

PREPARED BY/RETURN TO:
BRIAN L. DAVIS, ATTORNEY
919 FERNCLIFF COVE, SUITE 1
SOUTHAVEN, MS 38671
601-393-8542

BK 0476 PG 0730 STATE MS.-DE SOTO CO.

JUL 13 10 35 AM '04

FILE: _____

SPECIAL WARRANTY DEED

STATE OF MISSISSIPPI §
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COUNTY OF DESOTO §

BK 476 PG 730
CH. CLK.

The undersigned, THE COMMONS APARTMENTS, L.P., a Mississippi limited partnership (hereinafter called "Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, does hereby convey and warrant specially unto LSF COMMONS APARTMENTS, LLC, a Delaware limited liability company (hereinafter referred to as "Grantee"), the following property located in DeSoto County, Mississippi:

Lot 2, Area 2, Delta Bluffs Planned Development, lying and being situated in Section 27, Township 1 South, Range 9 West, DeSoto County, Mississippi, as shown on a map or plat thereof which is on file and of record in the office of the Chancery Clerk of DeSoto County, at Hernando, Mississippi, reference to which is hereby made in aid of and as a part of this description, and being more particularly described as follows:

Commencing at a nail in the old intersection of the centerline of Old U.S. Highway 61 and Goodman Road (MS Highway 302), said nail being N 89°32'42" E a distance of 335.00 feet from the Southwest corner of Section 27, Township 1 South, Range 9 West; thence N 12° 18' 59" E, and with the centerline of Old Highway 61, a distance of 214.60 feet to a point; thence S 77°41'01" E, and at right angle to said centerline a distance of 60.00 feet to concrete R.O.W. monument; thence N 12°18'59" E, and along said ROW a distance of 2,039.47 feet to the true Point of Beginning; thence continue N 12° 18'59" E and with said R.O.W. a distance of 328.30 feet to an iron pin at a point of a tangent curve; thence along a curve to the left having a delta angle of 02°51'17", a radius of 11,399.16 feet, and an arc distance of 567.95 feet to an iron pin; thence S 74°49'43" E a distance of 948.71 feet to an iron pin; thence S 00°19'03" E a distance of 664.73 feet to an iron pin; thence S 04°34'02" W a distance of 201.97 feet to an iron pin; thence N 77°41'01"W a distance of 1134.46 feet (1134.31 - called) to the Point of Beginning and containing 21.02 acres, more or less.

TOGETHER WITH all right title and interest in and to that certain a nonexclusive perpetual easement granted by Delta Bluff Apartments, LLC to The Commons Apartments, LLC, for the purpose of tying onto, using, operating and maintaining the existing sanitary sewer line located therein, over, across and under the following described property:

A 15.0 foot wide parcel being a part of Area 1 and Area 2, Delta Bluffs Planned Development, being situated in Section 27, T1S-R9W, DeSoto County, Mississippi, as shown on a map or plat thereof, which is on file and of record in the office of the Chancery Clerk of DeSoto County at Hernando, Mississippi, and being more particularly described as follows:

Commencing at a nail in the present intersection of the centerline of U.S. Hwy 61 and Goodman Road (Miss. Hwy 302), said nail being N 89°32'42" E -335.00 feet from the

accepted SW corner of said Section 27, run thence N 12°18'59" E -214.60 feet along the centerline of U.S. Hwy 61; thence S 77°41'01" E -60.00 feet to a concrete RIGHT OF WAY monument; thence N 12°18'59" E - along the easterly right of way of U.S. Hwy 61 1443.81 feet; thence run S 77°41'01" E -35.00 feet to the POINT OF BEGINNING; thence S 77°41'01" E -59.56 feet; thence S 83°24'08" E - 120.45 feet; thence run N 33°18'59" E -207.98 feet; thence N 55°53'02" W - 62.46 feet; thence N 06°18'59" E - 368.31 feet; thence S 77°41'01" E - 15.08 feet; thence S 06°18'59" W - 358.03 feet; thence S 55° 53'02" E -68.05 feet; thence S 33°18'59" W -229.57 feet; thence N 77°41'01" W - 6.11 feet; thence S 12°18'59" W - 15.00 feet; thence N 77°41'01" W - 184.76 feet; thence N 12°18'59" E - 15.00 feet to the POINT OF BEGINNING.

together with all improvements located thereon, and together with all easements, rights-of-way and rights used in connection with the Property or as a means of access to the Property, and all tenements, hereditaments and appurtenances thereof and thereto, and the lessor's or landlord's interest in all space leases or occupancy agreements covering all or any portion of such real property and the improvements situated thereon (collectively, the "Property"). For the same consideration, Grantor conveys and quitclaims to Grantee all of Grantor's right, title and interest in any land or interest in land contiguous or adjacent to the land described on Exhibit A, including any strips and gores.

This Special Warranty Deed (this "Deed") is being given by Grantor and accepted by Grantee in full and complete satisfaction of that certain Deed of Trust dated as of September 3, 1997, recorded September 3, 1997, in Book 931, page 696, in the Office of the Chancery Clerk of DeSoto County, Mississippi (the "Deed of Trust"), executed in favor of WMF/Huntoon Paige Associates Limited, and all the indebtedness or other sums secured thereby. This Deed is an absolute conveyance and is not given merely as security.

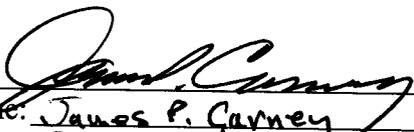
The Deed of Trust was assigned to the Department of Housing and Urban Development in Book 1659 at Page 490; assigned by the Department of Housing and Urban Development to LSF4 Apartment Loan Investments I, LLC in Book 1997 at Page 472; and assigned by LSF4 Apartment Loan Investors I, LLC to Grantee in Book 1997 at Page 474 and Book 2000 at Page 176.

IN WITNESS WHEREOF, Grantor has executed this Deed July 6, 2004, to be effective as of this 13 day of July, 2004.

GRANTOR:

THE COMMONS APARTMENTS, L.P., a
Mississippi limited partnership

By: Heritage Management Group, Inc., a
Mississippi corporation, its General partner

By: 
Name: James P. Carney
Title: President

