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MONTEVALLO VILLAS, LTD.

FIRST AMENDMENT TO, AND RESTATEMENT OF
CERTIFICATE OF LIMITED PARTNERSHIP

THIS CERTIFICATE is made and entered into as of the 30th day of December, 1986 by and among the undersigned parties.

W I T N E S S E T H:

WHEREAS, the undersigned parties desiring to amend and restate the Certificate of Limited Partnership of Montevallo Villas, Ltd. so as to (a) continue the business of the Partnership, (b) provide for the withdrawal of John T. Huff, Jr. and Ray L. Huff, as Limited Partners, (c) admit Cottonbelt Properties Limited Partnership as the Investor Limited Partner, and (d) set out the rights and obligations and duties of the general partners and the Investor Limited Partner (sometimes referred to as "Limited Partner"), do hereby certify and swear as follows:

1. NAME OF PARTNERSHIP. The name of the Partnership is "Montevallo Villas, Ltd." (the "Partnership").

2. CHARACTER OF BUSINESS. The character of the business and the purposes for which the Partnership is formed are to own, lease, plan, build on, maintain, develop, improve, equip, manage, hold and operate a rental housing project in the City of Montevallo, Shelby County, Alabama; to obtain and maintain

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financing through Farmers Home Administration ("FmHA"); to participate in such other activities as are necessary and appropriate to protect or enhance the assets of the Partnership and the interests of the General Partners and the Investor Limited Partner; and to carry on any and all activities related thereto.

3. LOCATION OF PRINCIPAL PLACE OF BUSINESS AND NAME OF AGENT FOR SERVICE OF PROCESS. The principal place of business of the Partnership is 214 North Donahue Drive, Auburn, Alabama 36830. The agent for service of process at such address is John T. Huff, Jr.

4. NAME AND ADDRESS OF PARTNERS. (a) The name and mailing address of each General Partner and Limited Partner of the Partnership is designated on Schedule A attached hereto and incorporated by reference herein.

5. CAPITAL CONTRIBUTIONS. The amount of cash and a description and statement of the agreed value of the other property conveyed, or services rendered and of any promissory note or other binding obligation to pay cash, convey property or render services in the future, contributed by each partner in his capacity as partner to the capital of the Partnership is shown on Schedule A.

6. RETURN OF CONTRIBUTIONS AND ADDITIONAL CONTRIBUTIONS. No Limited Partner (in his capacity as a limited partner) shall be required to make any additional capital contribution, beyond the amount set forth opposite his name on Schedule A.

7. ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST. A Limited Partner may assign all or any part of his Partnership interest if (i) such Limited Partner notifies the General Partners in writing by registered mail and (ii) if the following conditions are met: (a) the Assignor shall deliver to the General Partners an opinion of counsel in form and substance satisfactory to Counsel to the Partnership, that such Assignment and any offerings made in connection therewith are in compliance with applicable federal and state securities laws; (b) the assignee shall execute a statement that he is acquiring such Partnership interest or part thereof for his own account for investment and not with a view to the distribution or resale thereof; (c) in the opinion of Counsel to the Partnership, the transfer will comply with all applicable rules and regulations of government authorities; (d) the Assignee shall have agreed in writing, as a condition to receiving a Partnership interest, to be bound by any regulation of any governmental or lending agency then applicable to the Project to the same extent and on the same terms as the other Limited Partner(s); (e) the General Partners shall consent in writing to such assignment except that such consent shall be withheld if in the opinion of Counsel to the Partnership such assignment would result in the termination under the Code of the Partnership's taxable year or of its status as a partnership; and (f) the Assignee agrees, at the option of the General Partners, to pay any filing fees, reasonable counsel fees, and other reasonable expense in connection with his becoming a Substitute Limited Partner hereunder.

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8. TERMINATION OF MEMBERSHIP IN PARTNERSHIP. No General Partner may voluntarily withdraw from the Partnership nor sell, assign or encumber his General Partnership interest prior to the twentieth (20) anniversary of the Final Closing, defined as the date that the final amount of the FmHA Mortgage Loan is determined by FmHA, and evidenced by a promissory note, in the amount of such Mortgage Loan, without the consent of the Limited Partners and FmHA. No General Partner may voluntarily withdraw from the Partnership at any time unless (i) the Partnership shall have received the opinion of Counsel to the Partnership to the effect that (A) such withdrawal will not constitute a termination of the Partnership or otherwise materially adversely affect the status of the Partnership for federal income tax purposes and (B) such withdrawal will not constitute a breach of or entitle any governmental unit to terminate any loan agreement or lease with the Partnership and (ii) if such withdrawal shall require the admission of a new General Partner, a new General Partner shall have been selected who (w) shall have stated willingness to be admitted, (x) shall satisfy the then applicable provisions of the Internal Revenue Code and any applicable procedures, regulations, rules and rulings (including published private rulings) thereunder, including applicable net worth requirements so that the Partnership shall be classified as a partnership for tax purposes, (y) shall have received the consent of the other Partners with respect to admission, and (z) shall have the competency to cause the Partnership to operate and manage its business effectively.

If a General Partner shall die, become insane or otherwise physically, mentally or emotionally incapable of performing the duties or exercising the responsibilities of a General Partner or become a bankrupt (as defined below), such General Partner shall be deemed to have involuntarily withdrawn from the Partnership upon the date of such occurrence. If a General Partner shall be removed by the Investor Limited Partner pursuant to Section 7.4 of the Partnership Agreement, such General Partner shall be deemed to have involuntarily withdrawn as a General Partner upon the date of such occurrence. The date upon which a General Partner shall be deemed to have become insane or incapacitated as aforesaid is the date upon which a certificate of a licensed physician shall be delivered to the Partnership which certificate shall state the opinion of the signer that such General Partner is incapable of performing his duties and exercising his responsibilities by reason of physical, mental or emotional disability of indefinitely long duration. A General Partner shall be deemed to become a bankrupt when such Partner effects an assignment for the benefit of creditors, files a bankruptcy petition, voluntarily takes advantage of any bankruptcy or insolvency laws, or is adjudicated a bankrupt, or if a petition or an answer is filed proposing the adjudication of such Partner as a bankrupt, when such Partner shall consent to the filing thereof or 60 days after the filing thereof, unless the same shall have been discharged or denied prior thereto.

Upon the withdrawal of a General Partner, his interest shall become that of a Limited Partner having the same rights to

profits, losses, and cash distributions which he held as a General Partner, but with no right to participate in the management or other affairs of the Partnership, to vote as part of the class of all Limited Partners, or to demand payment of the fair value of such interest. The withdrawn General Partner or his estate or legal representative shall be entitled to receive (i) the remaining balance, if any, of salaries or fees payable as, if and when due pursuant to the Partnership Agreement or any other written agreement between the Partnership and such General Partner in his capacity as General Partner, however, the withdrawing General Partner shall not be entitled to any such fees which had not yet been earned by him prior to his withdrawal, and (ii) any amounts due and owing by him to the Partnership. The right of a General Partner, his estate or legal representatives to payment of said fees shall be subject to any claim for damages the Partnership or any Partner may have against such General Partner, his estate or legal representatives if such withdrawal is in contravention of the Partnership Agreement.

No Limited Partner shall have the right to withdraw from the Partnership. In the event of a Limited Partner's death or legal incompetence, the Partnership shall not dissolve or terminate and the estate or legal representative of such Limited Partner shall be deemed an assignee of such Limited Partner's Partnership interest.

9. PARTNERS' RIGHTS TO DISTRIBUTIONS. The share of the Partnership Profits, or other compensation by way of income,

which each Partner shall receive by reason of his Capital Contribution shall be allocated among the Partners as follows:

(a) commencing with the first day of the month in which the Investor Limited Partner is admitted into the Partnership, the Profits and Losses of the Partnership other than Profits and Losses of the Partnership arising from a Capital Transaction which are allocated pursuant to Paragraph 9(b) and (c) for each fiscal year shall be determined as of the end of such fiscal year and allocated as follows: 95% to the Investor Limited Partner and 5% to the General Partner as specified in Schedule A attached hereto.

(b) the Profits arising from a Capital Transaction shall be allocated to the Partners as follows:

First, to each Partner with a negative Capital Account, pro rata in accordance with such negative capital account until the negative Capital Account of each Partner is brought to zero; and

Second, the balance shall be allocated to the Partners in proportion to the total of their respective distributions of net cash proceeds from a Capital Transaction pursuant to Paragraph 9(e), Clauses Fifth, Sixth and Eighth. In the event that no net cash proceeds are distributed pursuant to the above-referenced clauses under Section 9(e), the balance shall be allocated 80% to the Investor Limited Partner and 20% to the General Partners.

Notwithstanding anything in this Paragraph 9(b) to the contrary, the General Partners shall be allocated at least 1.0%

of all Profits allocated pursuant to this Paragraph 9(b) to the extent not otherwise allocated to them under this Paragraph.

(c) All Losses of the Partnership attributable to a Capital Transaction shall be allocated to each Partner in an amount equal to his positive Capital Account (or if less than his Capital Account, an amount equal to the ratio of his positive Capital Account to the sum of all of the Partners positive Capital Accounts) and any balance shall be allocated 80% to the Investor Limited Partner and 20% to the General Partners.

Notwithstanding anything in this Paragraph 9(c) to the contrary, the General Partners shall be allocated at least 1.0% of all Losses allocated pursuant to this Paragraph 9(c) to the extent not otherwise allocated to them under this Paragraph.

(d) the Cash Flow of the Partnership shall be determined for each fiscal year. The General Partners shall distribute to the Partners in accordance with their respective interests at convenient periodic intervals after Final Closing, but not less frequently than annually, the Cash Flow of the Partnership in the manner and amounts hereinafter provided, subject to any applicable Regulations:

(i) to pay an annual amount, as set forth in the Partnership Agreement, to the Investor Limited Partner to cover the Partnership's share of the Investor Services Agent Expense Reimbursement during years 1987 - 2000;

(ii) to pay outstanding Operating Expense Loans and interest thereon, provided that not more than fifty percent (50%) of Cash Flow determined without regard to the repayment of Operating Expense Loans and interest thereon shall be used to pay such Operating Expense Loans and interest thereon; and

(iii) the balance to the Investor Limited Partner during years 1987 - 1991. Thereafter; the balance 95% to the Investor Limited Partner and 5% to the General Partners as specified in Schedule A.

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(e) All cash available from the net cash proceeds resulting from a Capital Transaction or upon dissolution of the Partnership and all cash other than cash distributed pursuant to Paragraph 9(d) hereof which is determined by the General Partners to be available for distribution shall be distributed and applied, subject to any applicable Regulations, in the following priority:

First, to the payment of all debts and liabilities of the Partnership then due (or required by any lender or creditor to be repaid on account of the event which makes such cash available or to pay the expenses of liquidation, as the case may be) including principal and interest on the Mortgage Loan, if any, but not including Operating Expense Loans and any advances by the General Partners for completion of construction;

Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partners and the Accountants, provided that at the expiration of such period of time as the General Partners shall deem advisable, the balance of such reserves after payment of such contingencies shall be distributed in the manner hereinafter set forth in this Paragraph 9(e);

Third, to the payment of the remaining Operating Expense Loans and interest thereon if any, or advances that may have been made by any of the Partners, then outstanding;

Fourth, to the Partners in payment of positive Capital Accounts, as such Capital Accounts existed prior to the allocation of any Profits resulting from the Capital Transaction that gave rise to the net cash proceeds being distributed;

Fifth, to the Investor Limited Partner, an amount equal to its actual Capital Contributions to the Partnership, less prior distributions to it of Capital Proceeds and less current distributions to it pursuant to this Paragraph 9(e), Clause Fourth;

Sixth, to the General Partners, an amount equal to their actual Capital Contributions to the Partnership, less prior distributions to them of Capital Proceeds and less current distributions to it pursuant to this Paragraph 9(e), Clause Fourth;

Seventh, to the repayment of any advances by the General Partners for completion of construction; and

Eighth, any remaining proceeds, 80% to the Investor Limited Partner and 20% to the General Partners as set forth in Schedule A.

Notwithstanding anything in Paragraph 9(e) to the contrary, the General Partners shall receive at least 1.0% of all cash distributed pursuant to this Paragraph after the satisfaction of the liabilities noted in Clauses First through Third above to the extent not otherwise distributed to them under this Paragraph 9(e).

(f) any gain attributable to Partnership property which is treated as ordinary income because the property qualified under Code section 751 shall be allocated to the Investor Limited Partner and the General Partners in the proportions in which related losses had been claimed by such class, but only to the extent that gain is otherwise allocated to such class of Partners under the provisions of this Paragraph 9. Any excess of such unrealized receivables and substantially appreciated inventory shall be allocated to classes of Partners in proportion to the gain otherwise allocated to them under the provisions of this Paragraph 9. This Paragraph 9(f) shall not affect the amount of gain allocated to any class, but only its characterization as ordinary income.

(g) all Profits and Losses allocated to, and distributions of cash made to, the Partners shall be credited or

charged, as the case may be, to their Capital Accounts as of the date as of which such Profits or Losses are allocated and the date as of which distributions of cash are made. All allocations made to the Partners pursuant to the provisions of Paragraph 9(a) and distributions made to the Partners pursuant to the provisions of Paragraph 9(d) shall be credited or charged to their respective Capital Accounts prior to the allocation of Profits and Losses of the Partnership pursuant to Paragraphs 9(b) and 9(c) and prior to distributions pursuant to Paragraph 9(e).

(h) all elections required or permitted to be made by the Partnership under the Internal Revenue Code shall be made by the General Partners in such manner as they deem most advantageous to individual taxpayers who are (i) married and filing joint returns, (ii) not "dealers" for federal income tax purposes, and (iii) in the highest federal income tax bracket.

(i) any increase or decrease in the amount of any item of income, gain, loss, deduction or credit attributable to an adjustment to the basis of Partnership assets made pursuant to a valid election under Sections 734, 743 and 754 of the Code, as amended, 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 the capital accounts of those Partners entitled thereto under such laws.

(j) notwithstanding the foregoing provisions of Paragraph 9, any Partner or Partners with deficit capital account

balances attributable to nonrecourse debt shall, to the extent possible, be allocated income or gain in an amount no less than the minimum gain and at a time no later than a time at which the minimum gain is reduced below the sum of such deficit capital account balances. Minimum gain for this purpose shall mean the excess of the outstanding principal balance of nonrecourse debt which is secured by Partnership property (excluding any portion of such principal balance which would not be treated as an amount realized if such debt were foreclosed upon) over the adjusted basis of such property.

(k) Profits and Losses and distributions not allocable or distributable to the Investor Limited Partner pursuant to this Paragraph 9 shall be shared by the General Partners in proportion to their respective paid-in Capital Contributions as indicated on Schedule A.

(1) upon the transfer of a Partnership interest, the transferor and transferee shall be allocated a pro rata share of Profits and Losses and each item of income, gain, loss, deduction or credit entering into the computation thereof, for the fiscal year in which the transfer occurs, and such proration between the transferor and transferee shall be based on the portion of the fiscal year that the transferred Partnership interest was held by the transferor and transferee, respectively, without regard to the results of Partnership operations during the period in which the transferor or transferee was recognized as the holder of the Partnership interest and without regard to the date, amount, or recipient of distributions which may have been made with respect

to such interest. For the purpose of allocating Profits and Losses, such transfer shall be deemed to have been made on the first day of the month during which the transfer occurred, or if not permitted by Regulations, then on the earliest date permitted by Regulations.

10. RETURN OF CONTRIBUTIONS. A Limited Partner shall be entitled to the return of his Capital Contribution upon the winding up of the Partnership after dissolution, provided the assets of the Partnership are then sufficient to cover all of its liabilities, including liabilities to Partners in respect to their capital accounts.

11. DISSOLUTION AND WINDING UP. The term of the Limited Partnership commenced on June 27, 1985 and shall continue until December 31, 2052 unless earlier terminated upon the earliest of:

(a) the withdrawal of any General Partner, unless (i) the remaining General Partner(s), if any, continue the Partnership business pursuant to Paragraph 12(i), (ii) if there is no remaining General Partner, the Limited Partners acting pursuant to Paragraph 12(ii) elect to continue the Partnership business, or (iii) unless all the remaining Partners agree to continue the Partnership business; or

(b) an election to dissolve the Partnership made in writing by the General Partners with the Consent of the Limited Partner; or

(c) the sale or other disposition of all or substantially all of the assets of the Partnership unless the General Partner(s) or the Limited Partners acting pursuant to

Paragraph 12(ii) elect to continue the Partnership business for the purpose of the receipt and collection of a note and payments thereon or the collection of any other consideration to be received in exchange for the assets of the Partnership; or

(d) any other act or event causing dissolution under the Alabama Limited Partnership Act of 1983 to the extent not otherwise provided under this Paragraph.

12. RIGHT TO CONTINUE PARTNERSHIP. (i) In the event of the death, retirement or insanity of a General Partner, not the sole remaining General Partner of the Partnership, the remaining General Partners shall continue the Partnership. If the remaining General Partner(s) does not meet the financial net worth requirements or other requirements of the Internal Revenue Service in order for it to issue a ruling that the Partnership will be taxed as a partnership and not as an association taxable as a corporation, he(they) shall have fifteen (15) days to meet said requirements. If after fifteen (15) days said requirements are not met, Paragraph 12(ii) hereof shall become applicable. (ii) If, as the result of a General Partner's withdrawal, there is no remaining General Partner, the Limited Partners may upon Consent of the Limited Partners and FmHA, designate a Successor General Partner who will meet such requirements. If no Successor General Partner has received such Consent of the Limited Partners and executed this Agreement at the expiration of one hundred eighty (180) days (or such other period of a time as may be required by applicable state law) from the date of withdrawal, then the Partnership shall terminate.

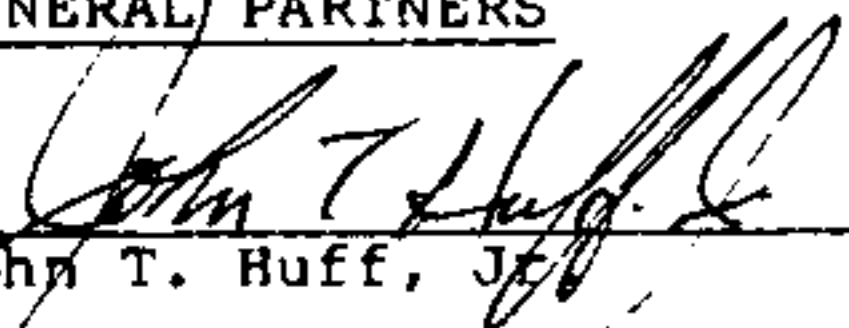
13. MISCELLANEOUS MATTERS. (a) The General Partners are authorized to admit as Additional Limited Partners to the Partnership such persons who agree to make capital contributions to the Partnership and agree to be bound by the Partnership Agreement.

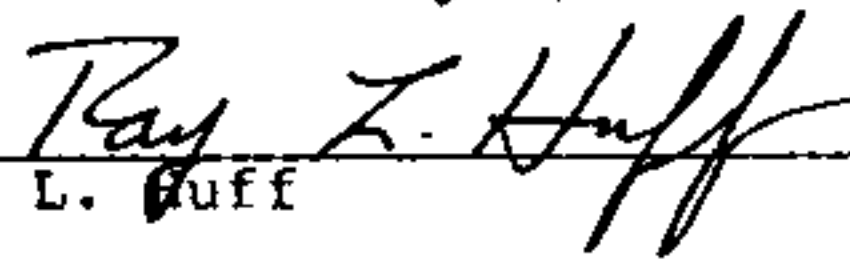
(b) No Limited Partner has any priority over other Limited Partners as to contributions or as to compensation by way of income.

(c) The Limited Partners have no right to demand and receive property other than cash in return for their Contributions.

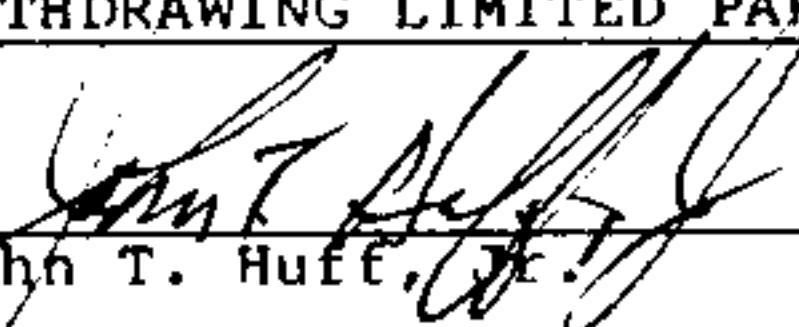
IN WITNESS WHEREOF, the parties have hereunto affixed their signatures and seals as of the day first above written.

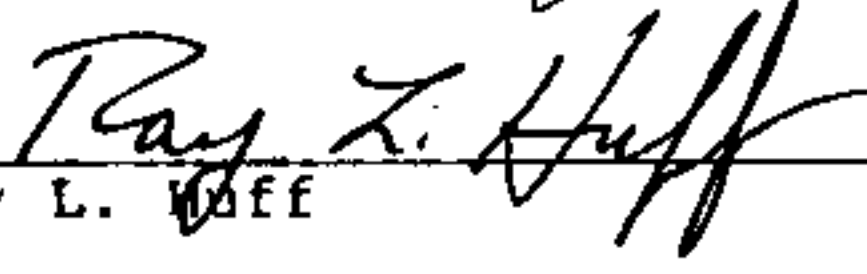
GENERAL PARTNERS


John T. Huff, Jr.


Ray L. Huff

WITHDRAWING LIMITED PARTNERS


John T. Huff, Jr.


Ray L. Huff

LIMITED PARTNER:

COTTONBELT PROPERTIES LIMITED
PARTNERSHIP

By: Allen J. Yaffe
Allen J. Yaffe

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STATE OF Alabama)
COUNTY OF Lee) ss:

12/7, 1986

Then personally appeared before me John T. Huff, Jr., as General Partner and Withdrawing Limited Partner of Montevallo Villas, Ltd., and being duly sworn, acknowledged that he had executed the foregoing First Amendment to, and Restatement of Certificate of Limited Partnership of Montevallo Villas, Ltd., that he was duly authorized to take such action and that the foregoing statements therein are true.

[SEAL]

Dulra B. Maddox
Notary Public

My Commission expires:
Lee County, State of Alabama
My Commission Expires 02-06-88

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STATE OF Alabama)
COUNTY OF Lee)

12/17, 1986

Then personally appeared before me Ray L. Huff, as General Partner and Withdrawing Limited Partner of Montevallo Villas, Ltd., and being duly sworn, acknowledged that he had executed the foregoing First Amendment to, and Restatement of Certificate of Limited Partnership of Montevallo Villas, Ltd., that he was duly authorized to take such action and that the foregoing statements therein are true.

[SEAL]

Dellra B. Maddox
Notary Public

My Commission expires:
DEBRA P. FULTON, Notary Public
Lee County, State of Alabama
My Commission Expires 02-06-88

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STATE OF MISSOURI)
COUNTY OF ST. LOUIS):

DEC. 27, 1986

Then personally appeared before me Allen J. Yaffe, an individual and General Partner of Cottonbelt Properties Limited Partnership, a Maryland Limited Partnership as Investor Limited Partner of Montevallo Villas, Ltd., and being duly sworn, acknowledged that he had executed the foregoing First Amendment to, and Restatement of Certificate of Limited Partnership of Montevallo Villas, Ltd., that he was duly authorized to take such action and that the foregoing statements therein are true.

[SEAL]

Ralph Shenberg
Notary Public

My Commission expires:

RALPH SHERBERG, Notary Public
STATE OF MISSOURI, ST. LOUIS COUNTY
MY COMMISSION EXPIRES MARCH 12, 1988

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MONTEVALLO VILLAS, LTD.

EXHIBIT A

<u>Names and Addresses of Partners</u>	<u>Capital Contributions</u>	<u>Interests in Profits, Losses and Cash Flow from Normal Operations*/</u>	<u>Interests in Profits, Losses and Net Proceeds From Capital Transactions After Return of Capital</u>
<u>General Partners</u>			
John T. Huff, Jr. 214 N. Donahue Drive Auburn, AL 36830	\$ 50	2.5%	10%
Ray L. Huff 214 N. Donahue Drive Auburn, AL 36830	50	2.5	10
	<u>\$ 100</u>	<u>5.0%</u>	<u>20%</u>
<u>Limited Partner</u>			
Cottonbelt Properties Limited Partnership Suite 110 1422 Elbridge Payne St. Louis, MO 63017	<u>\$141,000</u>	<u>95%</u>	<u>80%</u>
TOTAL:	<u>\$141,100</u>	<u>100%</u>	<u>100%</u>

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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

1986 DEC 31 PM 4:11

J. Thomas A. Snowden, Jr.
JUDGE OF PROBATE

Rec 52.50
Just 1.00
53.50

*/ For the years 1987-1991 all Cash Flow after payments of Investor Services Agent Expense Reimbursement and Operating Expense Loans and interest shall be distributed to the Investor Limited Partner. Thereafter, Cash Flow will be distributed as reflected in the above table.