

endorsement of the Federal Housing Administration insured note and mortgage shall advance the project funds, to the extent cash is not available from the activities of the partnership. Such advances, if any, shall be considered distributions to the partners. The General Partner shall endeavor for and on behalf of the Partnership to borrow such funds with interest at the then prevailing interest rates from commercial banks, savings and loan association, and/or other lending institutions or persons (including partners), it being that under no circumstances shall the Partnership secure any such loan by mortgage or deed of trust. In the event that any or all of such required additional funds cannot be borrowed by the Partnership as hereinabove set forth in this Section, the General Partner will lend such funds to the Partnership for such periods of time as the General Partner may determine, with interest payable at the then prevailing interest rates in Nashville, Davidson County, Tennessee; provided, however, that the unpaid principal amount of all such loans at any one time shall not exceed the total amounts contributed by the Limited Partners at that time, less the cumulative amount of any distributions received by the Limited Partners. Any loans made pursuant to this Section shall be repayable from any source in any year prior to the distribution of any cash to the Limited Partners.

- 7.5 The General Partners shall, on behalf of the partnership, enter into a five year Management Agreement with Property Management Company, which Management Agreement shall commence upon initial endorsement on such terms and conditions as are customarily approved by Housing and Urban Development on their standard form Management Agreement for similar projects and fees not in excess of those permitted by HUD.

The terms of such Management Agreement shall provide that the management agent shall terminate the Management Agreement only in the event the management agent ceases to be in the business of managing apartment projects; any such termination shall be effective ninety (90) days following written notice to the partnership of the managing agent's desire to terminate. The Partnership may terminate the Management Agreement for cause and such termination shall become effective sixty (60) days following written notice to the managing agent of the partnership's desire to terminate.

The managing agent's responsibility shall include, but not be limited to:

- (i) overseeing the total operation of the project,
- (ii) hiring the management and maintenance personnel for the project,
- (iii) coordinating with the Partnership accountant,
- (iv) providing the necessary and proper reports for the Partnership,
- (v) initiating and coordinating all advertising and promotional campaigns,
- (vi) supervising the leasing of the apartments and collection of rents,
- (vii) supervising repairs and maintenance, and
- (viii) generally to provide all continuing supervisory functions which eliminate the need of the Partnership providing day to day management decisions.

In consideration of this management, Roper Mountain Apartments, Ltd., (as Amended), shall pay to Property Management Company, as a guaranteed payment, the following sums for actual management in renting up and managing the property with the specific intent that said sums shall be used for no other purpose, including but not limited to, paying organization or syndication fees, cost of feasibility study, consultation work with architects and general contractor or for arranging financing.

At initial closing	\$69,764.00
February 1, 1977	51,421.50
February 1, 1978	51,421.50
February 1, 1979	51,421.50
February 1, 1980	51,421.50