

3.2 The partnership form of ownership has been selected to allow maximum availability of personal tax deductions during the acquisition period while enabling the investors to own the property in a partnership name.

3.3 The property is described in Exhibit A attached hereto. Each Partner acknowledges having received certain descriptive information relating to the location of the property with respect to other properties in the area and describing the general physical amenities of the property.

3.4 The property is being purchased from the present owner pursuant to a Contract entered into between Robert D. Terrell, dated August 12, 1978.

3.5 The purchase price of the property is \$319,000.00. The purchase price is payable \$50,000.00 in cash at the time of closing and the balance from the proceeds of a \$239,000.00 first mortgage loan and by assumption of a second mortgage in the amount of \$30,000.00. The additional \$10,000.00 received from the Partners shall be applied to costs incurred in the formation of the Partnership, renovations to improvements and any surplus shall be deposited in the Partnership account.

3.6 Ownership by the Partners in the firm shall be in 20 Partnership units. The weight and value of each unit shall be as set forth in the attached Annex. Each unit will be entitled to a vote with the weight of the vote being as shown in the attached Annex. While a Partnership unit may be transferred under the circumstances as in Article VIII described, the entire unit must be so transferred. Exercise of management functions, including the voting of Partnership units, is governed by the provisions of Article VII below.

ARTICLE IV.

Capital Contributions and Enforcement
Thereof, Accounts and Withdrawals

4.1 The capital of the Partnership shall consist of the amounts paid initially by the Partners and as set forth in the attached Annex. Ownership units shall be in Three Thousand (\$3,000.00) Dollar increments and each \$3,000.00 increment shall entitle the holder to one (1) vote.

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