14.9. *Counterparts.* This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto. Any

counterpart of this Agreement, which has attached to it separate signature pages which together contain the signatures of all Partners or is executed by an attorney-in-fact on behalf of some or all of the Partners, shall for all purposes be deemed a fully executed instrument.

Section 14.10. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State, without regard to principles of conflicts of laws.

Section 14.11. *Time of Admission.* The Limited Partner shall be deemed to have been admitted to the Partnership as of the day of the month in which it becomes a Limited Partner for all purposes of this Agreement, including Article IV.

Section 14.12. *Special Limited Partner.* The General Partner, the Withdrawing Partner and the Investor Limited Partner agree that (a) the Investor Limited Partner may, in its sole discretion, identify at any time in the future a Person who will become the Special Limited Partner, (b) upon execution by such Person of this Agreement, the Special Limited Partner will be entitled to all of the rights and powers specified in this Agreement without any additional consents being required, (c) both prior to and after the admission of the Special Limited Partner, this Agreement shall be binding and in full force and effect and (d) prior to the admission of the Special Limited Partner, all rights, powers and obligations of the Special Limited Partner, including its rights under Article IV, shall be considered possessed and owned by the Investor Limited Partner.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

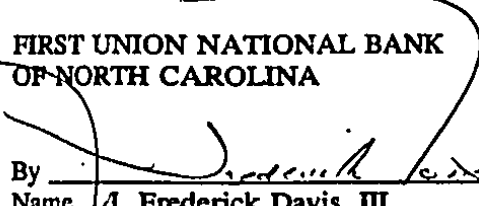
**GENERAL PARTNER:**

**ROYAL AMERICAN DEVELOPMENT, INC.**

By   
Name Joseph F. Chapman IV  
Title Vice President

**INVESTOR LIMITED PARTNER:**

**FIRST UNION NATIONAL BANK  
OF NORTH CAROLINA**

By   
Name J. Frederick Davis, III  
Title Vice President

**SPECIAL LIMITED PARTNER:**

[NAME]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**WITHDRAWING LIMITED PARTNER:**

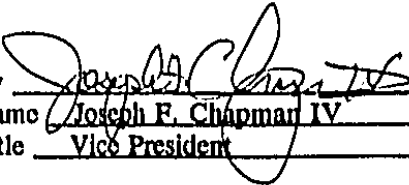
**PFP ONE, INC.**

By   
Name Joseph F. Chapman IV  
Title Vice President

**CONSENT**

By its signature below, the Developer hereby agrees to the provisions of this Agreement pertaining to the terms of its Developer Fee, including, without limitation, Section 8.4(b) hereof.

**ROYAL AMERICAN DEVELOPMENT, INC.**

By   
Name Joseph E. Chapman IV  
Title Vice President



## EXHIBIT A

### LEGAL DESCRIPTION OF APARTMENT COMPLEX

From the POINT OF BEGINNING; NCGS Grid Monument "7 JS 17", said monument having coordinates of Northing 191950.428 meters and Easting of 464402.613 meters, S 5-59-49 E 467.20 Feet; to a found iron rod on the east right of way of NC Highway 136, said iron rod having coordinates of Northing 191808.806 meters and Easting of 464417.491 meters, a corner of H. J. Earnhardt, Deed Book 190, Page 28 and the northwest corner of Deed Book 1510 and Page 234 and being the TRUE POINT OF BEGINNING; Thence with the line of H. J. Earnhardt, Deed Book 190, Page 28, S 71-33-50 E 310.96 Feet; to a found iron pipe, a corner with Charlie D. Power et ux, Deed Book 468, Page 9, Thence with the line of Charlie D. Power et ux, S 71-34-50 E 360.53 Feet; to a found iron rod by two iron pipes, a corner with Darrell D. Power, Deed Book 615, Page 766, Thence with the line of Darrell D. Power, S 71-32-52 E 345.91 Feet; to a found iron pipe in concrete, a corner with Earnhardt Interchange LLC, Deed Book 1165, Page 214, Tract 9, Thence with the line of Earnhardt Interchange LLC, S 1-34-04 W 140.42 Feet; to a set 1/2" rebar with plastic cap, a new corner, Thence a new line with Earnhardt Interchange LLC, S 59-00-05 W 968.36 Feet; to a set 1/2" rebar with plastic cap, a new corner in the line of Ruth Earnhardt Smith, Deed Book 408, Page 57, said set 1/2" rebar with plastic cap being further located N 1-12-45 E 226.55 Feet; from a found iron rod, Thence with the line of Ruth Earnhardt Smith, N 1-12-45 E 139.88 Feet; to a found iron rod in a stump hole of a dead and fallen elm tree, a corner with Louise E. Earnhardt et con, Deed Book 444, Page 551, Thence with the line of with Louise E. Earnhardt et con, N 8-50-28 E 441.23 Feet; to a found bent iron pipe, Thence continuing with the line of with Louise E. Earnhardt et con, N 29-59-19 W 390.92 Feet; to a found iron rod on the east right of way of NC Highway 136, Thence with the east right of way of NC Highway 136 as it curves a radius of 2904.79 Feet, and arc distance of 46.88 Feet and Delta angle of 0-55-29 and a chord of N 8-10-40 W 46.88 Feet; to the POINT OF BEGINNING.

Containing 10.00 Acres, more or less, according to a survey by Jimmy R. Ellison, NCRLS L-3116, dated October 10, 1996, captioned Boundary and New Lot Survey for Oak Crest Apartments of Kannapolis LTD., First Union National Bank, said survey being referenced to the North Carolina Grid North Meridian.

Being all of Deed Book 1510, Page 234, and a portion of Deed Book 1165, Page 214, Tract 9, as recorded in the Cabarrus County Register of Deeds.

**EXHIBIT B**  
**FINANCIAL PROJECTIONS SCHEDULES**

1. Projected Investor Benefits.
2. Projected Cash Flow.
3. Projected Net Income (Loss).
4. Sources and Applications of Funds.
5. Flow of Funds.

OAK CREST (Cabarrus County)

PROJECTED VALUE OF TAX CREDITS, CASH FLOW, AND NET INCOME / (LOSS) AMOUNTS  
PER CORPORATE INVESTOR LIMITED PARTNER ASSUMING A 37.00% TAX RATE

Capital Contributions	Date	Amount	Net Income (Loss)	Tax Savings (Expense)	Low-Income Tax Credit	Total Tax Savings (Expense)	Cash Flow	Annual Benefit From P/ship	Cum Benefit	Cum Net Investment
	1997	283,595	(75,680)	28,002	30,596	58,598	0	58,598	58,598	224,997
	1998	315,749	(361,177)	133,635	373,710	507,345	0	507,345	565,943	2,874,401
	1999	0	(115,416)	42,704	437,085	479,789	0	479,789	1,045,732	2,394,612
	2000	0	(99,770)	36,915	437,085	474,000	0	474,000	1,519,732	1,920,612
	2001	0	(85,947)	31,800	437,085	468,885	0	468,885	1,988,617	1,451,727
	2002	0	(104,187)	38,549	437,085	475,634	0	475,634	2,464,251	976,093
	2003	0	(110,718)	40,966	437,085	478,051	0	478,051	2,942,302	498,042
	2004	0	(89,582)	33,145	437,085	470,230	0	470,230	3,412,532	27,812
	2005	0	(69,824)	25,835	437,085	462,920	0	462,920	3,875,452	(435,108)
	2006	0	(57,514)	21,280	437,085	458,365	0	458,365	4,333,817	(893,473)
	2007	0	(64,784)	23,970	406,489	430,459	0	430,459	4,764,276	(1,323,932)
	2008	0	(66,687)	24,674	63,375	88,049	0	88,049	4,852,325	(1,411,981)
	2009	0	(43,640)	16,147	0	16,147	0	16,147	4,868,472	(1,428,128)
	2010	0	(22,322)	8,259	0	8,259	0	8,259	4,876,731	(1,436,387)
	2011	0	(5,995)	2,218	0	2,218	0	2,218	4,878,949	(1,438,605)
	2012	0	(12,702)	4,700	0	4,700	0	4,700	4,883,649	(1,443,305)
		3,440,344	(1,385,945)	512,799	4,370,850	4,883,649	0	4,883,649		

NOI	9.00%
SI Over	760,127
	1
	1,491,744

Tax Savings (Expense) on Sale  
Residual Value

OAK CREST (Cabarnus County)

PROJECTED CASH FLOW

Year	Gross Rental Income	Vacancy	Other Income	Operating Expenses	Management Fee	Net Operating Income	Replacement Reserves	1st Mortgage Debt Service	2nd Mortgage Debt Service	3rd Mortgage Debt Service	4th Mortgage Debt Service	Cash Flow
1997	46,210	(2,773)	840	15,795	2,214	26,268	6,668	22,791	0	0	0	(3,191)
1998	564,424	(33,865)	10,260	192,929	27,041	320,849	20,000	303,012	0	0	0	(2,163)
1999	673,347	(40,401)	12,240	232,420	32,259	380,507	20,600	303,012	0	0	0	56,895
2000	686,814	(41,209)	12,485	239,531	32,905	385,792	21,218	303,012	0	0	0	61,562
2001	700,550	(42,033)	12,735	246,575	33,563	391,114	21,855	303,012	0	0	0	66,247
2002	714,561	(42,874)	12,990	253,972	34,234	396,471	22,511	303,012	0	0	0	70,948
2003	728,852	(43,731)	13,250	261,591	34,919	401,861	23,186	303,012	0	0	0	75,663
2004	743,429	(44,606)	13,515	269,439	35,617	407,282	23,882	303,012	0	0	0	80,388
2005	758,298	(45,498)	13,785	277,522	36,329	412,734	24,598	303,012	0	0	0	85,124
2006	773,464	(46,408)	14,061	285,848	37,056	418,213	25,336	303,012	0	0	0	89,865
2007	788,933	(47,336)	14,342	294,423	37,797	423,719	26,096	303,012	0	0	0	94,611
2008	804,712	(48,283)	14,629	303,256	38,553	429,249	26,879	303,012	0	0	0	99,358
2009	820,806	(49,248)	14,922	312,354	39,224	434,802	27,685	303,012	0	0	0	104,105
2010	837,222	(50,233)	15,220	321,725	40,110	440,374	28,516	303,012	0	0	0	108,846
2011	853,966	(51,238)	15,524	331,377	40,913	445,962	29,371	303,012	0	0	0	113,579
2012	871,045	(52,263)	15,834	341,318	41,731	451,567	30,252	303,012	0	0	0	118,303
Total	11,366,633	(681,999)	206,632	4,179,937	544,365	6,166,764	378,653	4,567,971	0	0	0	1,220,140

Year	Project Cash Flow	Preferred Cash Flow	Funded by GP Oper. Deficit Guarantee	Transfer from (to) Operations/Reserves	Cash Flow after Reserves	Incentive Management Fee	Cash Flow after Mgmt Fee	Cash Flow to Investor	Total Cash Flow to Investor
1997	(3,191)	0	0	(3,191)	0	0	0	0	0
1998	(2,163)	0	0	(2,163)	0	0	0	0	0
1999	56,895	15,000	0	41,895	0	0	0	0	0
2000	61,562	5,000	0	56,562	0	0	0	0	0
2001	66,247	5,000	0	61,247	0	0	0	0	0
2002	70,948	5,000	0	17,630	48,318	14,495	33,823	20,294	20,294
2003	75,663	5,000	0	0	70,663	21,199	49,464	29,678	29,678
2004	80,388	5,000	0	0	75,388	22,616	52,772	31,663	31,663
2005	85,124	5,000	0	0	80,124	24,037	56,087	33,652	33,652
2006	89,865	5,000	0	0	84,865	25,460	59,405	35,643	35,643
2007	94,611	5,000	0	0	89,611	26,883	62,728	37,637	37,637
2008	99,358	5,000	0	0	94,358	28,307	66,051	39,631	39,631
2009	104,105	5,000	0	0	99,105	29,732	69,372	41,624	41,624
2010	108,846	5,000	0	0	103,846	31,154	72,692	43,615	43,615
2011	113,579	5,000	0	0	108,579	32,574	76,005	45,603	45,603
2012	118,303	5,000	0	0	113,303	33,991	79,312	47,587	47,587
Total	1,220,140	80,000	0	171,980	968,160	290,448	677,712	406,671	406,671

OAK CREST (Cabarrus County)

PROJECTED NET INCOME (LOSS)

Year	Net Operating Income	Interest on 1st Mortgage	Interest on 2nd Mortgage	Interest on 3rd Mortgage	Interest on 4th Mortgage	Incentive Management Fee	Depreciation	Funded Expenses	Net Income (Loss)	Net Income (Loss) to Investor
1997	26,268	22,791	0	0	0	0	61,774	18,147	(76,444)	(75,680)
1998	320,849	273,488	0	0	0	0	230,236	181,950	(64,825)	(64,177)
1999	380,507	270,727	0	0	0	0	219,736	6,626	(115,582)	(115,416)
2000	385,792	267,708	0	0	0	0	212,236	6,626	(100,778)	(99,770)
2001	391,114	264,407	0	0	0	0	206,856	6,626	(86,215)	(85,547)
2002	396,471	260,798	0	0	0	14,495	219,791	6,626	(105,239)	(104,187)
2003	401,861	256,851	0	0	0	21,199	229,021	6,626	(111,856)	(110,718)
2004	407,282	252,535	0	0	0	22,616	215,992	6,626	(90,487)	(89,512)
2005	412,734	247,815	0	0	0	24,037	204,785	6,626	(70,529)	(69,824)
2006	418,213	242,654	0	0	0	25,460	201,568	6,626	(58,095)	(57,314)
2007	423,719	237,011	0	0	0	26,883	218,637	6,626	(64,744)	(64,057)
2008	429,249	230,840	0	0	0	28,307	230,837	6,626	(67,361)	(66,587)
2009	434,802	224,092	0	0	0	29,732	218,433	6,626	(44,081)	(43,640)
2010	440,374	216,713	0	0	0	31,154	208,428	6,626	(22,547)	(22,322)
2011	445,962	208,644	0	0	0	32,574	204,174	6,626	(6,056)	(5,995)
2012	451,567	199,820	0	0	0	33,991	223,960	6,626	(12,850)	(12,702)
Total	6,166,764	3,676,894	0	0	0	290,448	3,306,504	297,861	(1,399,543)	(1,315,543)

OAK CREST (Cabarrus County)

SOURCES AND APPLICATIONS OF FUNDS

	Total	Capitalize	Funded Expenses	Non-Amortize
Investor Capital Contributions	3,440,344			
1st Mortgage - FUNB FL	2,975,000			
2nd Mortgage	0			
3rd Mortgage	0			
4th Mortgage	0			
5th Mortgage	0			
6th Mortgage	0			
GP Equity	0			
Bridge Loan (1st Union)	2,494,253			
Transfer from Operations (Dev. Note)	171,980			
	<u>9,031,577</u>			

TOTAL SOURCES:

Land	450,000			450,000
Building Acquisition	0			
Construction Costs	3,728,400	3,728,400		
Sitework	0			
Builder Profit & O/H	298,272	298,272		
Architect/Engineer	90,000	90,000		
Contingency	50,000	50,000		
General Requirements	223,704	223,704		
Legal - Borrower	15,000	15,000		
Tax Credit Fees	21,500	21,500		
Loan Fees	0			
Appraisal	6,500	6,500		
Market Study	0			
Environmental	180			
Survey	15,000	15,000		
Closing Costs-Perm	29,250	1,124	28,126	
Construction Interest	12	136,744	0	0
Title	180	10,238	0	
Testing	15,000	15,000		
Closing Costs-Const.	300	29,250	28,126	
Taxes	24	0	0	
Insurance	180	0	0	
Developer Fee	360	496,925	0	
Monitoring Fees	180	37,500	37,500	
Impact Fees	300	150,000		
Closing Costs	180	46,895	46,895	
FF&E	180	65,000	0	
Soft Cost Contingency	60	0	0	
Placement Fee	60	283,595	0	283,595
Bridge Loan Repayment		2,494,253		2,494,253
Interest on Bridge Loan (1stU) (Net)	12	337,551	191,263	
		<u>9,031,577</u>	<u>5,471,819</u>	<u>3,277,848</u>
		0	0	0

OAK CREST (Cabarrus County)

FLOW OF FUNDS

	12/01/96	1	1	6	4	1	3	1	11/30/2000	Total
		12/01/97	07/01/98	09/01/98	12/01/98	10/01/99	12/01/99	& Beyond		
Investor Capital Contributions										
1st Mortgage - FUND FL	255,236	28,359	0	324,945	2,831,804	0	0	0	0	3,440,344
2nd Mortgage	2,925,000	0	0	0	0	0	0	0	0	2,925,000
3rd Mortgage	0	0	0	0	0	0	0	0	0	0
4th Mortgage	0	0	0	0	0	0	0	0	0	0
5th Mortgage	0	0	0	0	0	0	0	0	0	0
6th Mortgage	0	0	0	0	0	0	0	0	0	0
GP Equity	0	0	0	0	0	0	0	0	0	0
Bridge Loan (1st Union)	2,494,253	0	0	0	0	0	0	0	0	2,494,253
Transfer from Operations (Dev. Note)	0	0	0	0	0	0	0	0	171,980	171,980
	<u>5,674,489</u>	<u>28,359</u>	<u>0</u>	<u>324,945</u>	<u>2,831,804</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>171,980</u>	<u>9,031,577</u>
Land	450,000	0	0	0	0	0	0	0	0	450,000
Building Acquisition	0	0	0	0	0	0	0	0	0	0
Construction Costs	3,728,400	0	0	0	0	0	0	0	0	3,728,400
Sitework	0	0	0	0	0	0	0	0	0	0
Builder Profit & O/H	298,272	0	0	0	0	0	0	0	0	298,272
Architect/Engineer	90,000	0	0	0	0	0	0	0	0	90,000
Contingency	50,000	0	0	0	0	0	0	0	0	50,000
General Requirements	223,704	0	0	0	0	0	0	0	0	223,704
Legal - Borrower	15,000	0	0	0	0	0	0	0	0	15,000
Tax Credit Fees	22,500	0	0	0	0	0	0	0	0	22,500
Loan Fees	0	0	0	0	0	0	0	0	0	0
Appraisal	6,500	0	0	0	0	0	0	0	0	6,500
Market Study	0	0	0	0	0	0	0	0	0	0
Environmental	0	0	0	0	0	0	0	0	0	0
Survey	15,000	0	0	0	0	0	0	0	0	15,000
Closing Costs-Perm	29,250	0	0	0	0	0	0	0	0	29,250
Construction Interest	136,744	0	0	0	0	0	0	0	0	136,744
Title	10,238	0	0	0	0	0	0	0	0	10,238
Testing	15,000	0	0	0	0	0	0	0	0	15,000
Closing Costs-Const.	29,250	0	0	0	0	0	0	0	0	29,250
Taxes	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0
Developer Fee	0	0	0	0	0	0	0	0	0	0
Monitoring Fees	37,500	0	0	324,945	0	0	0	171,980	0	496,925
Impact Fees	150,000	0	0	0	0	0	0	0	0	150,000
Closing Costs	46,895	0	0	0	0	0	0	0	0	46,895
FF&E	65,000	0	0	0	0	0	0	0	0	65,000
Soft Cost Contingency	0	0	0	0	0	0	0	0	0	0
Placement Fee	255,236	28,359	0	0	0	0	0	0	0	283,595
Bridge Loan Repayment	0	0	0	0	2,494,253	0	0	0	0	2,494,253
Interest on Bridge Loan (1stU) (Net)	0	0	0	0	337,551	0	0	0	0	337,551
	<u>5,674,489</u>	<u>28,359</u>	<u>0</u>	<u>324,945</u>	<u>2,831,804</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>171,980</u>	<u>9,031,577</u>

6.90%

**SCHEDULE A**

<b><u>PARTNER AND ADDRESS</u></b>	<b><u>CAPITAL CONTRIBUTION</u></b>	<b><u>INTEREST</u></b>
<b>General Partner</b>		
Royal American Development, Inc. Suite 400 1002 West 23rd Street Panama City, FL 32405	\$10	1.00%
<b>Limited Partner</b>		
First Union National Bank of North Carolina One First Union Center, DC-6 301 South College Street Charlotte, NC 28288-0600	\$3,102,793	99.00%
<b>Special Limited Partner</b>		
[NAME; ADDRESS]	\$10	See Article IV