

Bodzin & Golub, P.C.

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February 5, 2001

VIA FEDERAL EXPRESS

Secretary of State of Florida
Limited Partnership Division
P.O. Box 16327
Tallahassee, Florida 32314

Re: Apalachee East, Ltd.

Dear Sir/Madam:

We are enclosing two original Certificates of Limited Partnership for the above-referenced limited partnership as well as two original Supplemental Affidavits of Limited Partners' Capital Contributions. Please take the steps to file one copy of each document and cause the second copy to be certified and returned to us.

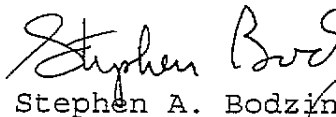
Also enclosed is a check in the amount of \$1,855.00 to cover filing fee for the Supplemental Affidavit (\$1,750.00), the Amendment (\$52.50), and the cost of a certified copy (\$52.50).

As we will need a prompt return of the certified copy of the Certificate of Limited Partnership, we have enclosed a self addressed Federal Express envelope for your convenience.

If you have any questions or if you require additional filing fees, please telephone us before returning the package of documents.

Thank you for your prompt attention to this matter.

Sincerely yours,


Stephen A. Bodzin

/pp

Enclosures

cc: Mr. Joseph F. Chapman, IV
Mr. Robert F. Henry, III

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CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF LIMITED PARTNERSHIP
PURSUANT TO FLORIDA STATUTES 620.109
OF
APALACHEE EAST, LTD.

A. Name : APALACHEE EAST, LTD.

B. Address : 1002 W. 23rd Street
Suite 400
Panama City, Florida 32405

C. Registered Agent : Robert F. Henry, III
1002 W. 23rd Street
Suite 400
Panama City, Florida 32405

D. General Partner : Royal American Development, Inc.
1002 West 23rd Street
Suite 400
Panama City, Florida 32405

E. Mailing Address : 1002 West 23rd Street
Suite 400
Panama City, Florida 32405

F. Latest Dissolution Date: December 31, 2058

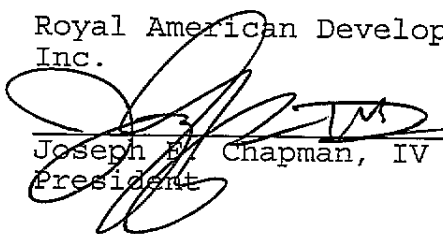
G. Date of Filing of
Original Certificate : October 4, 1996

H. Date of Amended
Certificate : July 1, 2000

Additional terms of the Amendment to the Certificate of Limited Partnership are set forth in the Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership of APALACHEE EAST, LTD., which is being filed contemporaneously with and as a part of this Certificate of Amendment to the Certificate of Limited Partnership. This document is duly executed and is being filed in accordance with Section 620.109, Florida Statutes.

General Partner:

Royal American Development,
Inc.


Joseph B. Chapman, IV
President

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STATE OF Florida
COUNTY OF Bay

I HEREBY CERTIFY that on this 20th day of December, 2000, before me personally appeared JOSEPH F. CHAPMAN, IV, as President of Royal American Development, Inc., who is personally known to me or who has produced the identification identified below, who is the person described in and who executed the foregoing instrument, and who after being duly sworn says that the execution hereof is his free act and deed for the uses and purposes herein mentioned.

SWORN TO AND SUBSCRIBED before me the undersigned Notary Public by my hand and official seal, the day and year last aforesaid.

X To me personally known
Identified by Driver's License Number _____
Issued by the State of _____

Lauretta J. Pippin
Notary Public
Typed Name _____



LAURETTA J. PIPPIN
Notary Public, State of Florida
Commission No. CC 962572
My Commission Expires 8/27/04

My Commission Expires:
Commission No.:
State of _____

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NOTARY PUBLIC
LAURETTA J. PIPPIN

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
AND
CERTIFICATE OF LIMITED PARTNERSHIP
OF
APALACHEE EAST, LTD.

This Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership (the "Agreement") is made and entered into this 20 day of December, 2000, but effective for all purposes as of July 1, 2000, by and among (i) Royal American Development, Inc., a State of Florida corporation, as the managing general partner (the "General Partner"), (ii) PFP Holdings, Inc., as a Class A limited partner (the "Class A Limited Partner"), and (iii) Anne S. Reich 1984 Revocable Trust and the Anne S. Reich 1977 Securities Trust #1, as Class B limited partners (the "Class B Limited Partners"), who, by the execution of this Agreement, agree to be bound by the terms, conditions and provisions of this Agreement.

R E C I T A L S:

A. Apalachee East, Ltd. (the "Partnership") was formed as a limited partnership in accordance with the Florida Revised Uniform Limited Partnership Act (the "Act") pursuant to a Limited Partnership Agreement and Certificate of Limited Partnership entered into on October 2, 1996. The Certificate of Limited Partnership and Affidavit of Limited Partners' Capital Contributions were filed with the Florida Secretary of State's Office on October 4, 1996, and the Partnership was assigned Limited Partnership Number A96000001851.

B. The Partners now desire to restructure the Partnership to (i) create different classes of Limited Partners as hereinafter provided, and to designate the prior Limited Partner as the Class A Limited Partner; (ii) to reflect the admission of the Class B Limited Partners and provide for the Capital Contributions of the Class B Limited Partners, and (iii) otherwise amend, restate and set forth in full the terms and conditions of the Partners' agreements and understandings relative to the Partnership in this Amended and Restated Limited Partnership Agreement which is also intended to be recorded as the Amended Certificate of Limited Partnership required under the Act.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby

acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

Section 1

Formation of the Partnership; Partnership
Name; Legal Requirements

1.1 The parties hereby agree that the Partnership shall continue to exist pursuant to the Act. The Act shall govern the respective rights and liabilities of the parties hereto except as otherwise expressly provided in this Agreement.

1.2 The name of the Partnership and the name under which its business shall continue to be conducted shall be "Apalachee East, Ltd." The General Partner may change the name of the Partnership or adopt such trade or fictitious names as it may determine to be appropriate, and shall provide notice thereof to the Partners as promptly as possible following any such determination.

1.3 The General Partner shall cause this Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership to be executed and filed in such offices within the State of Florida and/or outside of the State of Florida as may be required under the Act. Thereafter, the General Partner shall cause to be executed and filed such other documents and certificates as may be necessary or desirable for the continuing existence of the Partnership and the conduct of the Partnership's business, under the Partnership name or under an assumed or fictitious name.

Section 2

Place of Business; Purposes; Term

2.1 The principal place of business of the Partnership shall be at 1002 W. 23rd Street, Suite 400, Florida 32405. The name and address of the Partnership's registered agent in Florida are as follows: Robert F. Henry, III, 1002 W. 23rd Street, Suite 400, Florida 32405. At the discretion of the General Partner, the Partnership may relocate its principal place of business and have such other offices as the General Partner deems necessary or desirable, provided that notice thereof is furnished to the Partners as promptly as possible following any such determination and all requisite filings have theretofore been made.

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2.2 The purposes for which the Partnership was formed, and the business and objectives to be carried on and promoted by it, are (i) to acquire and own a parcel of land in Tallahassee, Leon County, Florida (the "Property"), (ii) to obtain financing to develop and construct apartment buildings thereon, including all improvements related thereto, (iii) to carry on any and all activities related to the Property, including, without limitation of the foregoing, the development and construction of apartment buildings including all improvements related thereto, (iv) to manage, operate, and rent the apartment buildings constructed on the Property in accordance with any and all applicable rules and regulations of any and all governmental agencies, and (v) to carry on any and all business and investment activities incident to the foregoing.

2.3 The Partnership is empowered and authorized:

(a) To option, purchase, or otherwise acquire any property, real or personal, in fee or under lease, and any interest therein or pertinent thereto, which may be necessary or appropriate for the accomplishment of the purposes and objectives of the Partnership.

(b) To raise and provide such funds as may be necessary to achieve the purposes and objectives of the Partnership and to borrow funds, execute and issue mortgage notes and other evidences of indebtedness and secure the same by mortgages, deeds of trust, pledges, or other liens.

(c) To enter into, perform, and carry out contracts, and engage in any other activity which may be necessary and proper for the protection and benefit of the Partnership and the accomplishment of its purposes and objectives.

2.4 The term of the Partnership commenced on October 2, 1996. The Partnership shall continue under this Agreement (as amended from time to time) until December 31, 2058, unless (i) extended by unanimous Consent of the Partners, or (ii) sooner terminated as provided in this Agreement or by operation of law.

Section 3

Definitions

Unless the context specifically otherwise requires, the following words, when used in this Agreement, have the meanings ascribed thereto in this Section:

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3.1 "Accountants" means the independent certified public accountants for the Partnership.

3.2 "Affiliate" means any person or entity which (i) is a Partner or a member of a Partner's immediate family, (ii) is a legal representative, successor or assignee of any person in clause (i) above, (iii) is a trustee of a trust for the benefit of any person in clauses (i) and (ii) above, (iv) directly, or indirectly through intermediaries, controls, is controlled by or is under common control with any person in clauses (i) through (iii) above, where "control(s) (led)" means fifty percent (50%) or more ownership of voting power or beneficial interest, or (v) is an officer, director, trustee, employee, or stockholder of fifteen percent (15%) or more of the voting stock, or partner of any person in clauses (i) through (iv) above. For all purposes of this Agreement, Royal American Management, Inc. and Royal American Construction Company, Inc. shall be treated as Affiliates of the General Partner and as Affiliates of any other person or entity that is an Affiliate of either of them.

3.3 "Agreement" means this Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership as the same may be hereafter amended from time to time in accordance with the Act.

3.4 "Bankruptcy" means (i) either the initiation by a Partner of a proceeding under a federal, state or local bankruptcy or insolvency law, or the initiation of any proceeding against a Partner which is not vacated, discharged or bonded within thirty (30) days of initiation, (ii) an assignment by a Partner for the benefit of creditors, (iii) the admission by a Partner in writing of his inability to pay his debts as they become due, or (iv) either the Consent of a Partner to appointment of a receiver or trustee for all or a substantial part of his property, or the court appointment of such receiver or trustee which is not suspended or terminated within thirty (30) days after appointment.

3.5 "Capital Account" means the account maintained by the Partnership for each Partner pursuant to Section 5 which, as of any given date, reflects his actual Capital Contributions paid to the Partnership, including any adjustments authorized by the Code, (i) increased to reflect his distributive share of Partnership profits and gains for each Fiscal Year (or fraction thereof), and (ii) decreased to reflect his distributive share of Partnership deductions and losses (including any specially allocated deductions) for each Fiscal Year (or fraction thereof) and distributions of cash or property by the Partnership to him.

3.6 "Capital Contribution" means the total amount of money or other property contributed by each Partner to the

Partnership as is reflected in the books and records of the Partnership pursuant to Section 5 of this Agreement. Any reference to a Partner's Capital Contribution shall include the Capital Contribution made by a predecessor holder(s) of the Interest of such Partner, unless the context requires otherwise.

3.7 "Capital Proceeds" means the aggregate of: (i) the net proceeds received from the refinancing of any existing indebtedness secured by any Partnership assets, (ii) the net proceeds received from the sale or condemnation of the Project, or all or substantially all of the other Partnership assets, (iii) the net proceeds received from title or fire and extended coverage insurance, and (iv) the net proceeds distributed from any reserves previously set aside from Capital Proceeds which are deemed available for distribution by the General Partner; less amounts paid from such Capital Proceeds for (i) the expenses of the Partnership incurred in connection with such sale, refinancing or condemnation, including, without limitation, sales or financing commissions or fees, but not including any fees paid to the General Partner or an Affiliate of the General Partner, and legal and accounting fees, (ii) the amounts used for the repayment of any prior loans or obligations of the Partnership and (iii) the expenses and costs of the Partnership incurred in the construction, repair or restoration of improvements to the Project.

3.8 "Class A Limited Partner" means a Limited Partner of the Partnership whose rights shall be governed in accordance with the terms of this Agreement, and, absent proof to the contrary, shall be the persons and/or entities who are identified as Class A Limited Partners on Exhibit A hereof, as amended from time to time as provided herein. As of the date of this Agreement, the Class A Limited Partner is PFP Holdings, Inc.

3.9 "Class B Limited Partner" means a Limited Partner of the Partnership whose rights shall be governed in accordance with the terms of this Agreement, and, absent proof to the contrary, shall be the persons and/or entities who are identified as Class B Limited Partners on Exhibit A hereof, as amended from time to time as provided herein. As of the date of this Agreement, the Class B Limited Partners are the Anne S. Reich 1984 Revocable Trust and the Anne S. Reich 1977 Securities Trust #1.

3.10 "Code" means the Internal Revenue Code of 1986, as amended, together with the Income Tax Regulations ("Regulations") thereunder.

3.11 "Consent" means either the written consent of a Partner, or the affirmative vote of such Partner at a meeting duly called and held pursuant to this Agreement, as the case may be, to do the act or thing for which the consent is required or

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solicited, or the act of granting such consent, as the context may require. Reference to the consent of a stated percentage in Interest of the Partners (or a class of Partners) means the consent of so many of the Partners (or Partners of such class) not then in default whose combined Interests represent such stated percentage of the total Interests of the Partners not then in default, or such higher percentage as is required by applicable law. In the case of Royal American Development, Inc. and PFP Holdings, Inc., "Consent" shall mean the consent of the person named to represent the General Partner and the Class A Limited Partner, respectively, in the business and affairs of the Partnership. In the case of the Anne S. Reich 1977 Securities Trust #1 and the Anne S. Reich 1984 Revocable Trust, "Consent" shall mean the consent of the trustee of such trusts who is named to represent the trusts in the business and affairs of the Partnership. Stephen A. Bodzin, a Trustee of each such trust, is hereby designated to represent such trusts in the business and affairs of the Partnership.

3.12 "Construction Contract" means the agreement made between the Partnership and Royal American Construction Company, Inc. ("Construction Company") dated June 1, 1998, regarding the construction of the Project.

3.13 "Counsel" means the attorneys for the Partnership.

3.14 "Fiscal Year" means the accounting period (anticipated to be the 12 month period ending March 31) selected by the General Partner for use by the Partnership.

3.15 "Foreclosure Proceedings" means a bona fide petition or complaint against the Partnership filed by a secured lender or lien holder in any court of competent jurisdiction for foreclosure (or deed in lieu thereof) of the Project, or an agreement by the Partnership to provide a deed in lieu of foreclosure.

3.16 "General Partner" means Royal American Development, Inc., a State of Florida corporation, and any person or entity who shall hereafter become a General Partner of the Partnership in accordance with the terms of this Agreement. Royal American Development, Inc. shall be the Managing General Partner of the Partnership.

3.17 "Interest" or "Partnership Interest" means the percentage of ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of the Act, which percentage

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Interest for voting and certain other purposes of this Agreement shall, absent proof to the contrary, be as set forth on Exhibit A hereof, as amended from time to time as provided herein.

3.18 "IRS" means the Internal Revenue Service, a branch of the United States Department of the Treasury.

3.19 "Limited Partners" means those persons or entities who are Class A Limited Partners or Class B Limited Partners of the Partnership in accordance with the terms of this Agreement, and, absent proof to the contrary, shall be the persons and entities whose names are as set forth on Exhibit A hereof, as amended from time to time as provided herein.

3.20 "Majority-In-Interest" means Limited Partners owning at least 51% of the Interests in the Partnership.

3.21 "Management Agreement" means the agreement regarding the ongoing management of the Project to be entered into between the Partnership and Royal American Management, Inc.

3.22 "Net Cash Flow" means, with respect to any Fiscal Year or other accounting period selected by the General Partner, the sum of (i) all cash receipts of the Partnership from operations and all other sources, other than Capital Contributions and Capital Proceeds, (ii) the net proceeds of any insurance, other than title or fire and extended coverage insurance, and (iii) any other funds deemed available for distribution by the General Partner, including any amounts previously set aside as reserves from Net Cash Flow; less Partnership disbursements that are not funded with Capital Contributions or Capital Proceeds or Partnership reserves for (i) Operating Expenses, (ii) all required payments by the Partnership upon the principal and accrued interest of any obligations of the Partnership which are not payable to a Partner or an Affiliate, (iii) capital construction, acquisitions, alterations, improvements, replacements or other similar capital outlay items, and (iv) reserves or escrows for improvements, replacements, or repairs, or to meet anticipated expenses, as the General Partner shall deem necessary.

3.23 "Notice" means a writing containing the information required by this Agreement to be communicated to a person and personally delivered to such person or sent by registered or certified mail, postage prepaid, return receipt requested, to such person at the last known address of such person as shown on the books of the Partnership, the date of personal delivery, or the date of sending by registered or certified mail, as the case may be, being deemed the date of such Notice; provided, however, that any written communication containing such information

actually received by a person shall constitute Notice for all purposes of this Agreement.

3.24 "Operating Expenses" means all current reasonable costs and expenses of operation of the Project, including, without limitation, costs of payroll, taxes, insurance, maintenance, repairs, debt service (both principal and interest) which is not due to a Partner or an Affiliate, management fees paid pursuant to the Management Agreement, prepaid expenses, escrows and reserves required by any lender, costs of audit and preparation of financial reports and tax returns pursuant to this Agreement, and reasonable reserves to meet anticipated expenses, but excluding costs of formation of the Partnership and any other capital costs of the Partnership.

3.25 "Partners" means the General Partner and the Limited Partners.

3.26 "Project" means the Property and the apartment buildings and other improvements to be constructed on the Property.

3.27 "Property" means the parcel of land located in Tallahassee, Leon County, Florida, as more particularly described on Exhibit B hereto.

3.28 "Substitute Limited Partner" means any person who is an assignee or successor of a Limited Partner and is admitted to the Partnership pursuant to the provisions hereof.

3.29 "Tax Matters Partner" means the General Partner.

Section 4

Names and Addresses of Partners; Interests

4.1 The General Partner is Royal American Development, Inc., a State of Florida corporation. Its address and the Interest owned by it are as is set forth on Exhibit A. For purposes of this Agreement, the President (or such other duly authorized officer) of the General Partner shall represent the General Partner in the business and affairs of the Partnership.

4.2 The Class A Limited Partners of the Partnership shall be those persons or entities whose names, addresses and Interests are listed on Exhibit A hereto as the Class A Limited Partners and who shall have duly executed and acknowledged this Agreement or counterparts of this Agreement.

4.3 The Class B Limited Partners of the Partnership shall be those persons or entities whose names, addresses and Interests are listed on Exhibit A hereto as the Class B Limited Partners

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and who shall have duly executed and acknowledged this Agreement or counterparts of this Agreement.

4.4 Any Partner may change his address by Notice delivered to the General Partner.

4.5 For purposes of this Agreement, if any Limited Partner is not a natural person, any duly authorized officer, or trustee, or partner or other agent of such Limited Partner shall represent such Limited Partner in the business and affairs of the Partnership.

4.6 Each Partner who is not a natural person shall give Notice to the Partnership of the person duly authorized to act for such Partner in the business and affairs of the Partnership.

Section 5

Capital Contributions; Capital Accounts

5.1 The Capital Contribution of the General Partner is the amount initially contributed to the Partnership on its organization as reflected on the books and records of the Partnership and the original Exhibit A hereof.

5.2 The Capital Contribution of the Class A Limited Partner initially contributed to the Partnership on its organization is the amount reflected on the books and records of the Partnership and the original Exhibit A hereof. The Class A Limited Partner's Capital Contribution is the amount reflected on the books and records of the Partnership as adjusted prior to the date of this Agreement.

5.3 The Class B Limited Partners shall contribute to the capital of the Partnership the sum of \$2,372,000 as follows:

(a) The Capital Contribution of the Class B Limited Partners shall be paid in four (4) installments as follows:

(i) On or before December 31, 2000, the Class B Limited Partners shall pay \$1,000,000 as the initial Capital Contribution installment.

(ii) On or before March 15, 2001, the Class B Limited Partners shall pay \$500,000 as the second Capital Contribution installment.

(iii) On or before June 30, 2001, the Class B Limited Partners shall pay \$400,000 as the third Capital Contribution installment.

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(iv) On or before December 31, 2001, the Class B Limited Partners shall pay \$472,000 as the fourth and final Capital Contribution installment.

(b) Each Class B Limited Partner shall pay one-half (1/2) of each of the Capital Contribution installments required to be paid by the Class B Limited Partners.

(c) Payment of the third Capital Contribution installment by the Class B Limited Partner shall be subject to the prior receipt by the Class B Limited Partners of a Notice from the General Partner that the apartment Project is 85% leased to tenants of the Project.

(d) Payment of the fourth and final Capital Contribution installment by the Class B Limited Partners shall be subject to the prior receipt by the Class B Limited Partners of a Notice from the General Partner that the Apartment Project has been substantially completed in accord with the plans and specifications for the Project and that the apartment Project is 90% leased to tenants of the Project.

5.4 Upon request of any Partner or the assignee of any Partner, the books and records of the Partnership shall be adjusted to reflect that the Partnership will make a valid election under Section 754 of the Code, and the applicable Regulations thereunder.

5.5 A Capital Account shall be maintained for each of the Partners in accord with the provisions of this Section 5 and Section 1.704-1(b)(2)(iv) of the Regulations. Said Capital Account shall properly reflect the amount contributed by each Partner to the Partnership, including any adjustment authorized by the Code, as increased by (i) subsequent Capital Contributions (if any), (ii) his share of the profits of the Partnership, and (iii) his share of any other item of income or gain; and decreased by (i) all withdrawals and distributions chargeable to his Capital Account, and (ii) his share of all losses incurred by the Partnership and any deductions specially allocated to him under the terms of this Agreement.

5.6 (a) Except as otherwise specifically provided by this Agreement, whenever it is necessary to determine the Capital Account balance of any Partner for purposes of this Agreement, the Capital Account balance of such Partner shall be determined after giving effect to all allocations of income, gains, deductions and losses of the Partnership for the current year and all distributions for such year in respect to transactions effected prior to the time as of which such determination is to be made. However, if, pursuant to this Agreement or as may

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otherwise be required by the Code, any Partnership property is reflected on the books of the Partnership at a book value that differs from the adjusted basis of such property for income tax purposes, then for purposes of determining the Partners' Capital Account balances, all items of income, gain, loss, deduction and expenditure with respect to such property shall be computed based upon the book value of such property, and depreciation, amortization, and gain or loss shall be allocated or charged to the Partners' Capital Accounts in a manner consistent with such computation.

(b) Unless otherwise agreed by a Majority-In-Interest of the Limited Partners, an adjustment in the book value of all Partnership Property shall be made upon:

(i) Any contribution of money or other property (other than an insignificant amount) to the Partnership by a new or existing Partner as consideration for an Interest in the Partnership; or

(ii) Any distribution of money or other property (other than an insignificant amount) by the Partnership to a retiring or continuing Partner as consideration for the reduction of his Interest in the Partnership.

In any case in which an adjustment to the book value of any Partnership property is to be made, the fair market value of the Partnership property shall be determined by an independent appraiser selected by the General Partner or by such other method as the Limited Partners shall determine to be appropriate, and the Capital Accounts of the Partners shall be adjusted as though each item of the Partnership's property had been sold for its fair market value (or in the case of property encumbered by indebtedness as to which no Partner has any personal liability, the greater of the fair market value of such property or the amount of such indebtedness) and the gains and losses resulting from such sales had been credited or charged to the Capital Accounts of the Partners as provided in this Agreement.

(c) To the extent that any differences between the tax basis and book value of any item of Partnership property result in a variation between the depreciation, amortization, and gain or loss as computed for book purposes with respect to such property, the Capital Accounts of the partners shall reflect only the adjustments made for book purposes and the variation in such items for tax purposes shall be allocated among the Partners in a manner that takes into account the variation between the adjusted tax basis of Partnership property and its book value in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Partnership are taken into account in determining the Partners' shares of tax items under Section 704(c) of the Code.

5.7 A Partner shall not be entitled to withdraw any part of such Partner's Capital Account or Capital Contribution or to receive any distribution from the Partnership, except as specifically provided in this Agreement. There shall be no obligation to return to any Partner any part of such Partner's Capital Contributions to the Partnership for as long as the Partnership continues in existence.

5.8 Except as provided in Section 9.7 with respect to a priority distribution of Net Cash Flow to the Class B Limited Partners, no interest will be paid to any Partner on any capital contributed by such Partner to the Partnership.

5.9 Loans or advances by any Partner to the Partnership shall not be considered contributions to the capital of the Partnership and shall not increase the Capital Account balance of the lending or advancing Partner.

5.10 Any Partner who shall receive an Interest in the Partnership, or whose Interest in the Partnership shall be increased, by means of a transfer to such Partner of all or part of the Interest of another Partner shall have a Capital Account balance which reflects such transfer. Any Partner who shall acquire all or part of the Interest of any other Partner shall, with respect to the Interest so acquired, be deemed to be a Partner of the same class as his transferor.

5.11 The Limited Partners shall not be personally liable for any of the debts or obligations of the Partnership or be required to loan or contribute any capital to the Partnership in addition to the contributions required by the provisions of this Agreement, and upon payment in full of all Capital Contributions required hereunder, all such Interests shall be fully-paid and nonassessable.

5.12 Except as otherwise provided herein, the General Partner shall not be required to contribute any capital to the Partnership in addition to the amount stated in Section 5.1 as its Capital Contribution. In addition, as stated more fully in Sections 6.5 and 8.2, the General Partner shall have a right of indemnification from the Partnership from liability as General Partner for the debts, expenses, costs, losses, and liabilities of the Partnership.

5.13 (a) In the event that at any time (or from time to time) after construction of the Project has commenced additional

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funds are required by the Partnership (as determined by the General Partner in its sole discretion) for or in respect of its business or any of its obligations, expenses, costs, liabilities or expenditures (including without limitation of the generality of the foregoing, interest and principal payments, and Operating Expenses), the General Partner shall use its best efforts, for and on behalf of the Partnership, to borrow such funds from third parties (or from the Partners including the General Partner), on such terms and conditions and with such security as the General Partner may deem appropriate.

(b) The foregoing provisions of this Section 5.13 are not intended to be for the benefit of any creditor or other person (other than a Partner in his capacity as a Partner) to whom any debts, liabilities, or obligations are owed by (or who otherwise has a claim against) the Partnership or any of the Partners, and no such creditor or other person shall obtain any right under any such foregoing provision or shall by reason of any such foregoing provision make any claim in respect of any debt, liability, or obligation (or otherwise) against the Partnership or any of the Partners.

(c) Nothing contained in this Section 5.13 or otherwise in this Section 5 shall require the Class B Limited Partners, in their capacity as such, to lend or contribute capital beyond the amounts stated in this Agreement.

Section 6

Control and Management; Indemnity Against Certain Acts

6.1 The General Partner, which shall be the Managing General Partner, to the exclusion of all other Partners, shall have full, exclusive and complete authority and discretion in the management and control of the business of the Partnership for the purposes herein stated and for any other purpose or business which the Partnership may lawfully conduct, and shall make all decisions affecting the business of the Partnership. If the General Partner acts in contravention of its authority under this Agreement, it shall be liable to the Partnership for any

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liability the Partnership may suffer because of the General Partner's unauthorized acts. The General Partner shall manage and control the affairs of the Partnership to the best of its ability and shall use its best efforts to carry out the business and purposes of the Partnership as set forth in Section 2, and in connection therewith the powers of the General Partner shall include, but shall not be limited to, the power to perform all actions set forth in Section 2 hereof.

6.2 The validity of any transaction, agreement or payment involving the Partnership and the General Partner or any Affiliate of the General Partner, otherwise permitted by the terms of this Agreement or necessary or desirable in connection with the Partnership's business, shall not be affected by reason of such relationship between the Partnership and the General Partner or between the General Partner and such Affiliate. Any transaction between the Partnership and the General Partner or any Limited Partner shall be effected on such terms and conditions as are commercially reasonable and proper.

6.3 As additional rights and powers, the General Partner shall possess and may enjoy and exercise all of the rights and powers of general partners as more particularly provided by the Act, except to the extent any of such rights may be limited or restricted by the express provisions of this Agreement or the Act.

6.4 The General Partner shall exercise the powers granted hereby in a fiduciary capacity and in the best interests of the Partnership. Notwithstanding the generality of the powers granted hereby, the General Partner shall not have any authority to:

- (a) Do any act in contravention of this Agreement;
- (b) Do any act not specifically authorized herein which would make it impossible to carry on the ordinary business of the Partnership;
- (c) Possess Partnership property or assign the rights of the Partnership in specific property for other than a Partnership purpose;
- (d) Admit a person as a general partner or a limited partner of the Partnership, except in accordance with this Agreement;

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(e) Continue the business with the Partnership property after the withdrawal or removal of the General Partner named herein or its adjudication of bankruptcy or insolvency;

(f) Change or extend the purposes of the Partnership; or change or reorganize the Partnership into any other legal form;

(g) Confess a judgment against the Partnership; or

(h) Require the Limited Partners to make any contribution to the capital of the Partnership or make any loans or other commitments to the Partnership not provided for herein.

6.5 The General Partner and Affiliates of the General Partner with whom it may contract on behalf of the Partnership, their designees and nominees shall not be liable to the Partnership, nor to the Limited Partners for, and, to the extent of its assets, the Partnership shall indemnify such parties against liability (including fees and expenses of counsel and court costs) resulting from errors in judgment or any acts or omissions, performed or made by them in a manner reasonably believed by them to be within the scope of their authority under this Agreement, unless caused by their own willful misconduct or gross negligence.

6.6 During the continuance of the Partnership, the General Partner and Affiliates of the General Partner with whom it may contract on behalf of the Partnership shall devote such of their time to the business and affairs of the Partnership as they may, in their sole discretion, deem to be necessary to conduct said business. The General Partner and its Affiliates may engage in, for their own account and for the account of others, any business ventures, including the purchase of real estate properties, the development, operation, management or syndication of real estate properties (for their own account or on behalf of other partnerships, joint ventures, corporations or other entities in which they have an interest) whether or not such other properties may be in competition with the Project, and the Partnership and its Partners shall have no right to participate therein. Any Partner may engage in and/or possess any interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property; and neither the Partnership nor any Partner hereof shall have any rights in or to any such independent venture or the income or profits derived therefrom.

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6.7 The General Partner shall not be liable for the return of any portion of the Capital Contributions of the Limited Partners. The General Partner does not in any way guarantee the return of the Capital Contributions of the Limited Partners or profit from the operations of the Partnership or the investment by the Partnership in the Project.

Section 7

Undertakings of the General Partner

7.1 Except as otherwise may be provided in this Agreement, the General Partner shall have the sole and absolute discretion in the operation and management of the property and affairs of the Partnership. The General Partner shall be deemed to be the Managing General Partner of the Partnership.

7.2 The General Partner shall provide ongoing services on behalf of the Partners. These services shall include, but shall not be limited to, the following:

(a) The General Partner or its Affiliate shall supervise the management services to be provided by Royal American Management, Inc. in accord with the Management Agreement to be entered into between Royal American Management, Inc. and the Partnership pursuant to Section 8.3(b) of this Agreement.

(b) The General Partner shall provide general supervisory management and administrative services to the Partnership (i.e., operate the business of the Partnership, enter into contracts and agreements, including the Construction Contract, on behalf of the Partnership, supervise and manage the construction of the Project, etc.).

(c) The General Partner shall cause the Partnership to enter into and comply with the terms of the Management Agreement and the Construction Contract provided for in Section 8.3, shall oversee the operation of the terms of such agreements, and shall cause the Partnership to pay all of the fees set forth in Section 8.3 of this Agreement as required under the terms of this Agreement and each of the agreements set forth in Section 8.3.

7.3 If, at any time, the General Partner deems it to be in the best interest of the Partnership to sell, assign, transfer, pledge, mortgage or hypothecate the Project or any Interests in the Partnership, or to refinance the indebtedness of the Partnership which is secured by the mortgage encumbering the Project, the General Partner shall use its best efforts to effect

such transaction on the best terms available. Notwithstanding the foregoing, before the General Partner may effect any such sale, assignment, transfer, pledge, mortgage, hypothecation or refinancing, it must first obtain the Consent of all of the Limited Partners to such sale, assignment, transfer, pledge, mortgage, hypothecation or refinancing.

Section 8

Compensation and Fees

8.1 The General Partner shall not be paid any salary or other compensation for serving as General Partner of the Partnership.

8.2 (a) The General Partner shall be entitled to be reimbursed by the Partnership for all reasonable out of pocket costs and expenses, including legal and auditing fees and expenses; other fees and expenses of agents and advisors; costs of insurance; expenses connected with distributions to and communications with the Partners and the bookkeeping and clerical work necessary in maintaining relations with the Partners, including the costs incurred by the General Partner, or its Affiliates, in printing and mailing checks, statements, and reports; and any other reasonable expenses which might be incurred in connection with Partnership business.

(b) Any Partner who incurs or guarantees any debt or obligation for or of the Partnership in the manner provided for herein shall be entitled to be reimbursed by the Partnership for all reasonable out-of-pocket costs and expenses incurred by such Partner, including interest and financing costs, expenses of agents and advisors, legal and accounting fees and other reasonable costs and expenses.

8.3 In addition to the fees and payments hereinabove described in Sections 8.1 and 8.2, the Partnership shall enter into the following agreements and shall pay the following fees to the General Partner or Affiliates of the General Partner for services provided or to be provided by such Affiliates:

(a) The General Partner has caused the Partnership to enter into a Construction Contract with Royal American Construction Company, Inc. to provide for the construction of the Project. The terms of the Construction Contract shall provide that the Partnership will pay to Royal American Construction Company, Inc., a fixed price of \$15,382,500 (\$14,650,000 of hard costs and a construction fee of \$732,500).

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(b) The General Partner shall cause the Partnership to enter into a Management Agreement with Royal American Management, Inc. to provide ongoing services in connection with the rent-up, operations, administration and management of the Partnership and the Project. The terms of the Management Agreement shall provide that the Partnership will pay a management fee to Royal American Management, Inc. for such services to the Partnership and the Project. In addition, Royal American Management, Inc. shall be paid an Incentive Management Fee equal to 50% of the Net Cash Flow of the Partnership in excess of \$450,000. Such Incentive Management Fee shall be paid only after the Partners have received distributions of the annual Net Cash Flow of the Partnership equal to \$450,000.

Section 9

Allocation of Income, Losses and Gains; Distributions

9.1 After giving effect to the special allocations set forth in Sections 9.4 through 9.6, the income and profits of the Partnership shall be shared, and the losses of the Partnership shall be borne, by the Partners, in the following manner:

(a) In any Fiscal Year in which the Partnership incurs a net loss, that net loss shall be allocated among the Partners, pro rata, in proportion to their respective Partnership Interests. If in any Fiscal Year the allocation of any part of a net loss of the Partnership to a Limited Partner is limited by the application of any provision hereof or Section 1.704-1(b) of the Regulations, any such net loss so limited shall be allocated to the General Partner.

(b) In any Fiscal Year in which the Partnership realizes a net profit from ordinary operations, that net profit shall be allocated as follows:

(i) First, if any Net Cash Flow is distributed to the Class B Limited Partners, an amount of the net profit equal to the lesser of (A) the entire Net Profit, or (B) the amount of Net Cash Flow distributed to the Class B Limited Partners under Section 9.7(a), shall be specially allocated to the Class B Limited Partners in proportion to the amounts of Net Cash Flow distributed to the Class B Limited Partners under Section 9.7(a).

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(ii) Second, if any Net Cash Flow is distributed to the Class A Limited Partner and the General Partner, an amount of the net profit equal to the lesser of (A) the net profit remaining after the allocation provided in Section 9.1(b)(i), or the amount of Net Cash Flow distributed to the Class A Limited Partner and the General Partner under Section 9.7(b), shall be specially allocated to the Class A Limited Partner and the General Partner in proportion to the amounts of Net Cash Flow distributed to each of them under Section 9.7(b).

(iii) Third, an amount of the net profit equal to the lesser of (A) the net profit remaining after the allocation provided for in Section 9.1(b)(ii), or (B) the amount of any Partnership net losses specially allocated to the General Partner pursuant to the second sentence of Section 9.1(a), shall be specially allocated to the General Partner until the cumulative amount of net profit allocated to the General Partner in the current and all prior fiscal years under this Section 9.1(b)(iii) equals the cumulative amount of Partnership net losses specially allocated pursuant to the second sentence of Section 9.1(a).

(iv) Last, the balance of the net profits of the Partnership shall be allocated among the Partners pro rata, in proportion to their respective percentages of Partnership Interest.

9.2 (a) After giving effect to the special allocations set forth in Sections 9.4 through 9.6, the gain realized by the Partnership on the sale or other disposition of all or substantially all of the Partnership's property in a single transaction or from any other capital transaction of the Partnership shall be allocated among the Partners in the following manner:

(i) First, such gain shall be allocated to the General Partner to the extent required to offset any Partnership net losses specially allocated to the General Partner pursuant to the second sentence of Section 9.1(a) until the cumulative amount of gain and net profit allocated to the General Partner in the current and all prior Fiscal Years under this Section and Section 9.1(b)(iii) equals the cumulative amount of Partnership net losses allocated pursuant to the last sentence of Section 9.1(a).

(ii) Second, any gain in excess of the amount required to be allocated to the General Partner pursuant to Section 9.2(a)(i) shall be allocated to those Partners whose Capital Account balances are disproportionate to their Interests in the Partnership in an amount determined by the Accountants to be necessary to make the Capital Accounts of all Partners proportionate to their Interests in the Partnership.

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(iii) Last, the balance of any gain in excess of the amounts required to be allocated to the Partners pursuant to Sections 9.2(a)(i) and 9.2(a)(ii) shall be allocated to the Partners pro rata, in proportion to their respective percentages of Partnership Interest.

(b) After giving effect to the special allocations set forth in Sections 9.4 through 9.6, the losses realized by the Partnership on the sale or other disposition of all or substantially all of the Partnership's property in a single transaction or from any other capital transaction of the Partnership shall be allocated to all Partners, pro rata according to their respective Partnership Interests.

9.3 Income, profits, gains, losses, deductions, and credits allocated to a Partnership Interest assigned or reissued during a Fiscal Year of the Partnership shall be allocated to the persons who were the holders of such Interest during such Fiscal Year, in proportion to the number of days that each such holder was recognized as the owner of such Interest during such Fiscal Year or in any other proportion permitted by the Code and selected by the General Partner, without regard to the results of Partnership operations during the period in which each such holder was recognized as the owner of such Interest during such Fiscal Year, and without regard to the date, amount or recipient of any distributions which may have been made with respect to such Interest; provided, however, that this provision shall not be applicable to a gain or loss on the sale or other disposition of all or any substantial portion of the Partnership property or to any other extraordinary non-recurring items.

9.4 (a) Any increase or decrease in the amount of any item of income, profits, gains, losses, deductions, or credits attributable to an adjustment to the basis of Partnership assets made pursuant to a valid election under Sections 732, 734, 743, and 754 of the Code, and pursuant to corresponding provisions of applicable state and local income tax laws, shall be charged or credited, as the case may be, and any increase or decrease in the amount of any item of credit or tax preference attributable to any such adjustment shall be allocated, to those Partners entitled thereto under such laws.

(b) If any Partner transfers all or part of his Partnership Interest at a profit, any basis adjustment, pursuant to the election under Section 754 of the Code (or pursuant to Section 732 of the Code if the transfer results in termination of the Partnership under Section 708 of the Code), shall be allocated solely to the transferee, and any gain, loss, or depreciation shall be allocable in a manner to reflect such basis adjustment.

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(c) Notwithstanding the provisions of Sections 9.1(a) and 9.1(b) or 9.2(a) and 9.2(b), if the tax basis of any property contributed, or treated under the Code as contributed, to the Partnership by any Partner is more or less than the amount credited to the Capital Account of the contributing Partner, for federal or state income tax purposes, the gain or loss of the Partnership upon the sale or other disposition of such property shall be first allocated to the Partner who contributed such property to the Partnership in the manner provided by Code Section 704(c) and the Regulations thereunder taking into account the adjustments made to the adjusted tax basis of such property from the time of contribution to the time of sale or other disposition of such property.

(d) Notwithstanding anything to the contrary in this Section 9, to the extent that any amounts are paid or accrued to a Partner for services performed in a Partnership capacity or for the use of capital by the Partnership, and are measured by Partnership income within the meaning of Code Sections 707(a) or 707(c), respectively, such amount shall be treated as a distribution of Partnership income to the Partner receiving such fee and an equal amount of taxable income of the Partnership shall be specially allocated to such Partner.

(e) If, under any circumstances, the Capital Account of a Limited Partner is unexpectedly reduced to a negative balance by reason of an adjustment, allocation, or distribution described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Income Tax Regulations, then, notwithstanding any other provision of this Agreement, all income and gain realized by the Partnership shall be allocated exclusively to such Limited Partner until such Limited Partner's negative Capital Account balance which resulted from such adjustment, allocation or distribution is offset in full. This provision is intended as a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii)(d) of the Income Tax Regulations and shall be construed so as to give effect to that intention.

(f) Any Partner Loan Nonrecourse Deductions (as defined in Section 9.6 hereof) for any Fiscal Year or other period shall be allocated to the Partner who bears the risk of loss with respect to the loan to which such Partner Loan Nonrecourse Deductions are attributable in accordance with Section 1.704-1(b)(4)(iv)(g) of the Regulations (or, if applicable, Section 1.704-1(b)(4)(iv)(h) of the Regulations).

9.5 Notwithstanding anything contained in this Agreement to the contrary, if and to the extent that there is a net decrease in Partnership Minimum Gain, as computed pursuant to the provisions of Regulations Section 1.704-1(b)(4)(iv)(e), during the Fiscal Year (or portion thereof), or if the amount allocable

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pursuant to this Section 9.5 in prior Fiscal Years is less than the net decrease in Partnership Minimum Gain in such prior Fiscal Years, and if any Limited Partner would otherwise have a deficit Capital Account balance at the end of such Fiscal Year (after giving effect to all other adjustments to the Limited Partner's Capital Account with respect to such Fiscal Year) such Limited Partner shall be specially allocated, before any other allocation is made under this Agreement, income or gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in the amount and in the proportions sufficient to eliminate such deficits as quickly as possible, in the manner set forth in the provisions of Regulations Section 1.704-1(b)(4)(iv)(e). This Section 9.5 is intended to comply with the Minimum Gain Chargeback requirement provided in the provisions of Regulations Section 1.704-1(b)(4)(iv)(e) and shall be interpreted consistently therewith.

9.6 (a) The allocations set forth in Sections 9.1, 9.2, 9.4, and 9.5 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Section 1.704-1(b). Notwithstanding any other provisions of this Section 9 (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Regulatory Allocations had not occurred. Notwithstanding the preceding sentence, Regulatory Allocations relating to (a) nonrecourse deductions (as defined in Section 1.704-1(b)(4)(iv)(b) of the Regulations) shall not be taken into account except to the extent that there has been a reduction in Partnership Minimum Gain, and (b) Partner Loan Nonrecourse Deductions shall not be taken into account except to the extent that there would have been a reduction in Partnership Minimum Gain if the loan to which such deductions are attributable were not made or guaranteed by a Partner within the meaning of Section 1.704-1(b)(4)(iv)(g) (or, if Section 1.704-1(b)(4)(iv)(h) of the Regulations becomes applicable to the Partnership, a person related to a Partner within the meaning of such section of the Regulations). For purposes of this Section 9, Partner Loan Nonrecourse Deductions means any Partnership deductions that would be nonrecourse deductions if they were not attributable to a loan made or guaranteed by a Partner within the meaning of Section 1.704-1(b)(4)(iv)(g) of the Regulations (or, if applicable, Section 1.704-1(b)(4)(iv)(h) of the Regulations).

(b) The General Partner shall have reasonable discretion, with respect to each Partnership Fiscal Year, to (i) apply the provisions of Sections 9.4, 9.5 and 9.6 hereof in whatever order is likely to minimize the economic distortions

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that might otherwise result from the Regulatory Allocations, and (ii) divide all allocations pursuant to Sections 9.4, 9.5 and 9.6 hereof among the Partners in a manner that is likely to minimize such economic distortions.

9.7 Net Cash Flow available from operations shall be distributed by the General Partner in the following manner:

(a) First, to pay to the Class B Limited Partners a noncumulative annual amount of \$142,320, pro rata, according to their respective Class B Limited Partnership Interests. This priority distribution to the Class B Limited Partners shall not begin until the Fiscal Year beginning April 1, 2001.

(b) Second, to pay to the General Partner and the Class A Limited Partner a noncumulative annual amount of \$142,320, pro rata, according to their respective General Partner and Class A Limited Partnership Interests. This priority distribution to the General Partner and the Class A Limited Partner shall not begin until the Fiscal Year beginning April 1, 2001.

(c) Third, the next \$165,360 of Net Cash Flow shall be distributed to all Partners, pro rata, according to their respective Partnership Interests.

(d) Last, the remaining Net Cash Flow in excess of \$450,000 shall be divided into two (2) equal parts. The first part shall be paid to the Management Agent as an Incentive Management Fee in accord with the provisions of Section 8.3(b). The second equal part of the remaining Net Cash Flow shall be distributed to all Partners, pro rata, according to their respective Partnership Interests.

9.8 Capital Proceeds received by the Partnership shall be distributed in the following manner:

(a) First, an amount of such Capital Proceeds shall be paid to those Partners who have positive Capital Account balances, in the amount of their positive Capital Account balances, pro rata, based upon the aggregate positive Capital Account balances of all Partners, until the Capital Account balances of all Partners are reduced to zero.

(b) Second, the balance of any Capital Proceeds shall be distributed to the Partners, pro rata, according to their respective Partnership Interests.

9.9 The amount and timing of any Partnership distribution, whether Net Cash Flow or Capital Proceeds, shall be

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in the sole discretion of the General Partner and may be paid out in any manner which the General Partner deems reasonable.

Section 10

Rights and Obligations of Limited Partners

10.1 The Limited Partners shall not participate in the management or control of the Partnership's business, nor shall they transact any business for the Partnership, nor shall they have power to sign for or bind the Partnership. Said powers are vested solely and exclusively in the General Partner. Except as they may specifically agree herein, the Limited Partners shall not be bound by, nor be personally liable for, the expenses, liabilities or obligations of the Partnership, except to the extent of their respective Capital Accounts and except that the Limited Partners may be required to return, with interest, cash distributions charged against their Capital Accounts in order to repay debts incurred by the Partnership to a creditor who extended credit prior to such distribution. The Interests owned by the Limited Partners, after payment of the full Capital Contribution agreed to be made, shall be fully paid and nonassessable.

10.2 In addition to those provided in the Act, the Limited Partners shall have the following rights, powers, privileges, duties and liabilities:

(a) The Limited Partners shall have the right to have full and true information of all things affecting the Partnership, and shall be entitled to such reports as are provided for in this Agreement.

(b) The Limited Partners shall have the right to demand the return of their Capital Account balances in cash only on the dissolution and winding up of the Partnership. The Limited Partners shall not have the right to bring an action for partition against the Partnership.

(c) The Limited Partners or their duly authorized representative shall be entitled, upon written request and for any proper purpose, to review the records of the Partnership at reasonable times and at the location where such records are kept by the Partnership.

(d) The Limited Partners shall have the right to vote on any of the matters provided for in Section 7.3, and, without the Consent of all of the Limited Partners, the General

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Partner shall not effect any such matters provided for in Section 7.3.

(e) Any Limited Partner, upon written request to the General Partner, and upon reasonable notice, shall have the right to request the General Partner to call a meeting of all of the Partners for informational purposes. Such meeting shall be held in the offices of the Partnership, or at such other convenient place as is designated by the General Partner, not less than five (5) nor more than thirty (30) days after receipt of such request by the General Partner.

(f) The Limited Partners acting by a vote of Limited Partners holding sixty-seven percent (67%) of the Interests shall have the right to remove the General Partner. In the event of any such removal, the General Partner who is removed (i) shall become a Limited Partner and the Interest of the removed General Partner shall be converted into a Limited Partnership Interest; and (ii) shall remain liable to the Partnership and the Limited Partners for any obligations or damages of the Partnership (including reasonable attorney's fees) incurred while he or she was the General Partner.

10.3 By executing this Agreement, the Limited Partners ratify, adopt, accept, and agree to be bound by all of the terms and provisions of this Agreement and to perform all obligations herein imposed upon the Limited Partners with respect to the Interests acquired. Each Limited Partner hereby represents and warrants to the Partnership and the General Partner as follows:

(a) He has adequate means of providing for his current needs and possible personal contingencies, and that he has no need now, and anticipates no need in the foreseeable future, to sell the Interest which he has acquired in the Partnership.

(b) Immediately prior to his execution of this Agreement and the acquisition of his Interest, he has such knowledge and experience in financial and business matters that he was capable of evaluating the merits and risks of an investment in the Partnership.

(c) He (or his designated representative) has received and read and is familiar with this Agreement, and each Limited Partner confirms that all documents, records, and books pertaining to his investment in the Partnership have been made available to him.

(d) He has had an opportunity to ask questions of and receive answers from the General Partner, or any person or

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persons acting on behalf of the General Partner, concerning the terms and conditions of his investment in the Partnership, and all such questions have been answered to the full satisfaction of each Limited Partner.

(e) The Interest which each Limited Partner has acquired in the Partnership was acquired for his own account for investment and not with the view towards redistribution in a manner which would require registration under the Securities Act of 1933, and each Limited Partner does not presently have any reason to anticipate any change in his circumstances or other particular occasion or event which would cause him to sell his Interest.

(f) Each Limited Partner further represents that (i) those individuals with whom he has dealt in connection with his investment in the Partnership have directed his attention to the fact that ownership of his Interest in the Partnership involves a high degree of risk, and (ii) no assurances are or have been made regarding the tax advantages or other tax aspects (e.g., tax allocations or maintenance of Capital Accounts in the manner provided in this Agreement) which may inure to the benefit or detriment of the Limited Partners nor has any assurance been made that existing tax laws and regulations will not be modified in the future or interpreted in a manner different than contemplated by the General Partner or its counsel, thus denying to the Limited Partners all or a portion of the tax benefits which may presently be available under existing tax laws and regulations.

(g) Each Limited Partner understands that the financial and tax projections he has reviewed with respect to the Project were for illustration purposes only, and no assurances were given that actual results will correspond with the results contemplated in any such financial and tax projections.

(h) Each Limited Partner is an "accredited investor" as defined in 17 CFR 230.501(a) ["Regulation D"].

Section 11

Transfer of Partner's Interest; Withdrawal of the General Partner

11.1 Except as provided in Section 11.5, the Limited Partners may not assign their Interests in the Partnership to any person, in whole or in part. If a permitted assignment of an Interest is made, it must be evidenced by an executed and acknowledged written instrument, and:

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(a) The proposed assignee must agree in writing to be bound by this Agreement and to assume the obligations of his transferor; and

(b) The General Partner must give its Consent to such assignment, which Consent may not be unreasonably withheld.

The assignment shall be recognized by the Partnership only as effective on the first day of the month following receipt by the Partnership of notice of the assignment unless the General Partner, in its sole discretion, elects to recognize the assignment as effective as of an earlier date. The Partnership may charge the assigning Limited Partner a transfer fee equal to the costs of effecting the transfer of such Interest.

11.2 (a) No assignee of the whole or any portion of a Limited Partner's Interest in the Partnership pursuant to Section 11.1 shall have the right to become a Substitute Limited Partner in place of his assignor unless all of the following conditions are satisfied:

(i) The fully executed and acknowledged written instrument of assignment which has been filed with the Partnership sets forth a statement of the intention of the assignor that the assignee become a Substitute Limited Partner in his place;

(ii) The assignor and assignee execute, adopt and acknowledge a counterpart of this Agreement and such other instruments as the General Partner may deem necessary or desirable to effect such admission, including, without limiting the General Partner from requiring more -- (A) this Agreement; and (B) a power of attorney, the form and content of which shall be provided by the General Partner;

(iii) Such transfer fee, referred to in Section 11.1, as may be charged shall have been paid to the Partnership;

(iv) The General Partner shall have given its consent to the assignment pursuant to Sections 11.1(b) and 11.3; and

(v) An amendment to this Agreement and such other filings as are required by Florida law evidencing the admission of such person as a Limited Partner shall have been filed for recording.

(b) The General Partner may elect to treat an assignee who has not become a Substitute Limited Partner as a Substitute Limited Partner, in the place of his assignor, should the General Partner deem, in its sole discretion, that such

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treatment is in the best interest of the Partnership or for any of its purposes under this Agreement.

(c) The General Partner shall be required to promptly amend this Agreement to reflect the substitution of Limited Partners. Until this Agreement is so amended, an assignee shall not become a Substitute Limited Partner.

(d) For the purpose of allocating income, profits, gains, losses, deductions and credits and distributing Net Cash Flow of the Partnership between transferors and transferees, as otherwise set forth in Section 9 of this Agreement, a Substitute Limited Partner shall be treated as having become a Partner upon his signing of this Agreement.

(e) If a Limited Partner assigns his Interest, he must evidence his intention that his proposed assignee be admitted as a Substitute Limited Partner in his place and execute any instruments reasonably required in connection therewith by the General Partner.

11.3 The Consent of the General Partner to the proposed assignment of a Limited Partner's Interest and/or the substitution of his assignee as a Substitute Limited Partner may be conditioned upon receipt of (i) an opinion of counsel for the Partnership that such transfer would not cause the Partnership to be treated as an association taxable as a corporation rather than a partnership for federal income tax purposes, cause the termination of the Partnership for federal income tax purposes or violate the provisions of any federal or state securities laws; and (ii) evidence that the proposed assignee meets any applicable net worth, income or other requirements of any federal or state securities laws and regulations applicable to him. Notwithstanding the preceding provisions of this Section 11.3, no such Consent may be so conditioned with respect to a proposed transfer by either original Class B Limited Partner.

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11.4 If an assignee of a Limited Partner pursuant to Section 11.1 does not become a Substitute Limited Partner pursuant to Section 11.2, the Partnership shall not recognize the assignment, and the assignee shall not have any rights exercisable against the Partnership to receive any portion of the share of income, profits, gains, losses, deductions, credits and distributions of the Partnership to which the Limited Partner would have been entitled if no such assignment had been made by such Limited Partner. Any such income, profits, gains, losses, deductions, credits and distributions shall continue to be allocated as if there were no assignment; provided, however, that the Partnership may, in the sole discretion of the General Partner, allocate and distribute the assignor Limited Partner's share of income, profits, gains, losses, deductions, credits and

distributions directly to such assignee in full satisfaction of the assignor Limited Partner's rights to such allocations and distributions. Further, an assignee who does not become a Substitute Limited Partner has no right to require any information on account of the Partnership's business or to inspect the Partnership's books, and he has no right to vote.

11.5 Subject to the provisions of Sections 11.1 and 11.2, a Limited Partner may transfer, alienate, assign, give, bequeath or otherwise dispose of all or any portion of his Partnership Interest, whether voluntarily or by operation of law, to the transferor's parent or parents, brothers or sisters, spouse, naturally or legally adopted children or issue, if applicable, or to an inter vivos or testamentary trust primarily for the benefit of any of the aforesaid related persons, or to a beneficiary of a trust that is a Limited Partner, or to a Partner of a partnership that is a Partner or to a Partnership of which he is a partner, or to a corporation, foundation or other organization described in Section 501(c)(3) of the Code; provided, however, that each such transfer or other disposition shall be expressly conditioned upon each such transferee or his or its legal representative acknowledging in writing to the Partnership, either prior to or at the time of such transfer, that he or it shall be similarly bound by this Agreement to the same extent as his or its transferor.

11.6 (a) Notwithstanding the provisions of Sections 11.1 and 11.2, a Limited Partner may, by written instrument, designate any person or entity to become the assignee of all or a portion of his or its Interest immediately upon his or its dissolution, death or legal incapacity. Such an assignee, if then living, will become a Substitute Limited Partner immediately upon the assignor's dissolution, death or legal incapacity without the requirement of any action on the part of the legal representatives or estate of such Limited Partner; and such legal representatives or the estate of such Limited Partner shall have no Interest whatsoever in the Partnership; provided, however, that (i) the estate or other legal successor in interest of the dissolved, deceased or legally incapacitated Limited Partner shall remain liable for any unpaid Capital Contribution and other personal obligations of such Limited Partner pursuant to this Agreement, and (ii) such an assignee is duly recognized by the Partnership pursuant to this Section. Any such designation must be in writing and filed with and approved by the General Partner during such Limited Partner's lifetime or legal existence. Such designation may be revoked from time to time and a new designation made and filed with and approved by the General Partner. The Partnership may recognize such designated assignee as a Substitute Limited Partner but only if (i) duly notified in writing of the dissolution, death, or legal incapacity of the assignor Limited Partner; (ii) furnished with a legal opinion

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paid for by the assignor, his or its estate or legal representatives, which is acceptable to the General Partner to the effect that such designation is valid under all applicable laws, including the laws of assignment, estate and intestate succession; and (iii) the requirements of Section 11.2(a) are met.

(b) If a Limited Partner does not designate a person to become an assignee of his or its Interest upon his or its death, dissolution or legal incapacity pursuant to Section 11.6(a), then upon his or its death, dissolution or legal incapacity, the personal representative or other legal successor in interest of the Limited Partner shall have all of the rights of a Limited Partner for the purpose of settling or managing his or its estate or affairs, as the case may be, and such power as the decedent or legally incapacitated Limited Partner possessed to constitute a successor as a proposed assignee of his or its Interest in the Partnership and to join with such proposed assignee in making application to substitute such proposed assignee as a Substitute Limited Partner pursuant to Sections 11.1 and 11.2.

(c) The death, dissolution or legal incapacity of a Limited Partner shall not dissolve the Partnership.

11.7 Upon the dissolution, cessation, bankruptcy or insolvency of a Limited Partner which exists as a legal entity in the form of a trust, corporation, partnership or other non-individual entity, the authorized representative of such entity shall have all the rights of the Limited Partner for the orderly winding up and disposition of the business of such entity as it relates to the Partnership, which rights include the power of such authorized representative to constitute a successor, as a proposed assignee of such entity's Interest, and to join with such entity in making application to substitute such proposed assignee as a Substitute Limited Partner pursuant to Sections 11.1 and 11.2.

11.8 (a) Without the unanimous Consent of all other Partners, the General Partner shall have no right to assign or transfer its Interest. At any time, if there shall be only one General Partner, that General Partner shall have no right to assign all or any part of his or its General Partner Interest without the unanimous Consent of the Limited Partners. Upon the attainment of such Consent, such assignee of all or part of the General Partner's Interest shall be admitted to the Partnership as a substitute or additional General Partner upon compliance with the same conditions as are set forth in Section 11.2(a) for the substitution of a Limited Partner in place of the assignor of a Limited Partner Interest. In the event of such assignment, the sole remaining General Partner, if any, and the substitute or

additional General Partner(s) shall execute and file for recordation in the appropriate governmental offices in the State of Florida such documents as may be required to effect the substitution, including an amendment to this Agreement. However, assignment of an Interest by the General Partner shall not relieve the General Partner of any debts or obligations incurred prior to the date of such assignment.

(b) The General Partner shall have the right to retire or withdraw from the Partnership with the Consent of the Limited Partners. In the event of such a resignation or withdrawal, the provisions of Section 11.9(b) shall apply. If the General Partner purports to resign or withdraw from the Partnership in violation of the foregoing provision, it shall remain liable for the debts, obligations, and liabilities of the Partnership to the same extent as if it had not purported to resign or withdraw and, in addition, shall be liable to the Partnership and the Partners for any damages (including counsel fees) sustained by reason of such purported resignation or withdrawal.

11.9 Upon the retirement, withdrawal, removal, bankruptcy, dissolution, death, disability, insanity or legal incapacity of a General Partner, if there is a remaining General Partner, then:

(a) The business of the Partnership shall be continued with the Partnership property by the remaining General Partner (and the other General Partner, by execution of this Agreement, expressly so agrees to continue the business of this Partnership);

(b) The General Partner as to whom such event occurs shall immediately cease to be a General Partner and his or her Interest shall be converted to that of a Limited Partner; provided, however, that such termination shall not affect any rights, obligations or liabilities of such General Partner existing prior to such event (whether or not such rights, obligations or liabilities were known or had matured);

(c) The remaining General Partner shall immediately (i) give Notice to the Limited Partners of the occurrence of such event; and (ii) make such amendments of this Agreement and execute and file for recordation in the appropriate offices in the State of Florida such amended Certificate, Agreement, or other instruments as are necessary to reflect such General Partner having ceased to be a General Partner; and

(d) The remaining General Partner shall become the General Partner.

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11.10 Upon the retirement, withdrawal, removal, bankruptcy, dissolution, termination, liquidation, death, disability, insanity or legal incapacity of the sole remaining General Partner, the Partnership shall be dissolved unless the Limited Partners, within six (6) months subsequent to any such event, elect to continue the business of the Partnership and designate another person or entity to serve as general partner who consents to and accepts such designation in accordance with this Agreement as of the date of the event necessitating such action. In such event the reconstituted Partnership shall succeed to and continue the business of the Partnership, and Section 11.9(b) shall apply with respect to the General Partner and his Interest.

Section 12

Dissolution and Winding Up

12.1 The Partnership shall continue for the term of the Partnership as provided in Section 2.4, or until dissolution occurs prior to that date for any one of the following reasons:

(a) An election to dissolve the Partnership made in writing by the General Partner and a Consent by all of the Limited Partners;

(b) The sale, exchange or other disposition of all or substantially all of the property of the Partnership; provided, however, that if the Partnership receives a purchase money mortgage or other evidence of indebtedness in connection with such a sale, the Partnership will continue until such mortgage or other indebtedness is satisfied, sold or otherwise disposed of;

(c) In accordance with Section 11.10, the retirement, withdrawal, removal, bankruptcy, dissolution, termination, liquidation, death, disability, insanity or legal incapacity of the sole remaining General Partner; or

(d) Any other event which under Florida law would cause the dissolution of the Partnership.

12.2 Upon dissolution of the Partnership, the General Partner shall retain all powers of a General Partner of the Partnership for purposes of winding up the affairs of the Partnership. The General Partner shall make a full accounting of Partnership assets and liabilities, shall cause the Partnership assets to be liquidated, and any Capital Proceeds derived therefrom shall be allocated and distributed as elsewhere provided in this Agreement.

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JACKSONVILLE, FLORIDA

12.3 Notwithstanding any other provisions of this Section 12, in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b) (2) (ii) (g) but no liquidating event as described in Section 12.1(a) has occurred, the Property and other assets of the Partnership shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed the Property and other assets of the Partnership in kind to the Partners, who shall be deemed to have assumed and been subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the Partners shall be deemed to have recontributed the Property and other assets of the Partnership in kind to the Partnership, which shall be deemed to have assumed and taken such Property and other assets subject to all such liabilities.

Section 13

Power of Attorney

13.1 The Limited Partners hereby irrevocably make, constitute and appoint the General Partner as their true and lawful attorney-in-fact and agent with full power and authority in their names, places and stead, to make, execute, sign, acknowledge, deliver, file and record with respect to the Partnership the following:

(a) All Certificates and Agreements, amended Certificates and Agreements or other instruments, including counterparts of this Agreement, which the General Partner deems appropriate to qualify or continue the Partnership as a limited partnership in each jurisdiction in which the Partnership conducts business;

(b) All instruments which the General Partner deems appropriate to reflect any change or modification of the Partnership or amendment of this Agreement made in accordance with the terms hereof, including the approval and substitution of assignees or transferees as Limited Partners;

(c) All conveyances and other instruments which the General Partner deems appropriate to effect, evidence and reflect any sales or transfers by, or the dissolution, termination and liquidation of, this Partnership, including any sales or transfer of Interests pursuant to the Agreement;

(d) All amendments and modifications of this Agreement deemed appropriate by the General Partner (i) to add to

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the representations, duties or obligations of the General Partner, or to surrender any right or power granted to the General Partner herein, for the benefit of the Limited Partners; (ii) to cure any ambiguity and to correct or supplement any provision herein which may be inconsistent with any other provision; (iii) to preserve the status of the Partnership as a "partnership" for Federal income tax purposes; (iv) to delete or add any provision of this Agreement required to be so deleted or added by the staff of the Securities and Exchange Commission, or any other Federal agency or by a state "Blue Sky" commission or official or similar such official, which addition or deletion is deemed by such Commission, agency or official to be for the benefit or protection of the Limited Partners; or (v) if such amendment is, in the opinion of counsel for the Partnership, necessary or appropriate to satisfy the requirements of Code Section 704(b) or the Regulations promulgated thereunder; and

(e) All such other instruments, documents and certificates which may from time to time be required by the Partnership, its mortgage lenders, the IRS, the State of Florida, the United States of America, or any political subdivision within which the Partnership conducts its business, to effectuate, implement, continue and defend the valid and subsisting existence of the Partnership as a limited partnership and to carry out the intention and purposes of this Agreement.

13.2 The foregoing powers of attorney granted are hereby declared to be irrevocable and a power coupled with an interest, and each such power of attorney shall survive the dissolution or legal incapacity of the granting Limited Partner and extend to such Limited Partner's successors and assigns or legal successors.

13.3 Notwithstanding any provision contained in Section 13.1, without the prior Consent of all Partners, no amendment to this Agreement shall change the Partnership to a general partnership, increase the commitments of the Limited Partners adversely affect the federal income tax classification of the Partnership or adversely affect the limited liability of the Limited Partners hereunder. Furthermore, except as otherwise provided herein, without the prior Consent of all Partners, this Agreement shall not be amended if the effect of such amendment would be to change the relative rights and interests of the Partners in the profits, Net Cash Flow, distributions of Capital Proceeds, or losses or deductions of the Partnership or their rights upon liquidation.

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JANUARY 2006

Section 14

Books of Account and Reports; Tax Matters

14.1 Proper books of account shall be kept wherein shall be entered all transactions, matters and things relating to the Partnership's business as are usually entered into books of account kept by persons engaged in a business of a like character. The General Partner shall have prepared at least once annually, at the Partnership's expense, the following reports and schedules:

(a) Financial statements of the Partnership, which, if not audited, shall be reviewed by the Accountants, containing a balance sheet and related statements of profit and loss and changes in financial position, prepared by the Accountants for the Partnership, on an annual basis using such methods of accounting as may be selected by the General Partner in its sole discretion, and such financial reports shall be furnished to all Partners; and

(b) For each Fiscal Year, the General Partner shall deliver to the Partners by July 15 of the following year (unless unavoidably delayed), a Schedule K-1 applicable to each Partner, showing the allocation of such profit and loss and deductions to that Partner for the preceding Fiscal Year, and a copy of the entire Form 1065.

14.2 The Partnership shall cause to be prepared and timely filed with appropriate federal and state regulatory and administrative bodies, all reports required to be filed with such entities under current applicable laws, rules and regulations. Such reports shall be prepared on the accounting or reporting basis required by such regulatory bodies.

14.3 (a) The General Partner is hereby designated pursuant to Code Section 6231(a)(7) as the Partnership's Tax Matters Partner ("TMP"), who is responsible for acting as the liaison between the Partnership and the IRS and as the coordinator of the Partnership's actions pursuant to an IRS tax audit of the Partnership. The General Partner shall continue to serve as TMP until the sooner to occur of the following events:

- (i) The Partnership is terminated;
- (ii) The General Partner ceases to be the General Partner of the Partnership or resigns as TMP; or
- (iii) The General Partner is removed as TMP by Consent of the Limited Partners.

(b) The TMP shall have the duties enumerated below, without obtaining the consent of any other Partner, in addition to such other duties as may be provided in the Code and Income Tax Regulations:

(i) Furnish to the IRS, when properly requested pursuant to the Code, the names, addresses, profits interest, and taxpayer identification number of each person and/or entity who or which was a Partner in the Partnership at any time during the Partnership's taxable year;

(ii) Keep all the Partners informed of all administrative and judicial proceedings for the adjustment, at the Partnership level, of Partnership items;

(iii) Extend the period of limitations for making assessments against the Partnership;

(iv) After receipt from the IRS of a notice of a final Partnership administrative adjustment, file a petition for a readjustment of Partnership items for such taxable year with: (1) the Tax Court; (2) the District Court of the United States for the district in which the Partnership's principal place of business is located; or (3) the Claims Court; and

(v) Enter into binding settlement agreements with the IRS with regard to Partnership items as provided in Code Section 6224(c)(3).

(c) Notwithstanding the general authority conferred upon the General Partner as TMP under the provisions of this Section 14.3, without the prior Consent of all of the Limited Partners, the TMP shall not do anything or take any action in connection with an income tax audit of the Partnership which would have the effect of increasing the distributable income or gain allocated to, or decreasing the losses, deductions or credits of, the Limited Partners.

(d) In furtherance of the duties of the TMP described in this Agreement, the TMP shall be reimbursed by the Partnership for all expenses, costs, and liabilities expended or incurred by the TMP.

Section 15

Miscellaneous Provisions

15.1 Any reference in this Agreement, by name or number, to a government department, agency, statute, regulation, program

or form shall include any successor or similar department, agency, statute, regulation, program or form.

15.2 The address of each Partner for all purposes shall be the address set forth on Exhibit A appended to this Agreement or such other address of which the General Partner has received notice. Any notice, demand or request permitted to be given or made hereunder shall be in writing and shall be deemed given or made when delivered in person or when sent to such Partner at such address by first class mail or by telegram or Western Union Mailgram.

15.3 All section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof.

15.4 Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms. The singular form of nouns, pronouns and verbs shall include the plural and vice versa.

15.5 The Partners shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of the Partnership and this Agreement.

15.6 This Agreement shall be construed in accordance with and governed by the laws of the State of Florida.

15.7 This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns.

15.8 This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto. No covenant, representation or condition not expressed in this Agreement shall affect or be deemed to interpret, change or restrict the express provisions hereof.

15.9 Except as provided by law or otherwise as set forth herein, this Agreement may be modified or amended only with the written approval of all Partners.

15.10 None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Partnership.

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CLERK OF THE
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JANUARY 10, 1964
TALLAHASSEE, FLORIDA

15.11 No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach of such or any other covenant, agreement, term or condition. Any Partner by notice pursuant to Section 15.2 hereof may, but shall be under no obligation to, waive any of his rights or any conditions to his obligations hereunder, or any duty, obligation or covenants of any other Partner. No waiver shall effect or alter the remainder of this Agreement but each and every covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach.

15.12 The rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the implementation of one or more of the provisions of this Agreement shall not preclude the implementation of any other provisions. Each of the parties recognizes and confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provision hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy but nothing herein contained is intended to or shall limit or affect any rights of the parties for a breach or threatened breach of any provision hereof, it being the intention by this paragraph to make clear the agreement of the parties that the respective rights and obligations of the parties hereunder shall be enforceable in equity as well as at law or otherwise.

15.13 This Agreement may be executed in counterparts, all of which taken together shall constitute one agreement binding on all the parties notwithstanding that all the parties are not signatories to the original or the same counterpart. Each party shall become bound by the Agreement immediately upon affixing his signature hereto, independently of the signature of any other party.

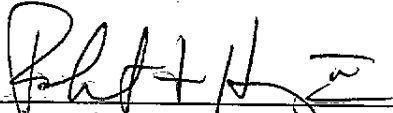
15.14 Each Partner represents to the others and to the Partnership that he has been duly authorized to execute and deliver this Agreement.

15.15 Each Partner hereby waives any right to a partnership interest in the Partnership property.

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TALLAHASSEE, FLORIDA

IN WITNESS WHEREOF, the undersigned Partners have executed this Agreement effective as of the date hereinabove stated.

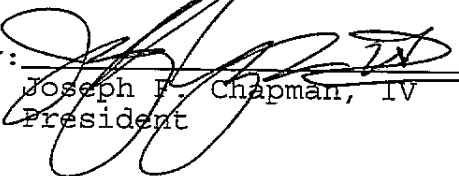
Attest:


Robert F. Henry, III
Secretary

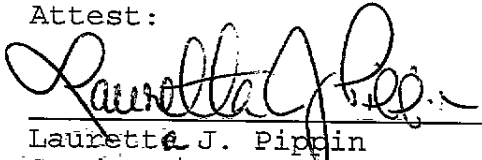
[Corporate Seal]

General Partner:

Royal American Development, Inc.

By:  [Seal]
Joseph F. Chapman, IV
President

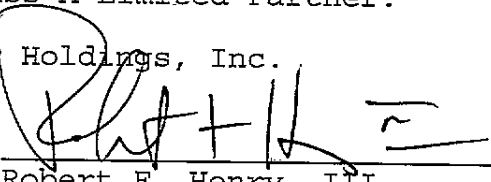
Attest:


Laurette J. Pippin
Secretary

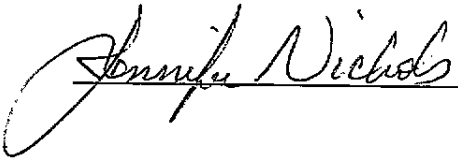
[Corporate Seal]

Class A Limited Partner:

PFP Holdings, Inc.

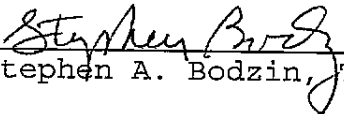
By:  [Seal]
Robert F. Henry, III
President

Witness:



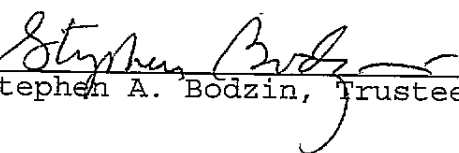
Class B Limited Partners

Anne S. Reich 1977 Securities Trust #1

By:  [Seal]
Stephen A. Bodzin, Trustee

Anne S. Reich 1984 Revocable Trust

By:  [Seal]
David M. Osnos, Trustee

By:  [Seal]
Stephen A. Bodzin, Trustee

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CALIFORNIA, FLO.

EXHIBIT A

APALACHEE EAST, LTD.

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
AND
CERTIFICATE OF LIMITED PARTNERSHIP

<u>NAME AND ADDRESS</u>	<u>CAPITAL</u> <u>CONTRIBUTION</u>	<u>PERCENTAGE</u> <u>OF</u> <u>PARTNERSHIP</u> <u>INTEREST</u>
<u>GENERAL PARTNER:</u>		
Royal American Development, Inc. 1002 W. 23rd Street, Suite 400 Panama City, Florida 32405	\$ 47,440	1.00%
<u>LIMITED PARTNERS:</u>		
<u>Class A Limited Partner</u>		
PFP Holdings, Inc. 1002 W. 23rd Street, Suite 400 Panama City, Florida 32405	\$ 2,324,560	9.00%
<u>Class B Limited Partners</u>		
Anne S. Reich 1977 Securities Trust #1 c/o Stephen A. Bodzin, Trustee Suite 329 1156 15th Street, N.W. Washington, D.C. 20005	\$ 1,186,000	25.00%
Anne S. Reich 1984 Revocable Trust c/o Stephen A. Bodzin, Trustee Suite 329 1156 15th Street, N.W. Washington, D.C. 20005	\$ 1,186,000	25.00%
	<u>\$ 4,744,000</u> <u>=====</u>	<u>100.00%</u> <u>=====</u>

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EXHIBIT B
APALACHEE EAST, LTD.
AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
AND
CERTIFICATE OF LIMITED PARTNERSHIP
DESCRIPTION OF LAND

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The land which is the Property of Apalachee East, Ltd. upon which a 300-unit apartment project is being developed, is that certain parcel located in Tallahassee, Leon County, Florida, containing 41.63 acres, more or less, and described as follows:

Commence at a terra cotta concrete monument marking the Northwest corner of Section 2, Township 1, South, Range 1 East, Leon County, Florida and thence run South 89 degrees 32 minutes 41 seconds East along the North boundary of said Section 2 a distance of 440.20 feet to a concrete monument (marked #1254) marking the POINT OF BEGINNING. From said POINT OF BEGINNING continue South 89 degrees 32 minutes 41 seconds East along said Section line 1290.26 feet to a concrete monument (marked #4261), thence leaving said section line run South 08 degrees 50 minutes 55 seconds East 351.46 feet to a concrete monument (marked #4261), thence run South 25 degrees 33 minutes 56 seconds East 58.60 feet to a concrete monument (marked #4261), thence run South 60 degrees 59 minutes 13 seconds East 97.45 feet to a concrete monument (marked #4261), marking a point of curve to the right, thence run Southeasterly along said curve having a radius of 525.00 feet, through a central angle of 41 degrees 14 minutes 19 seconds for an arc distance of 377.87 feet to a concrete monument (marked #4261) marking a point of tangency, thence run South 19 degrees 44 minutes 54 seconds East 58.83 feet to a concrete monument (marked #4261) lying on a curve concave to the Southerly, then run Easterly along said curve having a radius of 322.00 feet, through a central angle of 23 degrees 40 minutes 05 seconds for an arc distance of 133.01 feet (chord being South 89 degrees 23 minutes 54 seconds East 132.07 feet) to a concrete monument (marked #4261) marking a point of tangency, thence run South 77 degrees 33 minutes 51 seconds East 14.21 feet to a concrete monument (marked #4261) lying on the Westerly right-of-way boundary of a proposed 300.00 foot wide roadway (Conner Boulevard), thence run South 15 degrees 14 minutes 12 seconds West along said right-of-way boundary 109.29 feet to a concrete monument (marked #4261), thence leaving said right-of-way boundary run Southwesterly along a curve concave to the Southeasterly having a radius of 225.00 feet, through a central angle of 56 degrees 58 minutes 03 seconds for an arc distance 223.71 feet (chord being South 76 degrees 11 minus 23 seconds West 214.61 feet) to a concrete monument (marked #4261) marking a point of tangency, thence run South 47 degrees 42 minutes 21 seconds West 37.70 feet to a concrete monument (marked #4261) marking a point of curve to the left, thence run Southwesterly along said curve having a radius of 1975 feet, through a central angle of 06 degrees 53 minutes 47 seconds for an arc distance of 237.72 feet (chord being South 44 degrees 15 minutes 27 seconds West 237.58 feet), thence run South 85 degrees 35 minutes 20 seconds West 1434.17 feet to a concrete monument (marked #4261), thence run North 00 degrees 01 minutes 44 seconds East 1261.71 to the POINT OF BEGINNING containing 41.63 acres, more or less.

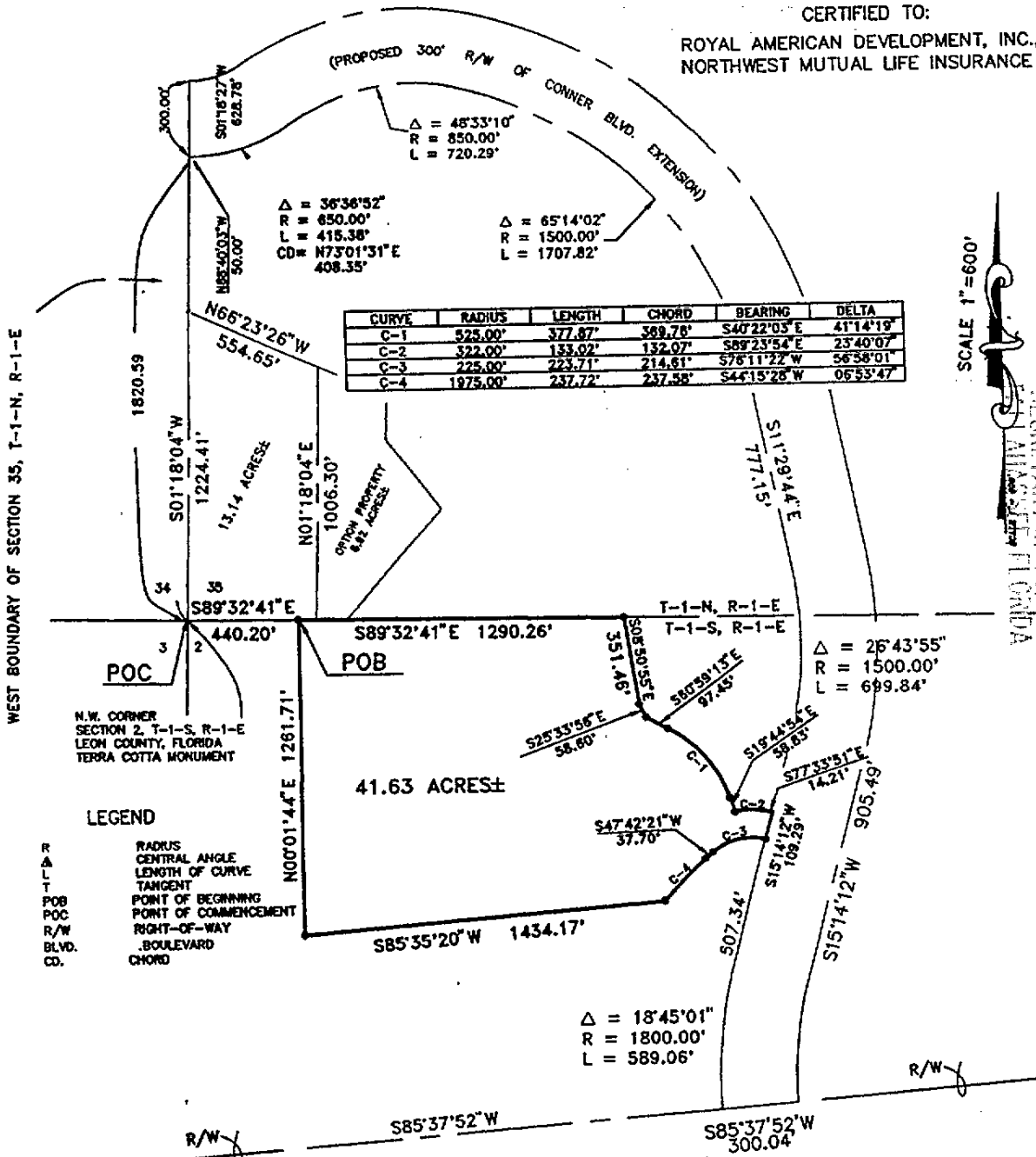
James "Thurman" Roddenberry

Professional Land Surveyor

Post Office Box 418 • 114 Municipal Avenue • Sopchoppy, Florida 32358-0418 • (904) 962-2538

SKETCH OF A 41.63 ACRE TRACT OF LAND
CERTIFIED TO:

ROYAL AMERICAN DEVELOPMENT, INC.,
NORTHWEST MUTUAL LIFE INSURANCE CO.



SCALE 1\"/>

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TALLAHASSEE, FLORIDA

N.W. CORNER
SECTION 2, T-1-S, R-1-E
LEON COUNTY, FLORIDA
TERRA COTTA MONUMENT

LEGEND

- R A L T
- POB
- R/W
- BLVD.
- CO.
- RADIUS
- CENTRAL ANGLE
- LENGTH OF CURVE
- TANGENT
- POINT OF BEGINNING
- POINT OF COMMENCEMENT
- RIGHT-OF-WAY
- BOULEVARD
- CHORD

- NOTES:
1. SOURCE OF INFORMATION: SURVEY BY CITY OF TALLAHASSEE, PUBLIC WORKS DIVISION DATED 11/2/95, SURVEY BY BROWARD DAVIS & ASSOCIATES, INC. DATED 9/25/95, PROVIDED BY CLIENT AND SPECIAL INSTRUCTION AS PER CLIENT.
 2. BEARING BASE: S 01°18'00\"/>

S.R. 20 (U.S. 27)
APALACHEE PARKWAY

THIS IS NOT A BOUNDARY SURVEY

A95527N.DWG

The undersigned surveyor has not been provided a current title opinion or abstract of matters affecting title or boundary to the subject property. It is possible there are deeds of records, unrecorded deeds, easements or other instruments which could affect

STATE OF FLORIDA)
) ss:
COUNTY OF BAY)

The foregoing instrument was acknowledged before me this 20 day of December, 2000, by JOSEPH F. CHAPMAN, IV, as President of Royal American Development, Inc., who is personally known to me or who has produced the identification listed below.



LAURETTA J. PIPPIN
Notary Public, State of Florida
Commission No. CC 962572
My Commission Expires 8/27/04

Laretta J. Pippin

Notary Public - State of Florida

Print or type Name of Notary

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

STATE OF FLORIDA)
) ss:
COUNTY OF BAY)

The foregoing instrument was acknowledged before me this 20th day of Dec, 2000, by ROBERT F. HENRY, III, as President of PFP Holdings, Inc., who is personally known to me or who has produced the identification listed below.



JENNIFER MARIE NICHOLS
Notary Public, State of Florida
Commission No. CC 919510
My Commission Expires 3/18/04

Jennifer Marie Nichols

Notary Public - State of Florida

Print or type Name of Notary

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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State of Florida)
County of Bay) ss:

The foregoing instrument was acknowledged before me this 20 day of December, 2000, by STEPHEN A. BODZIN, as Trustee of the Anne S. Reich 1977 Securities Trust #1 and the Anne S. Reich 1984 Revocable Trust, who is personally known to me or who has produced the identification listed below.



LAURETTA J. PIPPIN
Notary Public, State of Florida
Commission No. CC 962572
My Commission Expires 8/27/04

Laretta J. Pippin
Notary Public - State of Florida

Print or type Name of Notary

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

District of)
Columbia) ss:

The foregoing instrument was acknowledged before me this 15 day of Dec., 2000, by DAVID M. OSNOS, as Trustee of the Anne S. Reich 1984 Revocable Trust, who is personally known to me or who has produced the identification listed below.

Patricia K. Porter
Notary Public - ~~State of Florida~~

Patricia K. Porter
Print or type Name of Notary

My Commission
expires: 2-14-04

Personally Known X OR Produced Identification _____

Type of Identification Produced _____