Prepared by:

John M. Walker, Jr., Attorney
Winstead, McGuire, Sechrest & Trimble
1700 Mercantile Dallas Building
Dallas, Texas 75201

SPECIAL WARRANTY DEED, BILL OF SALE,
ASSIGNMENT OF LEASES AND CONTRACTS
AND ASSIGNMENT OF TRADE NAME

STATE OF TENNESSEE §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DAVIDSON §

THAT, R & F HOLDING COMPANY, a New Jersey general partnership (hereinafter referred to as "Grantor"), for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, has GRANTED, BARGAINED, SOLD AND CONVEYED, and by these presents does GRANT, BARGAIN, SELL AND CONVEY unto HAYSTACK NASHVILLE APARTMENTS COMPANY, a Tennessee limited partnership (hereinafter referred to as "Grantee"), that certain improved real property (the "Property") situated in Davidson County, Tennessee, more particularly described on Exhibit "A" attached hereto, together with (1) all fixtures, equipment, machinery, furniture and other personal property which may be owned by Grantor and located on the Property (the "Personalty"); (2) all of Grantor's right, title and interest in and to all leases and other contracts (including without limitation, all warranties, guaranties and bonds) affecting the Property; and (3) all of Grantor's right, title and interest in and to the trade name "Haystack Nashville Apartments" and the goodwill, if any, symbolized by and connected with the use of such trade name.

THIS CONVEYANCE IS MADE SUBJECT TO those matters set forth on Exhibit "B" attached hereto and made a part hereof, but it is expressly agreed that Grantee has not assumed or in any way become liable for any indebtedness set forth on said Exhibit "B".

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances and hereditaments thereto and in anywise belonging, unto the said Grantees, their successors and assigns, in

fee simple forever; and Grantor does hereby covenant with Grantee that it is lawfully seized in fee of the aforesaid real estate and that it has good right to sell and convey the same and the Personalty; that the Property and the Personalty is unencumbered except as to those matters set forth in Exhibit "B" hereto and that the title and quiet possession thereto it will warrant and defend against the lawful claims of all persons, by, through or under it, but not otherwise.

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed, Bill of Sale, Assignment of Leases and Contracts and Assignment of Trade Name, the 30TH day of August, 1979, to be effective as of the 30TH day of August, 1979.

R & F HOLDING COMPANY

By: Robert Harmon

THE STATE OF Tennessee §
§
COUNTY OF Davidson §

BEFORE ME, a Notary Public within and for the said State and County aforesaid, duly commissioned and qualified, personally appeared Robert Harmon, with whom I am personally acquainted and who, upon his oath, acknowledged himself to be a partner of R & F HOLDING COMPANY, the within named bargainor, a general partnership, and that he as such partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the general partnership by the said Robert Harmon as partner.

WITNESS MY HAND AND SEAL OF OFFICE at Nashville, on this the 30 day of August, 1979.

NOTARY PUBLIC

My Commission Expires:

10/17/82

ADDRESS OF PROPERTY: 300 Bakertown Road
Antioch, Tennessee 37013

MAILING ADDRESS FOR TAX NOTICES:

Haystack Nashville Apartments Company
300 Bakertown Road
Antioch, Tennessee 37013

THE STATE OF Tennessee §
§
COUNTY OF Davidson §

I hereby swear or affirm that, to the best of my knowledge, information and belief, the actual consideration for this transfer or value of the property transferred, whichever is greater, is $5,032,000.00, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

HAYSTACK NASHVILLE APARTMENTS COMPANY

BY: _____
AFFIANT

SUBSCRIBED AND SWORN TO before me this 30 day of August, 1979.

NOTARY PUBLIC

My Commission Expires:

10/17/82

EXHIBIT "A"

[Property Description]

Land in the 5th Civil District of Davidson County, Tennessee, a portion of premises being all of Reserved Parcel "A" and part of Reserved Parcel "C" on the plan of Cherokee Hills, Section 8, of record in Book 3700, Page 154, Register's Office of said County, a portion of premises being part of Reserved Parcel "C" on the plan of Cherokee Hills, Section 9, of record in Book 4300, Page 135, Register's Office of said County, and being Tract I of Phase I on the survey by Southern Development Consultants, Inc., Engineers-Planners, Job No. 165, dated November 13, 1973, and revised December 6, 1973, as follows:

Beginning at a point in the westerly margin of Cherokee Place, said point being 360 feet, more or less, south of the intersection of Cherokee Place and Rader Drive and also being 13 feet, more or less, east of a 24 inch poplar tree; thence, with the said margin of Cherokee Place South 7°45'03" West 154.40 feet to a point, the beginning of a curve to the left; thence, with said curve, having a radius of 229.40 feet and an interior angle 27°19'20", southeastwardly a total distance of 108.92 feet to a point; thence, leaving the said margin of Cherokee Place and running along a phase line, South 70°33'0" West a distance of 58.59 feet to a point; thence South 67°45'0" West a distance of 427 feet to a point; thence South 76°10'0" West 168 feet to a point, thence, South 78°52'0" West 195 feet to a point; thence, North 47°40'0" West 185 feet to a point; thence, with a curve to the right, said curve having a radius of 666.06 feet and an interior angle of 22°30'0", westwardly a total distance of 261.56 feet to a point; thence North 87°06'17" West 40 feet to a point; thence, with a curve to the right, said curve having a radius of 312.50 feet and an interior angle of 33°30'00", northwestwardly a total distance of 182.71 feet to a point; thence, South 36°23'43"West 83.28 feet to a point in the northeasterly margin of Proposed Road "A"; thence, with said margin and a curve to the right, said curve having a radius of 482.40 feet and an interior angle of 32°22'23" northwardly a total distance of 272.56 feet to a point; thence, continuing with said margin, North 5°06'17" West 271.83 feet to a point; thence, with a curve to the right, said curve having a radius of 25 feet and an interior angle of 99°0'0", northeastwardly a total distance of 43.20 feet to a point on the southerly margin of Rader Drive; thence, with said margin of Rader Drive South 86°06'17" East 835.78 feet to a point; thence, continuing with said margin and with a curve to the left, said curve having a radius of 628.30 feet and an interior angle of 20°40'0", northeastwardly a total distance of 226.60 feet to a point; thence, continuing with said margin, North 73°13'43" East 125 feet to a point; thence, continuing with said margin and with a curve to left, said curve having a radius of 621.60 feet and an interior angle of 0°59'24", northeastwardly a total distance of 10.74 feet to a point, said point being the northwesterly corner of Lot No. 861 on the plan of Cherokee Hills, Section Eight-A, of record in Plan Book 4060, Page 155, Register's Office of Davidson County, Tennessee; thence, leaving the said margin of Rader Drive and with the southwesterly line of said Lot No. 861 of said plan, South 17°43'36" East 100.53 feet to the southwesterly corner of said Lot No. 861; thence South 86°06'17" East 344.97 feet to the point of beginning.

Being the same property conveyed to Haystack Nashville, a joint venture composed of LNC Development Corporation and Epoch Properties Partnership No. 11, a Florida partnership, by deed from Thomas C. Scott, Trustee, of record in Book 4775, page 823, Register's Office for said County.

EXHIBIT "B"

[Encumbrances]

F 50 6 4 6
IDENTIFICATION REFERENCE
SEP 7 12 43 PM '79
FILED FOR RECORD IN THE OFFICIAL REGISTER
DAVIDSON COUNTY, TENN.

1. Taxes for 1979, a lien, but not yet due and payable.

2. Lease by and between Haystack Nashville, a joint venture, and Solon Automated Services, Inc., of record in Book 4970, Page 846, said Register's Office.

3. Two anchor easements, a certain note, and conditions of owners certificate, as shown on the plan of record in Book 4060, Page 155, Register's Office for Davidson County, Tennessee. (As to Reserved Parcel "A" of Cherokee Hills, Section 8-A).

4. A certain note, and conditions of owners certificate, as shown on the plan of record in Book 3700, Page 154, Register's Office for Davidson County, Tennessee. (As to Reserved Parcel "C" of Cherokee Hills, Section 8).

5. A certain note, and conditions of owners certificate, as shown on the plan of record in Book 4300, Page 135, Register's Office for Davidson County, Tennessee. (As to Reserved Parcel "C" of Cherokee Hills, Section 9).

6. Restrictive Covenants contained in an instrument of record in Book 4198, Page 609, Book 4518, Page 495, and Book 4554, Page 202, Register's Office for Davidson County, Tennessee.

7. Deed of trust executed by Haystack-Nashville, a joint venture composed of LNC Development Corporation, an Indiana corporation, and Epoch Properties Partnership No. 11, a Florida general partnership, to Alfred E. Abbey, Trustee, dated June 26, 1975, and recorded in Book 4926, Page 812, Register's Office of Davidson County, Tennessee, to secure to Gulf Life Insurance Company the payment of a note for $2,800,000.00, payable as therein specified, together with any terms, conditions, restrictions, or limitations recited therein.**

8. Financing Statement of record in Book 4926, Page 858, of the Register's Office of Davidson County, Tennessee.

9. Public utility and drainage easement as shown on Plan of record in Book 4675, Page 69, Register's Office for Davidson County, Tennessee.

10. Tennessee Deed of Trust and Security Agreement dated August 30, 1979, from R & F Holding Company, a New Jersey general partnership, to Thomas J. Stack Jr Trustee, and filed for record in the Register's Office for Davidson County, Tennessee, said deed of trust securing the payment of that one certain Purchase Money Note of even date therewith in the original principal sum of $1,052,000.00 executed by R & F Holding Company, a New Jersey general partnership, and made payable to the order of LNC Development Corporation, an Indiana corporation.

11. Instrument dated June 26, 1975, by which the rents and leases were assigned to Gulf Life Insurance Company, said instrument being recorded in Book 4926, Page 846 of the Register's Office of Davidson County, Tennessee.

**as modified by Agreement and First Modification of Deed of Trust Note and Deed of Trust dated August 30, 1979, by and between Gulf Life Insurance Company and LNC Development Corporation and filed for record in the Register's Office of Davidson County, Tennessee.

OFFICIAL RECEIPT

FELIX Z. WILSON, II

REGISTER OF DAVIDSON COUNTY
NASHVILLE, TENNESSEE

BOOK 5494 PAGE 873

RECEIVED OF _____

FOR _____

CO - CONVEYANCE	CC - CERTIFIED COPY	MISC - MISCELLANEOUS
MO - MORTGAGE	REL - RELEASE	CO TX - STATE TAX CONVEY
WD - WARRANTY DEED	UCC - UNIFORM COMMERCIAL CODE	MO TX - STATE TAX MORT
TD - TRUST DEED		PRFEE - PROBATE FEE

DATE	SYMBOL	VALUATION	TAX AND FEES	TOTAL PAID
			1,033.00 CO 1 [illegible] CO TX [illegible] PRFEE	

21.00 [illegible]
CHECK 13134.73-
[illegible]

RECEIPT IS NOT VALID UNTIL CHECK IS PAID BY BANK

F-50646

IDENTIF. REFERENCE

SEP 7 12 43 PM '79

FELIX Z. WILSON, II REGISTER
DAVIDSON COUNTY, TENN.

No. 710227

TO PU[illegible]