Davidson County DEEDWARR
Recvd: 01/11/01 15:46 7pgs
Fees:31.00 Taxes:6415.05
20010111-0003729

SPECIAL WARRANTY DEED

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

That **WATERVLIET SHORES ASSOCIATES,** a Tennessee general partnership with an address for the transaction of business c/o Tri City Rentals, 2 Tower Place, Albany, New York 12203 (the "Grantor"), for and in consideration of the sum of TEN and NO/100 DOLLARS ($10.00) and other good and valuable consideration paid to Grantor by **TERRACE HILL APARTMENTS, GP**, a Tennessee general partnership (the "Grantee"), with an address for the transaction of business at c/o First Management Services, Inc., 333 Union Street, Nashville, Tennessee 37201, the receipt and sufficiency of which is hereby acknowledged, has GRANTED, SOLD AND CONVEYED and by these presents does GRANT, SELL AND CONVEY unto the Grantee herein all that certain property (the "Property") lying and being situated in Davidson County, Tennessee, described as follows, to wit:

> That certain tract or parcel of real property situated in Davidson County, Tennessee as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, together with all improvements thereon and all rights and appurtenances pertaining thereto, including, without limitation, any and all right, title and interest of Grantor in all roads, alleys, easements, street and ways, adjacent thereto, strips and gores and rights of ingress and egress thereto; and those easements, reservations and restrictions set forth on Exhibit "B" attached hereto and made a part hereof for all purpose;

TO HAVE AND TO HOLD the Property, subject to the Permitted Encumbrances, together with all and singular the rights and appurtenances thereto in anywise belonging unto the Grantee, its successors, legal representatives and assigns forever, and the Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND, all and singular the Property unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

THIS CONVEYANCE is made and accepted subject to an indebtedness secured by a certain multi-family deed of trust dated February 9, 1996 upon the certain premises described on Exhibit "A" attached hereto, which multi-family deed of trust was recorded in the Registrar's Office of Davidson County on February 12, 1996 in Book 9945 at Page 854, on which there is an unpaid principal amount of One Million Four Hundred Eighty Thousand Five Hundred Twenty-Nine and 20/100 ($1,480,529.20), with interest from January 1, 2001, at the per annum interest rate of 7.95%, which indebtedness the Grantee hereby assumes and agrees to pay, as part of the purchase price of the above described premises, and the Grantee hereby executes and delivers this instrument to expressly assume and become liable for the

payment of the indebtedness set forth above which is secured by the multi-family deed of trust set forth above.

EXECUTED this the 8th day of January, 2001.

GRANTOR:

WATERVLIET SHORES SSOCIATES

By: _____

Morris Massry
Its: Authorized Representative

EXECUTED this the 9th day of January, 2001.

GRANTEE:

TERRACE HILL APARTMENTS, GP

By: _____

W. Kirby Davis, Jr.,
Its Authorized Representative

State of Tennessee
County of Davidson

The actual consideration or value whichever is greater for this transfer is $1,733,798.50.

Subscribed and sworn to before me this the 10th day of January, 2001.

_____
Affiant

_____
Marjorie Haines, Notary Public

My commission expires 10/14/2002

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

On the 6th day of January, 2001, before me the undersigned, a Notary Public in and for said State of New York, personally appeared MORRIS MASSRY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF TENNESSEE)
) ss.:
COUNTY OF DAVIDSON)

PAUL G. GOLDMAN
Notary Public, State of New York
Qualified in Albany County
Reg. No. 4864023
Commission Expires 8/9/2002

On the 9th day of January, 2001, before me the undersigned, a Notary Public in and for said State of Tennessee, personally appeared W. KIRBY DAVIS, JR. personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Notary Public

NOTARY PUBLIC AT LARGE DAVIDSON COUNTY

This instrument prepared by and
RECORD AND RETURN TO:

Paul J. Goldman, Esq.
Segel, Goldman, Mazzotta & Siegel, P.C.
5 Washington Square
Albany, New York 12205

Address New Owner and Send Tax Bills to:
Terrace Hill Apartments, GP
c/o First Management Services
333 Union Street Bldg. Fourth Floor
Nashville, Tn. 37201

Map-Parcel Numbers:

107-13-132

EXHIBIT A

Being a parcel of land in the First Civil District of Nashville, Davidson County, Tennessee, located on the south margin of Thompson Place, east of Murfreesboro Road being designated as Lot No. 1 of Lavista Villa Apartments of record in Plat Book 4060, page 29, Register's Office for Davidson County, Tennessee, and being more particularly described as follows:

Beginning at an iron pin in the south margin of Thompson Place, said point being the northwest corner of Jerome B. Guttman property of record in Deed Book 3981 page 142, said Register's Office, and the northwest corner of herein described property:

Thence with said southerly margin and a curve concave to the south having a radius of 2839.79 feet, a central angle of 04 degrees 07' 31" and a chord of N 77 degrees 02' 37" E 204.42 feet for an arc length of 204.47 feet to a point;

Thence continuing with said margin, N 79 degrees 16' 55" E, 138.42 feet to a point;

Thence, leaving said margin with the west line of John Gianikas of record in Deed Book 9507, page 751, said Register's Office, S 12 deg. 03' 59" E, 176.03 feet to a point;

Thence, N 79 degrees 05' 31" E, 197.11 feet to a point;

Thence, with the west line of Crestview, Ltd. of record in Deed Book 6194, page 922, said Register's Office, S 12 degrees 50' 17" E, 72.20 feet to an iron pin;

Thence, S 82 degrees 24' 53" W, 74.94 feet to an iron pin;

Thence, S 07 degrees 10' 00" E, 144.69 feet to an iron pin;

Thence, with the north line of A. C. Service and Installation of record in Deed Book 8634, page 786, said Register's Office, S 76 degrees 43' 52" W, 50.16 feet to a point;

Thence, S 61 degrees 28' 55" W, 31.00 feet to a point;

Thence, with the north line of Farris D. Snoddy of record in Deed Book 9388, page 653, said Register's Office, S 56 degrees, 08' 55" W, 59.00 feet to a point;

Thence, South 53 degrees 55' 56" W, 121.64 feet to a point;

Thence, with the east line of the NES Power Board and Mrs. R.E. Martin of record in Deed Book 8699, page 827, said Register's Office, N 25 degrees 51' 45" W, 292.56 feet to a point;

Thence, with the north line of aforementioned Jerome Guttman, N 48 degrees 25' 47" W, 233.08 feet to the point of beginning, containing 127,629 square feet or 2.93 acres, more or less.

Together with a non-exclusive 25 foot easement to be used as a private road, established in deed of record in Book 3035, page 55, Register's Office for Davidson County, Tennessee, and shown on ALTA/ACSM Land Title Survey dated 01/04/96, revised February 8, 1996 by Crawford Land Surveyors, P.C.

Being the same property conveyed to Watervliet Shores Associates, a Tennessee general partnership by Deeds of record in Instrument # 199912280307567 and being recorded simultaneously herewith

EXHIBIT "B"

EASEMENTS, RESERVATIONS AND RESTRICTIONS

1. Assumption and Release Agreement by and between Watervliet Shores Associates, Terrace Hills Apartments, G.P. and LaSalle Bank National Association as Trustee, amending the Deed of Trust set forth in 2 below.

2. Deed to Trust by and between Watervliet Shores Associates, L.L.C. and Mid-South Title Insurance Company, as Trustee for the benefit of SouthTrust Bank of Alabama, National Association securing the principal sum of $1,600,000 dated 2/9/96 and recorded on 2/12/96 in Book 9954 at Page 854 Register's Office, Davidson County, Tennessee, and assigned by Assignment of Deed of Trust to SouthTrust Capital Funding Corp. of record in Book 10320 at Page 198 Register's Office, Davidson County, Tennessee, and further assigned by Assignment of Deed of Trust to LaSalle National Bank as custodian in Book 10320 at Page 203, Register's Office, Davidson County, Tennessee.

3. Assignment of Financing Statement by Watervliet Shores Associates, LLC to LaSalle Bank National Association as Trustee, assigning the following: Financing Statement by Watervliet Shores Associates, LLC, as Debtor, in favor of SouthTrust Bank of Alabama, National Associates, as Secured Party, of record in Book 9945, Page 888, said Register's office, and assigned to SouthTrust Capital Funding Corp. of record in Book 10320, Page 202, said Register's Office, and further assigned to LaSalle National Bank as custodian of record in Book 10320, Page 207, said Register's Office.

4. Assignment of Financing Statement by Watervliet Shores Associates, LLC to LaSalle Bank National Association as Trustee, assigning the following: Financing Statement by Watervliet Shores Associates, LLC, as Debtor, in favor of SouthTrust Bank of Alabama, National Associates, as Secured Party, bearing file no. E0034437, filed in said Register's office, and assigned to SouthTrust Capital Funding Corp. of record in file no.OE41715, said Register's Office, and further assigned to LaSalle National Bank as custodian of record in file no. OE41716, said Register's Office.

5. Assignment of Financing Statement by Watervliet Shores Associates, LLC to LaSalle Bank National Association as Trustee, assigning the following: Financing Statement by Watervliet Shores Associates, LLC, as Debtor, in favor of SouthTrust Bank of Alabama, National Associates, as Secured Party, bearing file no. 96518816, filed in the Tennessee Secretary of State's office, and assigned to SouthTrust Capital Funding Corp. of record in file no.971-501776, in the Tennessee Secretary of State's office, and further assigned to LaSalle National Bank as custodian of record in file no. 971-501777, in the Tennessee Secretary of State's office.

6. Amendment of Financing Statement by Watervliet Shores Associates, LLC to LaSalle Bank National Association as Trustee, amending the following: Financing Statement by Watervliet Shores Associates, LLC, as Debtor, in favor of SouthTrust Bank of Alabama, National Associates, as

Secured Party, of record in Book 9945, Page 888, said Register's office, and assigned to SouthTrust Capital Funding Corp. of record in Book 10320, Page 202, said Register's Office, and further assigned to LaSalle National Bank as custodian of record in Book 10320, Page 207, said Register's Office.

7. Amendment of Financing Statement by Watervliet Shores Associates, LLC to LaSalle Bank National Association as Trustee, amending the following: Financing Statement by Watervliet Shores Associates, LLC, as Debtor, in favor of SouthTrust Bank of Alabama, National Associates, as Secured Party, bearing file no. E0034437, filed in said Register's office, and assigned to SouthTrust Capital Funding Corp. of record in file no.OE41715, said Register's Office, and further assigned to LaSalle National Bank as custodian of record in file no. OE41716, said Register's Office.

8. Amendment of Financing Statement by Watervliet Shores Associates, LLC to LaSalle Bank National Association as Trustee, amending the following: Financing Statement by Watervliet Shores Associates, LLC, as Debtor, in favor of SouthTrust Bank of Alabama, National Associates, as Secured Party, bearing file no. 96518816, filed in the Tennessee Secretary of State's office, and assigned to SouthTrust Capital Funding Corp. of record in file no.971-501776, in the Tennessee Secretary of State's office, and further assigned to LaSalle National Bank as custodian of record in file no. 971-501777, in the Tennessee Secretary of State's office.

9. Payment of taxes, charges, assessment, levied and assessed against subject premises, which are due and payable.

10. All defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the date hereof.

11. All encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the land.

12. All matters shown on Plan of Record in Plat Book 4060, Page 29, said Register's Office, including easement for public utilities and drainage, sewer line and conditions of owners certificate, as shown on said Plan of Record, and shown on Survey referenced at 15 below.

13. Sanitary sewer and/or storm drainage easement of record in Book 4081, Page 789, said Register's Office, and shown on Survey referenced at 15 below.

14. Easement reserved in deed of record, Book 3035, Page 55, said Register's Office.

15. ALTA/ACSM Land Title Survey by Crawford Land Surveying dated January 4, 1996, revised February 8, 1996, and updated November 13, 2000, showing encroachment of rockwall along a portion of the easterly lot line south of extreme east building, chain line fence encroaching portion of northerly lot line, railroad tie wall and rock wall encroaching 25' x 240' ingress-egress easement along portion of easterly lot line and within Tract 1, shown on said survey, and

discrepancies between calls and distances as shown on plat of record in Book 4060, Page 29, said Register's Office, and those shown on said survey, and canopy and steps encroaching minimum building setback line from Thompson Place.