

- (i) First, to repay and reimburse any general partner or Suitt Construction Co., Inc. for loans, advances and other liabilities incurred prior to December 31, 1975 (but not in excess of \$375,000) increased by any additional contributions by the general partners to the partnership, and reduced by any withdrawals of the general partners from the partnership subsequent to 1975.
- (ii) Second, to repay the capital contribution of the limited partner, Jones, Gardner & Beal, Inc., in the amount of \$150,000.
- (iii) Third, to pay the general partners or Suitt Construction Co., Inc. the interest accrued on any advances to the partnership, said interest being computed at 10% per annum, non-compounded.
- (iv) Fourth, to satisfy the cumulative cash flow guaranteed to the limited partner, Jones, Gardner & Beal, Inc. of \$18,000 per year.
- (v) Any remaining proceeds from such refinancing shall then be distributed among all the partners in proportion to their partnership interest.

B. Sale of Project. In the event the apartment project owned by the partnership is sold (which sale must be first approved by all partners), the cash available from such sale, after satisfaction of the existing first mortgage and normal closing expenses, will be disbursed in the following order of priority:

- (i) First, to the limited partner, T. Rae McCoy, Jr. in an amount equal to his capital contribution to the partnership as of the date of such sale.
- (ii) Second, to repay and reimburse any general partner or Suitt Construction Co., Inc. for loans, advances and other liabilities incurred prior to December 31, 1975 (but not in excess of \$375,000) increased by any additional contributions by the general partners to the partnership, and reduced by any withdrawals of the general partners from the partnership subsequent to 1975.
- (iii) Third, to repay the capital contribution of the limited partner, Jones, Gardner & Beal, Inc., in the amount of \$150,000.