

(c) Rights of Creditors. The foregoing provisions of sub-paragraphs (a) and (b) hereof are not intended to be for the benefit of any creditor or person who has any claim against the Partnership or any of the Partners and no such creditor or other persons shall obtain any right under such foregoing provisions or shall by reason of the foregoing provision, make any claim in respect of any debt, liability or obligation against the Partnership or any of the Partners.

(d) Other Transfers. Contemporaneously with the execution of this Agreement, the General Partners shall transfer to the Partnership, without additional consideration therefor, all right, title and interest, if any, that each may have in and to all appraisals of the Partnership Property prepared or obtained in connection with the project, and any and all construction loan commitments, permanent loan commitments or other financing arrangements or commitments which the General Partners have obtained in connection with the project. The General Partners shall have all responsibility for acquiring construction and permanent financing, payment of all application fees and costs, furnishing their personal endorsements if required by the lender or lenders, and providing any additional equity for collateral necessary to obtaining such financing. All such costs, expenses and advances shall be treated as capital contributions to the Partnership by the General Partners.

11. Profits and Losses. Net profits and net losses of the Limited Partnership shall be determined in accordance with generally accepted principles of accounting. Except as otherwise provided in this Agreement, net profits and net losses of the Partnership shall be shared by the Partners in the proportions set forth opposite their respective names:

<u>General Partners:</u>	<u>Percentages</u>
C. Dan Joyner	8.33%
William L. Hunter	8.33%
James E. Jones	8.33%
M. William Bashor, Jr.	12.5 %
John E. Palmer	12.5 %
<u>Limited Partners:</u>	<u>Percentages</u>
J. Harold Smith	25%
Myrtice R. Smith	25%

12. Cash Flow Distributions. Subject to the preferences stated herein, the cash flow of the Partnership derived from the operation of the Partnership business, including any proceeds of the sale or refinancing of the Partnership, in excess of operating expenses, debt service and such cash reserves as may be established in the sole discretion of the General Partners for future operating expenses and additional capital requirements shall be distributed to the Partners in the percentages contained in Paragraph 11 and at such intervals as the General Partners may from time to time determine

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