

STATE OF ALABAMA)

MORGAN COUNTY)

CERTIFICATE OF LIMITED PARTNERSHIP

OF

HOUSING INVESTORS COLUMBIANA II, Ltd.

We, the undersigned, desiring to form a Limited Partnership, pursuant to the laws of the State of Alabama,

1. The name of the Limited Partnership shall be Housing Investors Columbiana II, Ltd.

2. The general character of the business of the Limited Partnership is to acquire and own the real estate described on the attached Exhibit "A", to construct an apartment complex thereon, and to lease and manage such apartment complex.

3. The street address of the principal office of the Limited Partnership is 496 Highway 67 South, Decatur, Alabama 35603, and the name and street address of the Limited Partnership's agent for service of process is Housing Investors, Inc., General Partner, 496 Highway 67 South, Decatur, Alabama 35603.

4. Mailing addresses of Partners:

(a) The name and mailing address of the General Partner in the Limited Partnership is as follows:

NAME	MAILING ADDRESS
Housing Investors, Inc.	496 Highway 67 South Decatur, Alabama 35603

(b) The name and mailing address of each Limited Partner in the Limited Partnership is as follows:

NAME	MAILING ADDRESS
✓ W. M. Dinsmore	✓ 496 Highway 67 South Decatur, Alabama 35603 Inst # 1999-31537

1 07/28/1999-31537
01:00 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
008 MMS 27.00

5. The amount of cash paid 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, to convey property or render services in the future, contributed by each Partner, in his or her capacity as Partner, to the capital of the Limited Partnership is as follows:

GENERAL PARTNER	CAPITAL CONTRIBUTION
Housing Investors, Inc.	1%
LIMITED PARTNER	CAPITAL CONTRIBUTION
W. M. Dinsmore	99%

6. All capital contributions are to be made at the time the time the Limited Partnership is formed.

7. No Limited Partner may assign his interest in the Limited Partnership without the written consent of the General Partner, which written consent shall be at the sole and absolute discretion of the General Partner. No assignee of a Limited Partnership Interest shall have a right to become a Limited Partner unless the following conditions are met:

(a) His assignor has filed with the Limited Partnership a written instrument setting forth his intention that such assignee become a Limited Partner;

(b) All parties execute and acknowledge such further instruments as the General Partner may deem necessary or desirable to affect the admission of such assignee as a Limited Partner;

(c) The written consent of the General Partner to the admission of the assignee as a Limited Partner shall be obtained, the granting of which consent is within the sole and absolute discretion of the General Partner; and

(d) An appropriate transfer fee is paid to the Limited Partnership.

(e) No substitution of Limited Partners shall be made prior to the Loan Closing without the consent to the assignee by the Government.

8. (a) No Limited Partner may withdraw from the Limited Partnership or terminate his membership in the Limited Partnership without the consent of the General Partner.

(b) The General Partner may not, whether voluntarily or involuntarily, or by dissolution, operation of law or otherwise (i) withdraw or resign from the Limited Partnership during the first year of the Limited Partnership's operation, and, after such period of time, only with the prior written consent of the Alabama Housing Finance Authority and the Limited Partners who hold, in the aggregate, a majority of the Units of Participation. If any withdrawal, resignation, transfer, conveyance, sale, alienation or assignment should occur as to any General Partner in violation of the fore-going or of any provision of the Limited Partnership Agreement (hereinafter referred to as the "Agreement"), or if any Event of Withdrawal (as defined in Section 11 (b) hereof) should occur as to any General Partner, the same shall not release such General Partner from any liability to the Limited Partnership or any other Partner, and the same shall constitute and be deemed a violation of and default under the Agreement, and the Limited Partnership and Partners shall be entitled to recover from any and all such General Partners any and all expenses, or damages of any nature whatsoever incurred or sustained by the Limited Partnership or any other Partner or Partners as a result thereof, including any adverse tax consequences to the Partners for breach thereof, and the Limited Partnership may offset the damages against the account, if any otherwise or thereafter distributable to such General Partner in any capacity or to anyone else claiming through or under such General Partner or regarding amounts relating to or arising from or through such General Partner's interest in the Limited Partnership.

9. The rights of a Partner to receive distributions of cash and/or property from the Limited Partnership and each Partner's share of such distributions from the Limited Partnership are set forth beside his name on Exhibit "B" attached hereto and incorporated herein as if fully set forth.

10. No Partner has the right to receive, nor does a General Partner have an obligation to make, distributions to a Partner which include a return of all or any part of the Partner's contribution except:

(a) upon withdrawal of a Partner as provided in Section 8 above;

(b) upon dissolution of the Limited Partnership as set forth in Section 11 below; and

(c) as otherwise provided in Exhibit "B" attached hereto.

11. (a) The Limited Partnership shall be dissolved and its affairs shall be wound up upon the happening of the first to occur of the following:

- (i) the termination of the Limited Partnership as provided in Section 13 hereof;
- (ii) the written consent of all Partners;
- (iii) the entry of a decree of judicial dissolution; or
- (iv) an Event of Withdrawal of a General Partner (as defined hereinafter) unless at the time of the Event of Withdrawal there is at least one other General Partner and such other General Partner has the right to continue the business of the Limited Partnership, or unless within 90 days of the date of withdrawal all Partners agree in writing to continue the business of the Limited Partnership and to the appointment of one or more additional General Partners.

(b) An Event of Withdrawal of a General Partner shall be deemed to occur upon the happening of any of the following events:

- (i) the General Partner makes an assignment for the benefit of creditors, files a voluntary petition of bankruptcy, is adjudicated a bankrupt or insolvent or is the subject of an order for relief under the bankruptcy laws, files a petition or answer seeking for itself any reorganization, arrangement or similar relief under any statute, law, or regulation, files an answer or other pleading admitting or failing to contest material allegations or a petition filed against him or it in any proceeding of this nature, or seeks, consents, to, or acquiesces in the appointment of a trustee, receiver or liquidator of all or any substantial part of his or its properties;
- (ii) the failure to dismiss within 120 days after the commencement of any proceeding against the General Partner to attach or charge his or its Partnership Interest or seeking reorganization, arrangement, composition, readjustment, liquidation, or if within 90 days under any statute, law or regulation, or if within 90 days after a court order attaching or charging his or its Partnership Interest or the appointment without his or its consent or acquiescence of a trustee, receiver, or

liquidator of the General Partner or of all or any substantial part of his or its properties, the order or appointment is not vacated or stayed, or within 90 days after the expiration of such stay, the order or appointment is not vacated;

- (iii) if any General Partner should any time be a natural person, then upon his death or the entry by a court of competent jurisdiction adjudicating him incompetent to manage his person or his estate;
- (iv) if any General Partner should at any time be acting as a General Partner by virtue of being a trustee of a trust, the termination of such trust (but not merely the substitution of a new trustee);
- (v) in the case of current General Partners and any future General Partner which is a separate partnership, the dissolution and commencement of winding up the affairs of such separate partnership;
- (vi) if any General Partner should at any time be a corporation, the filing of a Certificate of Dissolution, or its equivalent, for the corporation or the revocation of its charter;
- (vii) if any General Partner should at any time be an estate, the distribution by the fiduciary of the estate's entire interest in the partnership; or
- (viii) the transfer by any General Partner of all of his or its interest in the Limited Partnership.

12. In the event a General Partner withdraws from the Limited Partnership when there is no other General Partner, the Limited Partnership shall be dissolved, unless within a period of 90 days of such withdrawal all Partners agree in writing to continue the business of the Limited Partnership and to the appointment of one or more successor General Partners.

13. The terms for which the Limited Partnership is to exist is from the date of the filing of the original Certificate of Limited Partnership of Housing Investors Columbian II, Ltd. in the Office of the Judge of Probate until the close of business on December 31, 2019; provided, however, the Limited Partnership shall not be dissolved prior to such date (a) upon the sale or other disposition of the assets of the Limited Partnership unless

prohibited from dissolving by law or by prior agreement of the Limited Partnership; (b) upon mutual consent of all Partners; or (c) as may be required by the Alabama Limited Partnership Act of 1983, as the same may be changed from time to time.

IN WITNESS WHEREOF, the undersigned have hereunto subscribed their hands and seals on this 6th day of March 1999.

WITNESSES

Shennell Hugel

GENERAL PARTNER

W. M. Dinsmore

Housing Investors, Inc.,
General Partner

By: W.M. Dinsmore, President

LIMITED PARTNERS

Shennell Hughes

W. M. Dinsmore
W.M. Dinsmore

EXHIBIT "A"

TO

CERTIFICATE OF LIMITED PARTNERSHIP

STATE OF ALABAMA
COUNTY OF MORGAN

LEGAL DESCRIPTION

LEGAL DESCRIPTION

A part of the SE 1/4 of Section 26, Township 21 South, Range 1 West, Shelby County, Alabama and being more particularly described as follows: Commence where the Southeast right of way line of Alabama Highway No. 25 intersects the West right of way line of Egg and Butter Road; thence S 49°59'02"W 514.43 feet along the Southeast right of way line of Alabama Highway No. 25 to the point of beginning; thence S 29°40'13"E 196.89 feet; thence S 63°26'03"W 40.00 feet; thence S 26°33'57"E 25.00 feet; thence S 63°26'03"W 72.13 feet; thence S 0°45'19"E 226.53 feet; thence S 81°13'24"E 8.34 feet; thence S 15°59'44"W 325.29 feet; thence N 81°11'07"W 186.66 feet; thence N 17°33'26"W 448.99 feet to a point on the Southeast right of way line of Alabama Highway No. 25; thence N 49°59'02"E 509.17 feet along said right of way line to the point of beginning. Containing 4.9 acres more or less. Subject to existing right of ways for public roads, utility lines, easements and restrictions of record if any.

EXHIBIT "B"

TO

CERTIFICATE OF LIMITED PARTNERSHIP

CO-GENERAL PARTNERS	MAILING ADDRESS	TOTAL CAPITAL CONTRIBUTIONS*
Housing Investors, Inc.	496 Highway 67 South Decatur, AL 35603	1%

LIMITED PARTNERS	MAILING ADDRESS	TOTAL CAPITAL CONTRIBUTIONS*
W. M. Dinsmore	496 Highway 67 South Decatur, AL 35603	99%

* See "Capital Contributions to the Limited Partnership" attached hereto. Shares of Distributions of profits and losses are covered in Section 5 of the Limited Partnership Agreement attached hereto.

Inst # 1999-31537

1 07/28/1999-31537
01:00 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
008 WMS 27.00