UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-32389

NTS REALTY HOLDINGS LIMITED PARTNERSHIP

(Exact name of registrant as specified in its charter)

Delaware	41-2111139
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

10172 Linn Station Road
Louisville, Kentucky 40223
(Address of principal executive offices)

(502) 426-4800
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of May 9, 2005, there were 11,381,608 limited partnership units outstanding.

TABLE OF CONTENTS

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements included in this quarterly report on Form 10-Q, particularly those included in Part I, Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), may be considered "forward-looking statements" because the statements relate to matters which have not yet occurred. For example, phrases such as "we anticipate," "believe" or "expect" indicate that it is possible that the event anticipated, believed or expected may not occur. If these events do not occur, the result which we expected also may, or may not, occur in a different manner, which may be more or less favorable to us. We do not undertake any obligation to update these forward-looking statements.

Any forward-looking statements included in MD&A, or elsewhere in this report, reflect our managing general partner's best judgment based on known factors, but involve risks and uncertainties. Actual results could differ materially from those anticipated in any forward-looking statements as a result of a number of factors, including but not limited to those described in our filings with the Securities and Exchange Commission, particularly our registration statement on Form S-4, which became effective on October 27, 2004. Any forward-looking information provided by us pursuant to the safe harbor established by the Private Securities Litigation Reform Act of 1995 should be evaluated in the context of these factors.

PART I – FINANCIAL INFORMATION
Item 1 – Financial Statements

NTS REALTY HOLDINGS LIMITED PARTNERSHIP
BALANCE SHEETS
AS OF MARCH 31, 2005 AND DECEMBER 31, 2004

	(UNAUDITED) March 31, 2005	December 31, 2004
ASSETS		
Cash and equivalents	$ 15,439,632	$ 2,573,855
Cash and equivalents – restricted	2,874,832	313,255
Accounts receivable, net of allowance for doubtful accounts of $226,576 at March 31, 2005 and $125,485 at December 31, 2004	1,940,516	1,609,802
Land, buildings and amenities, net	156,123,646	156,243,048
Other assets	6,312,001	5,807,464
TOTAL ASSETS	$ 182,690,627	$ 166,547,424
LIABILITIES AND PARTNERS' EQUITY		
Mortgages and notes payable	$ 127,532,509	$ 112,799,938
Accounts payable and accrued expenses	3,151,096	2,588,663
Accounts payable and accrued expenses – affiliate	502,182	177,879
Security deposits	857,427	676,665
Other liabilities	1,605,702	774,294
TOTAL LIABILITIES	133,648,916	117,017,439
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
PARTNERS' EQUITY	49,041,711	49,529,985
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 182,690,627	$ 166,547,424

NTS REALTY HOLDINGS LIMITED PARTNERSHIP
STATEMENT OF PARTNERS' EQUITY
AS OF MARCH 31, 2005
(UNAUDITED)

	General Partner Interests	Limited Partners Interests	General Partner	Limited Partners	Total
PARTNERS' EQUITY					
Initial equity	714,491	10,667,117	$ 3,132,821	$ 46,770,445	$ 49,903,266
Net loss prior year	-	-	(23,433)	(349,848)	(373,281)
Net loss current year	-	-	(30,652)	(457,622)	(488,274)
Balances on March 31, 2005	714,491	10,667,117	$ 3,078,736	$ 45,962,975	$ 49,041,711

The accompanying notes to financial statements are an integral part of these statements.

NTS REALTY HOLDINGS LIMITED PARTNERSHIP
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2005
(UNAUDITED)

REVENUES		
Rental income	$	8,044,775
Tenant reimbursements		539,120
TOTAL REVENUES		8,583,895
EXPENSES		
Operating expenses		2,094,729
Operating expenses – affiliated		980,391
Management fees		389,475
Real estate taxes		561,838
Professional and administrative expenses		738,633
Professional and administrative expenses – affiliated		352,286
Depreciation and amortization		2,142,464
TOTAL OPERATING EXPENSES		7,259,816
OPERATING INCOME		1,324,079
Interest and other income		44,224
Interest expense		(1,827,262)
Loss on disposal of assets		(29,315)
Net loss	$	(488,274)
Net loss allocated to limited partners	$	(457,622)
Net loss per limited partnership unit	$	(0.04)
Number of limited partnership units		10,667,117

The accompanying notes to financial statements are an integral part of these statements.

NTS REALTY HOLDINGS LIMITED PARTNERSHIP
PREDECESSORS' STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2004
(UNAUDITED)

	NTS Properties III	NTS Properties IV	NTS Properties V	NTS Properties VI	NTS Properties VII	NTS Private Group	BBC 1A
REVENUES							
Rental income	$ 845,297	551,512	947,755	2,614,272	385,305	2,167,446	188,197
Tenant reimbursements	88,770	45,696	267,529	387	-	138,410	49,056
TOTAL REVENUES	934,067	597,208	1,215,284	2,614,659	385,305	2,305,856	237,253
EXPENSES							
Operating expenses	191,169	123,718	382,607	767,966	104,682	456,859	29,023
Operating expenses – affiliated	87,460	127,371	165,627	413,136	72,941	199,055	11,342
Management fees	42,922	34,333	67,171	132,721	19,450	134,748	14,236
Real estate taxes	52,146	31,354	131,823	125,788	19,908	103,231	13,248
Professional and administrative expenses	126,610	203,114	278,154	339,749	116,106	34,843	-
Professional and administrative expenses – affiliated	36,042	37,507	48,030	98,920	33,713	-	-
Depreciation and amortization	279,088	126,181	323,631	662,767	102,473	522,366	55,423
TOTAL OPERATING EXPENSES	815,437	683,578	1,397,043	2,541,047	469,273	1,451,102	123,272
OPERATING INCOME (LOSS)	118,630	(86,370)	(181,759)	73,612	(83,968)	854,754	113,981
Interest and other income	2,919	1,882	6,082	2,326	819	3,537	69
Interest expense	(101,439)	(58,061)	(245,123)	(599,880)	(60,940)	(675,178)	(25,515)
Loss on disposal of assets	(448)	-	-	(103)	-	(38,598)	-
Income from investment in joint ventures	-	24,491	-	-	27,747	-	-
Income (loss) before minority interest	19,662	(118,058)	(420,800)	(524,045)	(116,342)	144,515	88,535
Minority interest (loss) income	-	-	(10,364)	5,416	-	-	-
Net income (loss)	$ 19,662	(118,058)	(410,436)	(529,461)	(116,342)	144,515	88,535
Net income (loss) allocated to the limited partners	$ 31,184	(116,877)	(406,332)	(524,166)	(115,179)		
Net income (loss) per limited partnership unit	$ 2.48	(4.85)	(13.31)	13.48	(0.21)		
Weighted average number of limited partnership units	12,570	24,109	30,521	38,889	552,236		

The accompanying notes to financial statements are an integral part of these statements.

NTS REALTY HOLDINGS LIMITED PARTNERSHIP
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2005
(UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$	(488,274)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on disposal of assets		29,315
Depreciation and amortization		2,320,404
Write-off of loan costs		113,102
Changes in assets and liabilities:		
Cash and equivalents – restricted		(561,577)
Accounts receivable		(330,714)
Other assets		(1,139,684)
Accounts payable and accrued expenses		562,433
Accounts payable and accrued expenses – affiliate		324,303
Security deposits		180,762
Other liabilities		831,408
Net cash provided by operating activities		1,841,478
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to land, buildings and amenities		(1,644,698)
Cash and equivalents – restricted		(2,000,000)
Net cash used in investing activities		(3,644,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgages and notes payable		30,000,000
Principal payments on mortgages and notes payable		(281,367)
Payoff of notes payable		(14,712)
Payoff of revolving note payable		(14,971,350)
Additions to loan costs		(63,574)
Net cash provided by financing activities		14,668,997
Net increase in cash and equivalents		12,865,777
CASH AND EQUIVALENTS, beginning of period		2,573,855
CASH AND EQUIVALENTS, end of period	$	15,439,632

The accompanying notes to financial statements are an integral part of these statements.

NTS REALTY HOLDINGS LIMITED PARTNERSHIP
PREDECESSORS' STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2004
(UNAUDITED)

	NTS Properties III	NTS Properties IV	NTS Properties V	NTS Properties VI	NTS Properties VII	NTS Private Group	BBC 1A
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income (loss)	$ 19,662	(118,058)	(410,436)	(529,461)	(116,342)	144,515	88,535
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:							
Loss on disposal of assets	448	-	-	103	-	38,598	-
Depreciation and amortization	306,694	135,504	379,944	676,244	103,253	589,156	65,286
Income from investment in joint ventures	-	(24,491)	-	-	(27,747)	-	-
Minority interest (loss) income	-	-	(10,364)	5,416	-	-	-
Changes in assets and liabilities:							
Cash and equivalents – restricted	(18,483)	(23,395)	(292,475)	(28,044)	(425)	(93,881)	(12,360)
Accounts receivable	(72,231)	19,474	21,789	83,752	1,571	4,399	19,430
Other assets	(37,472)	(777)	(17,195)	(12,128)	529	(19,998)	(364)
Accounts payable and accrued expenses	(59,546)	(28,697)	136,790	689,931	(48,112)	(192,861)	2,252
Security deposits	2,685	50	6,200	991	150	-	-
Other liabilities	70,877	23,951	159,106	125,238	20,982	101,757	14,819
Net cash provided by (used in) operating activities	212,634	(16,439)	(26,641)	1,012,042	(66,141)	571,685	177,598
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions to land, buildings and amenities	(60,567)	(3,023)	(46,377)	(233,015)	-	(28,867)	-
Investment in and advances from (to) joint ventures	-	30,028	-	(14,480)	10,924	-	-
Minority interest	-	-	(5,415)	-	-	-	-
Net cash (used in) provided by investing activities	(60,567)	27,005	(51,792)	(247,495)	10,924	(28,867)	-
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from mortgages and notes payable	-	-	194,440	-	-	-	-
Principal payments on mortgages and notes payable	(108,485)	(158,198)	(72,976)	(539,843)	(39,410)	(795,851)	(144,083)
Cash distributions	-	-	-	-	-	(134,000)	(34,856)
Cash contributions	-	-	-	-	-	222,000	-
Additions to loan costs	(1,000)	-	(3,116)	-	-	-	-
Net cash (used in) provided by financing activities	(109,485)	(158,198)	118,348	(539,843)	(39,410)	(707,851)	(178,939)
Net increase (decrease) in cash and equivalents	42,582	(147,632)	39,915	224,704	(94,627)	(165,033)	(1,341)
CASH AND EQUIVALENTS, beginning of period	180,911	298,240	191,321	125,342	263,655	440,049	33,977
CASH AND EQUIVALENTS, end of period	$ 223,493	150,608	231,236	350,046	169,028	275,016	32,636

The accompanying notes to financial statements are an integral part of these statements.

NTS REALTY HOLDINGS LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

The unaudited financial statements included herein should be read in conjunction with NTS Realty Holdings Limited Partnership's ("NTS Realty") 2004 annual report on Form 10-K as filed with the Securities and Exchange Commission on March 31, 2005. In the opinion of our managing general partner, all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation have been made to the accompanying financial statements for the three months ended March 31, 2005 and 2004. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period. As used in this quarterly report on Form 10-Q the terms "we," "us" or "our," as the context requires, may refer to NTS Realty or its interests in its properties.

Note 1 – Summary of Significant Accounting Policies

A) Organization and Distribution Policy

NTS Realty was organized in the state of Delaware in 2003. Our registration statement on Form S-4 was made effective by the Securities and Exchange Commission ("SEC") on October 27, 2004 with respect to a proposed merger of NTS-Properties III; NTS-Properties IV; NTS-Properties V, a Maryland limited partnership; NTS-Properties VI, a Maryland limited partnership; and NTS-Properties VII, Ltd. (the "Partnerships") registered under the Securities Exchange Act of 1934, along with other real estate entities affiliated with their general partners, specifically Blankenbaker Business Center 1A and the NTS Private Group's assets and liabilities. Certain litigation as described in Note - 11 Commitments and Contingencies was settled in connection with the merger. The merger was completed on December 28, 2004 after a majority of the outstanding limited partnership interests of each Partnership were voted in favor of the merger. As a result of the merger, the Partnerships and Blankenbaker Business Center 1A ceased to exist by operation of law. Concurrent with the merger, ORIG, LLC, a Kentucky limited liability company ("ORIG"), affiliated with the Partnerships' general partners, contributed substantially all of its assets and liabilities to NTS Realty, including the NTS Private Group properties. We accounted for the merger using the purchase method. All purchase price allocations are final.

The Partnerships, NTS Private Group and Blankenbaker Business Center 1A are referred to as NTS Realty's Predecessors (the "Predecessors"). NTS Realty did not have significant operations until the merger on December 28, 2004. All operations prior to that are for the Predecessors and are reflected as such in the accompanying Statements of Operations. The Predecessors' operating results were substantially complete as of December 27, 2004 for the calendar year ended December 31, 2004.

In connection with the merger, we issued 11,381,608 limited partnership units to the former limited and general partners of the Partnerships and to ORIG.

We recently refinanced approximately $94.0 million of debt on the properties contributed by the Partnerships and ORIG with approximately $104.0 million of new debt. Acquisition of the new debt required us to pay yield maintenance premiums on the refinanced debt, which totaled approximately $5.8 million.

We are in the business of developing, constructing, owning and operating multifamily properties, commercial and retail real estate and land leases. Following the merger and contribution and as of March 31, 2005, we own thirty-two properties, comprised of: nine multifamily properties; nineteen office and business centers; three retail properties; and one ground lease. The properties are located in and around Louisville (22) and Lexington (3), Kentucky; Orlando (2) and Fort Lauderdale (3), Florida; Indianapolis (1), Indiana and Atlanta (1), Georgia. Our office and business centers aggregate approximately 1.7 million square feet. We own multifamily properties containing approximately 1,350 units and retail properties containing approximately 210,000 square feet of space, as well as one ground lease associated with a 120-space parking lot attached to one of our properties.

The consolidated financial statements of NTS-Properties V and NTS-Properties VI include the accounts of all wholly-owned properties and majority-owned joint ventures. Intercompany transactions and balances have been eliminated.

We pay distributions if and when authorized by our managing general partner. We are required to pay distributions on a quarterly basis, commencing in the first quarter of 2005, equal to sixty-five percent (65%) of our "net cash flow from operations" as this term is defined in regulations promulgated by the Treasury Department under the Internal Revenue Code of 1986, as amended; provided that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity level taxation for federal, state or local income tax purposes, we will adjust the amount distributed to reflect our obligation to pay tax. Any distribution other than a distribution with respect to the final quarter of a calendar year shall be made no later than forty-five (45) days after the last day of such quarter based on our estimate of "net cash flow from operations" for the year. Any distribution with respect to the final quarter of a calendar year shall be made no later than ninety (90) days after the last day of such quarter based on actual "net cash flow from operations" for the year, adjusted for any excess or insufficient distributions made with respect to the first three quarters of the calendar year.

"Net cash flow from operations" may be reduced by the amount of reserves as determined by us each quarter. NTS Realty Capital will establish these reserves for, among other things, working capital or capital improvement needs. Therefore, there is no assurance that we will have net cash flow from operations from which to pay distributions in the future. For example, our partnership agreement permits our managing general partner to reinvest sales or refinancing proceeds in new and existing properties or to create reserves to fund future capital expenditures. Because net cash flow from operations is calculated after reinvesting sales or refinancing proceeds or establishing reserves, we may not have any net cash flow from operations from which to pay distributions.

Note 3 - Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 4 – Concentration of Credit Risk

We own and operate multifamily, commercial and retail properties and a land lease in Louisville and Lexington, Kentucky, Fort Lauderdale and Orlando, Florida, Indianapolis, Indiana and Atlanta, Georgia.

Our financial instruments that are exposed to concentrations of credit risk consist of cash and equivalents. We maintain our cash accounts primarily with banks located in Kentucky. The total cash balances are insured by the FDIC up to $100,000 per bank account. We may at times, in certain accounts, have deposits in excess of $100,000.

Note 5 - Cash and Equivalents

Cash and equivalents include cash on hand and short-term, highly liquid investments with initial maturities of three months or less. We have a cash management program which provides for the overnight investment of excess cash balances. Under an agreement with a bank, excess cash is invested in a mutual fund for U.S. government and agency securities each night. As of March 31, 2005, approximately $2,441,000 of our overnight investment was included in cash and equivalents.

Note 6 - Cash and Equivalents - Restricted

Cash and equivalents - restricted represents cash on hand and short-term, highly liquid investments with initial maturities of three months or less which have been escrowed with certain mortgage companies and banks for property taxes, insurance and tenant improvements in accordance with certain loan and lease agreements and certain security deposits.

Note 7 - Property and Depreciation

Land, buildings and amenities are stated at cost. Costs directly associated with the acquisition, development and construction of a project are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which are 5-30 years for land improvements, 5-30 years for buildings and improvements and 5-30 years for amenities. Tenant improvements are generally depreciated over the life of the current term of the respective tenant lease.

Depreciation expense for the three months ended March 31, 2005 and 2004 was as follows:

	(UNAUDITED) Three Months Ended March 31, 2005	(UNAUDITED) Three Months Ended March 31, 2004
NTS Realty	$ 1,734,785	
NTS-Properties III		$ 273,715
NTS-Properties IV		126,181
NTS-Properties V		323,631
NTS-Properties VI		662,767
NTS-Properties VII		102,472
NTS Private Group		498,741
Blankenbaker Business Center 1A		55,423
		$ 2,042,930

Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," specifies circumstances in which certain long-lived assets must be reviewed for impairment. If the carrying amount of an asset exceeds the sum of its expected future cash flows, the asset's carrying value must be written down to fair value. In determining the value of an investment property and whether the investment property is impaired, management considers several factors such as projected rental and vacancy rates, property operating expenses, capital expenditures and interest rates. The capitalization rate used to determine property valuation is based on the market in which the investment property is located, length of leases, tenant financial strength, the economy in general, demographics, environment, property location, visibility, age and physical condition among others. All of these factors are considered by management in determining the value of any particular investment property. The value of any particular investment property is sensitive to the actual results of any of these factors, either individually or taken as a whole. If the actual results differ from management's judgment, the valuation could be negatively or positively affected. Application of this standard during the three months ended March 31, 2005 and 2004 did not result in an impairment loss.

Note 8 – Mortgages and Notes Payable

Mortgages and notes payable consist of the following:

	(UNAUDITED) March 31, 2005	December 31, 2004
Note payable to a bank with interest payable in monthly installments, at a variable rate based on LIBOR one-month rate plus 1.75%, due June 28, 2005. The note was refinanced in March 2005, as discussed below.	$ -	$ 14,971,350
Mortgage payable to an insurance company in monthly installments, bearing interest at 5.07%, maturing on March 15, 2015, secured by certain land and buildings, with a carrying value of $25,775,613.	30,000,000	-
Mortgage payable to a bank in monthly installments, bearing interest at a variable rate based on LIBOR one-month rate plus 2.50%, currently 5.36%, due January 1, 2008, secured by certain land and buildings, with a carrying value of $17,179,258. The mortgage is guaranteed by Mr. Nichols (75%) and Mr. Lavin (25%).	13,956,000	14,000,000
Mortgage payable to an insurance company in monthly installments, bearing interest at 5.98%, maturing January 15, 2015, secured by certain land and buildings, with a carrying value of $73,944,001.	74,849,728	75,000,000
Mortgage payable to a bank in monthly installments, bearing interest at 9.00%, maturing August 1, 2010, secured by certain land and a building, with a carrying value of $3,001,274.	2,785,451	2,806,142
Mortgage payable to an insurance company in monthly installments, bearing interest at 8.45%, maturing November 1, 2015, secured by certain land and a building, with a carrying value of $2,648,158.	3,057,595	3,101,366
Mortgage payable to an insurance company in monthly installments, bearing interest at 8.375%, maturing December 1, 2010, secured by certain land, buildings and amenities, with a carrying value of $2,769,632.	2,883,735	2,905,604
Note payable to a finance company in monthly installments, bearing interest at 8.50%, due July 15, 2006, secured by equipment. The note was paid in full in January 2005.	-	15,476
	$ 127,532,509	$ 112,799,938

Based on the borrowing rates currently available to us for loans with similar terms and average maturities, the fair value of long-term debt on March 31, 2005 was approximately $119,626,000.

The note payable to a bank was paid from the proceeds of a $30 million mortgage payable to an insurance company in March 2005. The mortgage payable bears interest at a fixed rate of 5.07%, maturing on March 15, 2015 and is secured by certain land and buildings, with a carrying value of $25,775,613.

Our mortgages may be prepaid but are generally subject to a yield-maintenance premium.

Note 9 - Accounts Payable and Accrued Expenses - Affiliate

Accounts payable and accrued expenses - affiliate includes amounts owed to NTS Development Company for reimbursement of salary and overhead expenses.

Note 10 – Related Party Transactions

NTS Realty is externally managed under an agreement with NTS Development Company ("NTS Devco"), an affiliate of NTS Realty's general partners. NTS Devco is paid a management fee pursuant to the terms of an agreement entered into with NTS Realty. NTS Devco is also reimbursed its actual costs for services rendered to NTS Realty.

We were charged the following amounts pursuant to an agreement with NTS Devco for the three months ended March 31, 2005. These charges include items which have been expensed as operating expenses - affiliated or professional and administrative expenses - affiliated and items which have been capitalized as other assets or as land, buildings and amenities.

NTS Realty

	(UNAUDITED) Three Months Ended March 31, 2005
Property management fees	$ 389,475
Property management	611,852
Leasing	50,790
Administrative – operating	296,783
Other	20,966
Total operating expenses – affiliated	980,391
Professional and administrative expenses – affiliated	352,286
Related party transactions capitalized	-
Total related party transactions	$ 1,722,152

During the three months ended March 31, 2005, we were charged $15,161 for property maintenance fees from an affiliate of NTS Devco.

NTS Devco leased 20,368 square feet in one of our properties, NTS Center, at a rental rate of $14.50 per square foot. We received rental payments of approximately $74,000, or 8% of our total rental income, from NTS Devco during the three months ended March 31, 2005.

NTS Devco leased 1,604 square feet in Commonwealth Business Center Phase I, at a rental rate of $5.50 per square foot. We received rental payments of approximately $2,000 from NTS Devco during the three months ended March 31, 2005.

NTS-Properties III

Prior to the merger and pursuant to an agreement with NTS-Properties III ("NTS-III"), NTS Devco, an affiliate NTS-III's general partner, received property management fees on a monthly basis. The fees were paid in an amount equal to 5% of the gross receipts from our properties. Also pursuant to an agreement, NTS Devco received a repair and maintenance fee equal to 5.9% of costs incurred which related to capital improvements. These repair and maintenance fees were capitalized as part of land, buildings and amenities.

NTS-III was charged the following amounts pursuant to an agreement with NTS Devco for the three months ended March 31, 2004. These charges included items which were expensed as operating expenses - affiliated or professional and administrative expenses - affiliated and items which were capitalized as other assets or as land, buildings and amenities.

	(UNAUDITED) Three Months Ended March 31, 2004
Property management fees	$ 42,922
Property management	54,487
Leasing	15,291
Administrative – operating	15,653
Other	2,029
Total operating expenses – affiliated	87,460
Professional and administrative expenses – affiliated	36,042
Repairs and maintenance fees	1,890
Leasing commissions	3,303
Total related party transactions capitalized	5,193
Total related party transactions	$ 171,617

During the three months ended March 31, 2004, NTS-III was charged $1,828 for property maintenance fees from an affiliate of NTS Devco.

During the three months ended March 31, 2004, NTS Devco leased 20,368 square feet in NTS Center at a rental rate of $14.50 per square foot. NTS-III received rental payments of approximately $74,000, or 8% of their total rental income, from NTS Devco during the three months ended March 31, 2004.

NTS-Properties IV

Prior to the merger and pursuant to an agreement with NTS-Properties IV ("NTS-IV"), NTS Devco, an affiliate of NTS-IV's general partner, received property management fees on a monthly basis. The fees were paid in an amount equal to 5% of the gross receipts from the multifamily property and 6% of the gross receipts from the commercial properties. Also pursuant to an agreement, NTS Devco received a repair and maintenance fee equal to 5.9% of costs incurred which related to capital improvements. These repair and maintenance fees were capitalized as part of land, buildings and amenities.

NTS-IV was charged the following amounts pursuant to an agreement with NTS Devco for the three months ended March 31, 2004. These charges included items which were expensed as operating expenses - affiliated or professional and administrative expenses - affiliated and items which were capitalized as other assets or as land, buildings and amenities.

	(UNAUDITED) Three Months Ended March 31, 2004
Property management fees	$ 34,333
Property management	76,752
Leasing	20,787
Administrative – operating	27,906
Other	1,926
Total operating expenses – affiliated	127,371
Professional and administrative expenses – affiliated	37,507
Repairs and maintenance fees	-
Leasing commissions	5,788
Total related party transactions capitalized	5,788
Total related party transactions	$ 204,999

During the three months ended March 31, 2004, NTS Devco leased 1,604 square feet in Commonwealth Business Center Phase I at a rental rate of $5.50 per square foot. NTS-IV received rental payments of approximately $2,000 from NTS Devco during the three months ended March 31, 2004.

NTS-Properties V

Prior to the merger and pursuant to an agreement with NTS-Properties V ("NTS-V"), NTS Devco, an affiliate of NTS-V's general partner, received property management fees on a monthly basis. The fees were paid in an amount equal to 5% of the gross receipts from the multifamily property and 6% of the gross receipts from the commercial properties. Also pursuant to an agreement, NTS Devco received a repair and maintenance fee equal to 5.9% of costs incurred which related to capital improvements. These repair and maintenance fees were capitalized as part of land, buildings and amenities.

NTS-V was charged the following amounts pursuant to an agreement with NTS Devco for the three months ended March 31, 2004. These charges included items which were expensed as operating expenses - affiliated or professional and administrative expenses - affiliated and items which were capitalized as other assets or as land, buildings and amenities.

		(UNAUDITED) Three Months Ended March 31, 2004
Property management fees	$	67,171
Property management		118,629
Leasing		11,192
Administrative – operating		34,368
Other		1,438
Total operating expenses – affiliated		165,627
Professional and administrative expenses – affiliated		48,030
Repairs and maintenance fees		1,702
Leasing commissions		-
Total related party transactions capitalized		1,702
Total related party transactions	$	282,530

NTS-Properties VI

Prior to the merger and pursuant to an agreement with NTS-Properties VI ("NTS-VI"), NTS Devco, an affiliate of NTS-VI's general partner, received property management fees on a monthly basis. The fees were equal to 5% and 6% of the gross revenues from the multifamily properties and the commercial property, respectively. Also pursuant to an agreement, NTS Devco received a repair and maintenance fee equal to 5.9% of costs incurred which related to capital improvements and major repair and renovation projects. These repair and maintenance fees were capitalized as part of land, buildings and amenities.

NTS-VI was charged the following amounts pursuant to an agreement with NTS Devco for the three months ended March 31, 2004. These charges included items which were expensed as operating expenses - affiliated or professional and administrative expenses - affiliated and items which were capitalized as other assets or as land, buildings and amenities.

	(UNAUDITED) Three Months Ended March 31, 2004
Property management fees	$ 132,721
Property management	261,601
Leasing	36,060
Administrative – operating	110,267
Other	5,208
Total operating expenses – affiliated	413,136
Professional and administrative expenses – affiliated	98,920
Repairs and maintenance fees	12,197
Leasing commissions	4,538
Total related party transactions capitalized	16,735
Total related party transactions	$ 661,512

During the three months ended March 31, 2004, NTS-V was charged $7,006 for property maintenance fees from an affiliate of NTS Devco.

NTS-Properties VII

Prior to the merger and pursuant to an agreement with NTS-Properties VII ("NTS-VII"), NTS Devco, an affiliate of NTS-VII's general partner, received property management fees on a monthly basis. The fees were equal to 5% of the gross revenues from our multifamily properties. Also pursuant to an agreement, NTS Devco received a repair and maintenance fee equal to 5.9% of costs incurred which related to capital improvements and major repair and renovation projects. These repair and maintenance fees were capitalized as part of land, buildings and amenities.

NTS-VII was charged the following amounts pursuant to an agreement with NTS Devco for the three months ended March 31, 2004. These charges included items which were expensed as operating expenses - affiliated or professional and administrative expenses - affiliated and items which were capitalized as other assets or as land, buildings and amenities.

	(UNAUDITED) Three Months Ended March 31, 2004
Property management fees	$ 19,450
Property management	40,979
Leasing	6,758
Administrative – operating	24,646
Other	558
Total operating expenses – affiliated	72,941
Professional and administrative expenses – affiliated	33,713
Related party transactions capitalized	-
Total related party transactions	$ 126,104

NTS Private Group

Prior to the merger, NTS Devco, an affiliate of NTS Private Group (the "Group"), received property management fees on a monthly basis. The fees were equal to 6% of the gross revenues from commercial and retail properties and $100 monthly for each commercial land lease. Also pursuant to an agreement, NTS Devco received a repair and maintenance fee equal to 5% of costs incurred which related to capital improvements and major repair and renovation projects. These repair and maintenance fees were capitalized as part of land, buildings and amenities.

The Group was charged the following amounts by NTS Devco for the three months ended March 31, 2004. These charges included items which were expensed as operating expenses - affiliated and items which were capitalized as other assets or as land, buildings and amenities.

	(UNAUDITED) Three Months Ended March 31, 2004
Property management fees	$ 134,748
Property management	122,265
Leasing	31,658
Administrative – operating	41,298
Other	3,834
Total operating expenses – affiliated	199,055
Professional and administrative expenses – affiliated	-
Repairs and maintenance fees	1,941
Leasing commissions	909
Total related party transactions capitalized	2,850
Total related party transactions	$ 336,653

During the three months ended March 31, 2004 the Group was charged $8,452 for property maintenance fees from an affiliate of NTS Devco.

Blankenbaker Business Center 1A

Prior to the merger and pursuant to an agreement with the partnerships which formed the Blankenbaker Business Center Joint Venture, NTS Devco, an affiliate of the general partners of the partnerships, received property management fees on a monthly basis. The fee was equal to 6% of the gross revenues from the partnerships' commercial properties. Also permitted by an agreement, NTS Devco received a repair and maintenance fee equal to 5.9% of costs incurred which related to capital improvements. These repair and maintenance fees were capitalized as part of land, buildings and amenities.

The Blankenbaker Business Center Joint Venture was charged the following amounts pursuant to an agreement with NTS Devco for the three months ended March 31, 2004. These charges included items which were expensed as operating expenses - affiliated and items which were capitalized as other assets or as land, buildings and amenities.

	(UNAUDITED) Three Months Ended March 31, 2004
Property management fees	$ 14,236
Property management	8,120
Leasing	-
Administrative – operating	3,066
Other	156
Total operating expenses – affiliated	11,342
Professional and administrative expenses – affiliated	-
Related party transactions capitalized	-
Total related party transactions	$ 25,578

During the three months ended March 31, 2004, we were charged an immaterial fee for property maintenance fees from an affiliate of NTS Devco.

Note 11 - Commitments and Contingencies

We, as an owner of real estate, are subject to various environmental laws of federal, state and local governments. Our compliance with existing laws has not had a material adverse effect on our financial condition and results of operations. However, we cannot predict the impact of new or changed laws or regulations on our current properties or on properties that we may acquire in the future.

We do not believe there is any litigation threatened against us other than routine litigation arising out of the ordinary course of business, some of which is expected to be covered by insurance, none of which is expected to have a material effect on our combined financial position or results of operations.

Litigation

On May 6, 2004, the Superior Court of the State of California for the County of Contra Costa granted its final approval of the settlement agreement jointly filed by the general partners (the “General Partners”) of the Partnerships, along with certain of their affiliates, with the class of plaintiffs in the action originally captioned Buchanan, et al. v. NTS-Properties Associates, et al. (Case No. C 01-05090) on December 5, 2003. At the final hearing, any member of the class of plaintiffs was given the opportunity to object to the final approval of the settlement agreement, the entry of a final judgment dismissing with prejudice the Buchanan litigation, or an application of an award for attorneys’ fees and expenses to plaintiffs’ counsel. The Superior Court’s order provided, among other things, that: (1) the settlement agreement, and all transactions contemplated thereby, including the merger of the Partnerships into us, are fair, reasonable and adequate, and in the best interests of the class of plaintiffs; (2) the plaintiffs’ complaint and each and every cause of action and claim set forth therein is dismissed with prejudice; (3) each class member is barred from transferring, selling or otherwise disposing of (other than by operation of law) their interests until the earlier of the closing date of the merger, the termination of the settlement or June 30, 2004; and (4) each class member who requested to be excluded from the settlement released their claims in the Bohm litigation.

On June 11, 2004, Joseph Bohm and David Duval, class members who objected to the settlement agreement but whose objections were overruled by the Superior Court (the “Appellants”), filed an appeal in the Court of Appeals of the State of California, First Appellate District. The Appellants filed their opening appellate brief on October 22, 2004. The General Partners and the Partnerships, as well as the class representatives, filed their respective responses on February 14, 2005, and Appellants filed their reply. The appellate court is in the process of scheduling oral arguments on this matter.

On February 27, 2003, two individuals filed a class and derivative action in the Circuit Court of Jefferson County, Kentucky captioned Bohm, et al. v. J.D. Nichols, et al. (Case No. 03-CI-01740) against certain of the General Partners and several individuals and entities affiliated with us. The complaint was amended to include the general partner of NTS-Properties III and the general partner of NTS-Properties Plus Ltd., which is no longer in existence. In the amended complaint, the plaintiffs purport to bring claims on behalf of a class of limited partners and derivatively on behalf of us and the Partnerships based on alleged overpayment of fees, prohibited investments, improper failures to make distributions, purchases of limited partnerships interests at insufficient prices and other violations of the limited partnership agreements. The plaintiffs are seeking, among other things, compensatory and punitive damages in an unspecified amount, an accounting, the appointment of a receiver or liquidating trustee, the entry of an order of dissolution against the Partnerships, a declaratory judgment and injunctive relief. No amounts have been accrued for the settlement of this action in our financial statements. The General Partners and their legal counsel believe that this action is without merit and are vigorously defending it.

On March 2, 2004, the General Partners filed a motion to dismiss the Bohm litigation. After the motion to dismiss was fully briefed, the settlement agreement in the Buchanan litigation received final court approval. The Circuit Court of Jefferson County, Kentucky, instructed the plaintiffs in the Bohm litigation to file an amended complaint in light of the approved settlement of the Buchanan litigation. The plaintiffs in the Bohm litigation filed a corrected second amended complaint on August 11, 2004. The General Partners, along with all defendants, filed a motion to strike the corrected second amended complaint. On February 9, 2005, the Circuit Court instructed the defendants to file a responsive pleading only as to direct claims asserted by the individual plaintiffs. On March 9, 2005, the General Partners, along with all of the defendants, filed: (1) a motion to dismiss and (2) a joint motion to dismiss the “corrected” second amended complaint. A hearing on these motions is scheduled for July 15, 2005. The General Partners believe that the claims asserted in the “corrected” second amended complaint have no merit.

Note 12 – Segment Reporting

Our reportable operating segments include – Multifamily, Commercial, Retail and Land Real Estate Operations. The following unaudited financial information of the operating segments has been prepared using a management approach, which is consistent with the basis and manner in which our management internally disaggregates financial information for the purpose of assisting in making internal operating decisions. We evaluate performance based on stand-alone operating segment net income or loss. Expenses at the Partnership level are represented in the non-segment column.

NTS Realty

	Three Months Ended March 31, 2005					
	Multifamily	Commercial	Retail	Land	Non Segment	Total
Rental income	$ 3,582,597	$ 4,200,896	$ 341,392	$ 9,042	$ (89,152)	$ 8,044,775
Tenant reimbursements	-	525,907	13,213	-	-	539,120
Total revenues	3,582,597	4,726,803	354,605	9,042	(89,152)	8,583,895
Operating expenses and operating expenses - affiliated	1,610,597	1,433,427	30,961	135	-	3,075,120
Management fees	177,905	198,119	13,451	-	-	389,475
Real estate taxes	242,130	311,727	7,578	403	-	561,838
Professional and administrative expenses and professional and administrative expenses-affiliated	-	-	-	-	1,090,919	1,090,919
Depreciation and amortization	834,219	1,232,765	74,828	652	-	2,142,464
Total operating expenses	2,864,851	3,176,038	126,818	1,190	1,090,919	7,259,816
Operating income (loss)	717,746	1,550,765	227,787	7,852	(1,180,071)	1,324,079
Interest and other income	1,987	17,657	12	-	24,568	44,224
Interest expense	(584,332)	(849,857)	(91,251)	-	(301,822)	(1,827,262)
Loss on disposal of assets	(21,881)	(7,434)	-	-	-	(29,315)
Net income (loss)	$ 113,520	$ 711,131	$ 136,548	$ 7,852	$ (1,457,325)	$ (488,274)

NTS-Properties III

NTS-III’s reportable operating segments included only one segment - Commercial Real Estate Operations.

NTS-Properties IV

NTS-IV's reportable operating segments included - Multifamily and Commercial Real Estate Operations. The multifamily operations represented NTS-IV's ownership and operating results relative to a multifamily community known as The Willows of Plainview Phase I. The commercial operations represented NTS-IV's ownership and operating results relative to suburban commercial office space known as Commonwealth Business Center Phase I and Plainview Point Office Center Phases I and II.

The following unaudited financial information of the operating segments was prepared using a management approach, which was consistent with the basis and manner in which NTS-IV's management internally reported financial information for the purposes of assisting in making internal operating decisions. NTS-IV's management evaluated performance based on stand-alone operating segment net income or loss. Professional and administrative expenses, depreciation and amortization, interest and other income, interest expense and joint venture income or loss incurred at the Partnership level were not allocated to the operating segments.

	Three Months Ended March 31, 2004		
	Multifamily	Commercial	Total
Rental income	$ 286,589	$ 264,923	$ 551,512
Tenant reimbursements	-	45,696	45,696
Total revenues	286,589	310,619	597,208
Operating expenses and operating expenses - affiliated	137,979	113,110	251,089
Management fees	14,716	19,617	34,333
Real estate taxes	13,260	18,094	31,354
Depreciation and amortization	50,864	73,788	124,652
Total operating expenses	216,819	224,609	441,428
Operating income	69,770	86,010	155,780
Interest and other income	69	1,502	1,571
Interest expense	(50,437)	(7,624)	(58,061)
Net income	$ 19,402	$ 79,888	$ 99,290

A reconciliation of the totals reported for the operating segments to the applicable line items in the financial statements is necessary given amounts recorded at the Partnership level and not allocated to the operating properties for internal reporting purposes:

		Three Months Ended March 31, 2004
DEPRECIATION AND AMORTIZATION		
Depreciation and amortization for reportable segments	$	124,652
Depreciation and amortization for Partnership		1,529
Total depreciation and amortization	$	126,181
INTEREST AND OTHER INCOME		
Interest and other income for reportable segments	$	1,571
Interest and other income for Partnership		311
Total interest and other income	$	1,882
NET INCOME (LOSS)		
Net income for reportable segments	$	99,290
Net loss for Partnership (1)		(217,348)
Total net loss	$	(118,058)

(1) The Partnership net loss was primarily composed of professional and administrative costs born by the Partnership and also includes any joint venture income or loss recorded at the Partnership level and not allocated to the operating segments. The professional and administrative costs include the tax and public company reporting and compliance costs associated with a public limited partnership.

NTS-Properties V

NTS-V's reportable operating segments included - Multifamily and Commercial Real Estate Operations. The multifamily operations represented NTS-V's ownership and operating results relative to a multifamily community known as The Willows of Plainview Phase II. The commercial operations represented NTS-V's ownership and operating results relative to suburban commercial office space known as Commonwealth Business Center Phase II and Lakeshore Business Center Phases I, II and III.

The following unaudited financial information of the operating segments was prepared using a management approach, which was consistent with the basis and manner in which NTS-V's management internally reported financial information for the purposes of assisting in making internal operating decisions. NTS-V's management evaluated performance based on stand-alone operating segment net income or loss. Professional and administrative expenses, depreciation and amortization, interest and other income, interest expense and minority interest income or loss recorded at the Partnership level were not allocated to the operating segments.

	Three Months Ended March 31, 2004		
	Multifamily	Commercial	Total
Rental income	$ 293,138	$ 654,617	$ 947,755
Tenant reimbursements	-	267,529	267,529
Total revenues	293,138	922,146	1,215,284
Operating expenses and operating expenses - affiliated	169,157	379,077	548,234
Management fees	14,762	52,409	67,171
Real estate taxes	14,490	117,333	131,823
Depreciation and amortization	56,584	262,392	318,976
Total operating expenses	254,993	811,211	1,066,204
Operating income	38,145	110,935	149,080
Interest and other income	509	5,297	5,806
Interest expense	(66,297)	(173,735)	(240,032)
Net loss	$ (27,643)	$ (57,503)	$ (85,146)

A reconciliation of the totals reported for the operating segments to the applicable line items in the consolidated financial statements is necessary given amounts recorded at the Partnership level and not allocated to the operating properties for internal reporting purposes:

	Three Months Ended March 31, 2004
DEPRECIATION AND AMORTIZATION	
Depreciation and amortization for reportable segments	$ 318,976
Depreciation and amortization for Partnership	4,655
Total depreciation and amortization	$ 323,631
INTEREST AND OTHER INCOME	
Interest and other income for reportable segments	$ 5,806
Interest and other income for Partnership	276
Total interest and other income	$ 6,082
INTEREST EXPENSE	
Interest expense for reportable segments	$ 240,032
Interest expense for Partnership	5,091
Total interest expense	$ 245,123
NET LOSS	
Net loss for reportable segments	$ (85,146)
Net loss for Partnership (1)	(335,654)
Minority interest loss	(10,364)
Total net loss	$ (410,436)

(1) The Partnership net loss was primarily composed of professional and administrative costs born by the Partnership as well as interest and other income, depreciation, interest expense and minority interest recorded at the Partnership level and not allocated to the operating segments. The professional and administrative costs include the tax and public company reporting and compliance costs associated with a public limited partnership.

NTS-Properties VI

NTS-VI's reportable operating segments included - Multifamily and Commercial Real Estate Operations. The multifamily operations represented NTS-VI's ownership and operating results relative to the multifamily communities known as Willow Lake Apartments, Park Place Apartments Phases I and III, Sabal Park Apartments and Golf Brook Apartments. The commercial operations represented NTS-VI's ownership and operating results relative to suburban commercial office space known as Plainview Point Office Center Phase III.

The following unaudited financial information of the operating segments was prepared using a management approach, which was consistent with the basis and manner in which NTS-VI's management internally disaggregated financial information for the purposes of assisting in making internal operating decisions. NTS-VI's management evaluated performance based on stand-alone operating segment net income or loss. Professional and administrative expenses, depreciation and amortization, interest and other income, interest expense and minority interest income or loss recorded at the Partnership level were not allocated to the operating segments.

	Three Months Ended March 31, 2004		
	Multifamily	Commercial	Total
Rental income	$ 2,476,683	$ 137,589	$ 2,614,272
Tenant reimbursements	-	387	387
Total revenues	2,476,683	137,976	2,614,659
Operating expenses and operating expenses - affiliated	1,103,418	77,684	1,181,102
Management fees	124,345	8,376	132,721
Real estate taxes	104,135	21,653	125,788
Depreciation and amortization	586,378	54,022	640,400
Total operating expenses	1,918,276	161,735	2,080,011
Operating income (loss)	558,407	(23,759)	534,648
Interest and other income	457	150	607
Interest expense	(206,146)	-	(206,146)
Loss on disposal of assets	(103)	-	(103)
Net income (loss)	$ 352,615	$ (23,609)	$ 329,006

A reconciliation of the totals reported for the operating segments to the applicable line items in the consolidated financial statements is necessary given amounts recorded at the Partnership level and not allocated to the operating properties for internal reporting purposes:

		Three Months Ended March 31, 2004
DEPRECIATION AND AMORTIZATION		
Depreciation and amortization for reportable segments	$	640,400
Depreciation and amortization for Partnership		22,367
Total depreciation and amortization	$	662,767
INTEREST AND OTHER INCOME		
Interest and other income for reportable segments	$	607
Interest and other income for Partnership		1,719
Total interest and other income	$	2,326
INTEREST EXPENSE		
Interest expense for reportable segments	$	(206,146)
Interest expense for Partnership		(393,734)
Total interest expense	$	(599,880)
NET INCOME (LOSS)		
Net income for reportable segments	$	329,006
Net loss for Partnership (1)		(853,051)
Minority interest income		5,416
Total net loss	$	(529,461)

(1) The Partnership's net loss was primarily composed of professional and administrative costs born by the Partnership and also includes interest expense, depreciation and minority interest recorded at the Partnership level and not allocated to the operating segments. The professional and administrative costs include the tax and public company reporting and compliance costs associated with a public limited partnership.

NTS-Properties VII

NTS-VII's reportable operating segments included only one segment - Multifamily Operations.

NTS Private Group

The Group's reportable operating segments included – Land, Retail and Commercial Real Estate Operations. The retail operations represented the Group's ownership and operating results relative to Springs Station, Bed, Bath & Beyond and Outlets Mall properties located in Louisville, Kentucky. The commercial operations represented the Group's ownership and operating results relative to suburban commercial office space located in Louisville, Kentucky. The land operations represented the Group's ownership and operating results relative to a ground lease located in Louisville, Kentucky.

The following unaudited financial information of the operating segments was prepared using a management approach, which was consistent with the basis and manner in which the Group's management internally disaggregated financial information to assist in making internal operating decisions. The Group's management evaluated performance based on stand-alone operating segment net income or loss.

	Three Months Ended March 31, 2004			
	Land	Retail	Commercial	Total
Rental income	$ 13,384	$ 323,436	$ 1,830,626	$ 2,167,446
Tenant reimbursements	-	16,323	122,087	138,410
Total revenues	13,384	339,759	1,952,713	2,305,856
Operating expenses and operating expenses – affiliated	754	146,246	508,914	655,914
Management fees	300	18,762	115,686	134,748
Real estate taxes	398	7,479	95,354	103,231
Professional and administrative expenses	7,466	7,466	19,911	34,843
Depreciation and amortization	1,272	75,050	446,044	522,366
Total operating expenses	10,190	255,003	1,185,909	1,451,102
Operating income	3,194	84,756	766,804	854,754
Interest and other income	-	30	3,507	3,537
Interest expense	-	(105,524)	(569,654)	(675,178)
Loss on disposal of assets	-	-	(38,598)	(38,598)
Net income (loss)	$ 3,194	$ (20,738)	$ 162,059	$ 144,515

Blankenbaker Business Center 1A

The Joint Venture's reportable operating segments included only one segment - Commercial Real Estate Operations.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

For the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), financial information for the three months ended March 31, 2004 was treated as if the Partnerships, ORIG and the NTS Private Group were combined on a historical basis.

The following discussion should be read in conjunction with the financial statements and historical financial statements appearing in Item 1 and the cautionary statements below. This discussion treats our statements of operations and cash flow information for the three months ended March 31, 2004 as if it were combined with our predecessors.

Critical Accounting Policies

General

A critical accounting policy is one that would materially affect our operations or financial condition, and requires management to make estimates or judgments in certain circumstances. These judgments often result from the need to make estimates about the effect of matters that are inherently uncertain. Critical accounting policies discussed in this section are not to be confused with accounting principles and methods disclosed in accordance with U.S. generally accepted accounting principles (''GAAP''). GAAP requires information in financial statements about accounting principles, methods used and disclosures pertaining to significant estimates. The following disclosure discusses judgments known to management pertaining to trends, events or uncertainties known which were taken into consideration upon the application of those policies and the likelihood that materially different amounts would be reported upon taking into consideration different conditions and assumptions.

Distribution Policy

We pay distributions if and when authorized by our managing general partner. We are required to pay distributions on a quarterly basis, commencing in the first quarter of 2005, equal to sixty-five percent (65%) of our "net cash flow from operations" as this term is defined in regulations promulgated by the Treasury Department under the Internal Revenue Code of 1986, as amended; provided that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity level taxation for federal, state or local income tax purposes, we will adjust the amount distributed to reflect our obligation to pay tax. Any distribution other than a distribution with respect to the final quarter of a calendar year shall be made no later than forty-five (45) days after the last day of such quarter based on our estimate of "net cash flow from operations" for the year. Any distribution with respect to the final quarter of a calendar year shall be made no later than ninety (90) days after the last day of such quarter based on actual "net cash flow from operations" for the year, adjusted for any excess or insufficient distributions made with respect to the first three quarters of the calendar year.

"Net cash flow from operations" may be reduced by the amount of reserves as determined by us each quarter. NTS Realty Capital will establish these reserves for, among other things, working capital or capital improvement needs. Therefore, there is no assurance that we will have net cash flow from operations from which to pay distributions in the future. For example, our partnership agreement permits our managing general partner to reinvest sales or refinancing proceeds in new and existing properties or to create reserves to fund future capital expenditures. Because net cash flow from operations is calculated after reinvesting sales or refinancing proceeds or establishing reserves, we may not have any net cash flow from operations from which to pay distributions.

Impairment and Valuation

Statement of Financial Accounting Standards (''SFAS'') No. 144 ''Accounting for the Impairment or Disposal of Long Lived Assets,'' specifies circumstances in which certain long lived assets must be reviewed for impairment. If this review indicates that the carrying amount of an asset exceeds the sum of its expected future cash flows, the asset's carrying value must be written down to fair value. In determining the value of an investment property and whether the investment property is impaired, management considers several factors such as projected rental and vacancy rates, property operating expenses, capital expenditures and interest rates. The capitalization rate used to determine property valuation is based on among others, the market in which the investment property is located, length of leases, tenant financial strength, the economy in general, demographics, environment, property location, visibility, age and physical condition. All of these factors are considered by management in determining the value of any particular investment property. The value of any particular investment property is sensitive to the actual results of any of these factors, either individually or taken as a whole. If the actual results differ from management's judgment, the valuation could be negatively or positively affected.

The merger was accounted for using the purchase method of accounting in accordance with SFAS No. 141 ''Business Combinations.'' NTS Realty was treated as the purchasing entity. The portion of each partnership's assets and liabilities acquired from unaffiliated third parties was adjusted to reflect its fair market value. That portion owned by affiliates of the general partners of the Partnerships was reflected at historical cost. The assets and liabilities contributed by NTS Private Group were adjusted to reflect their fair market value, except for that portion owned by Mr. Nichols, which was reflected at historical cost due to his common control over the contributing entities.

In accordance with SFAS No. 141, we have allocated the purchase price of each acquired investment property among land, buildings and improvements, other intangibles, including acquired above market leases, acquired below market leases and acquired in place lease origination cost which is the market cost avoidance of executing the acquired leases. Allocation of the purchase price is an area that requires complex judgments and significant estimates. We used the information contained in a third party appraisal as the primary basis for allocating the purchase price between land and buildings. A pro rata portion of the purchase price was allocated to the value of avoiding a lease-up period for acquired in-place leases. The value of in-place leases is amortized to expense over the remaining current term of the respective leases. A portion of the purchase price was allocated to the estimated lease origination cost based on estimated lease execution costs for similar leases and considered various factors including geographic location and size of leased space. We then evaluated acquired leases based upon current market rates at the acquisition date and various other factors including geographic location, size and the location of leased space within the property, tenant profile and the credit risk of the tenant in determining whether the acquired lease is above or below market. After acquired leases were determined to be at, above or below market, we allocated a pro rata portion of the purchase price to any acquired above or below market lease based upon the present value of the difference between the contractual lease rate and the estimated market rate. We also consider an allocation of purchase price to in-place leases that have a customer relationship intangible value. The characteristics we consider in allocating these values include the nature and extent of existing business relationships with the tenant, growth prospects for developing new business with the tenant and the tenant's credit quality and expectations of lease renewals. We currently do not have any tenants with whom we have developed a relationship that we believe has any current intangible value.

Recognition of Rental Income

Under GAAP, we are required to recognize rental income based on the effective monthly rent for each lease. The effective monthly rent is equal to the average monthly rent during the term of the lease, not the stated rent for any particular month. The process, known as ‘‘straight lining’’ or ‘‘stepping’’ rent generally has the effect of increasing rental revenues during the early phases of a lease and decreasing rental revenues in the latter phases of a lease. Due to the impact of ‘‘straight lining,’’ on a historical combining basis, rental income exceeded the cash collected for rent by approximately $333,000, for the three months ended March 31, 2005. If rental income calculated on a straight line basis exceeds the cash rent due under the lease, the difference is recorded as an increase in deferred rent receivable and included as a component of accounts receivable on the relevant balance sheet. If the cash rent due under the lease exceeds rental income calculated on a straight line basis, the difference is recorded as a decrease in deferred rent receivable and is recorded as a decrease of accounts receivable on the relevant balance sheet. We defer recognition of contingent rental income, such as percentage or excess rent, until the specified target that triggers the contingent rental income is achieved. We periodically review the collectability of outstanding receivables. Allowances are generally taken for tenants with outstanding balances due for a period greater than ninety days and tenants with outstanding balances due for a period less than ninety days but that we believe are potentially uncollectible.

Recognition of Lease Termination Income

We recognize lease termination income upon receipt of the income. We accrue lease termination income if there is a signed termination agreement, all of the conditions of the agreement have been met and the tenant is no longer occupying the property.

Cost Capitalization and Depreciation Policies

We review all expenditures and capitalize any item exceeding $1,000 deemed to be an upgrade or a tenant improvement with an expected useful life greater than one year. Land, buildings and amenities are stated at cost. Depreciation expense is computed using the straight line method over the estimated useful lives of the assets. Buildings and improvements have estimated useful lives between 5-30 years, land improvements have estimated useful lives between 5-30 years, and amenities have estimated useful lives between 5-30 years. Acquired above and below market leases are amortized on a straight line basis over the life of the related leases as an adjustment to rental income. Acquired in place lease origination cost is amortized over the life of the lease as a component of amortization expense.

Results of Operations

This section describes our results of operations for the three months ended March 31, 2004 as if it were combined with our Predecessors’ operations without adjustment. As of March 31, 2005, we owned nineteen office and business centers, nine multifamily properties, three retail properties and one ground lease. We generate substantially all of our operating income from property operations.

Net loss for the three months ended March 31, 2005 and 2004 was approximately $(488,000) and $(922,000), respectively. The decreased net loss is primarily due to decreased legal and professional expenses related to the merger and class action litigation. Rental income remained relatively stable between the three months ended March 31, 2005 and 2004. The following tables include certain selected summarized operating data for the three months ended March 31, 2005 and 2004. This data should be read in conjunction with our financial statements, including the notes attached hereto.

	Three Months Ended March 31, 2005					
	Land	Retail	Commercial	Multifamily	Non Segment	Total
Total revenues	$ 9,042	$ 354,605	$ 4,726,803	$ 3,582,597	$ (89,152)	$ 8,583,895
Operating expenses and operating expenses–affiliated	135	30,961	1,433,427	1,610,597	-	3,075,120
Depreciation and amortization	652	74,828	1,232,765	834,219	-	2,142,464
Total interest expense	-	91,251	849,857	584,332	301,822	1,827,262
Net income (loss)	7,852	136,548	711,131	113,520	(1,457,325)	(488,274)

	Three Months Ended March 31, 2004					
	Land	Retail	Commercial	Multifamily	Non Segment	Total
Total revenues	$ 13,384	$ 339,759	$ 4,494,774	$ 3,441,715	$ -	$ 8,289,632
Operating expenses and operating expenses–affiliated	754	146,246	1,397,779	1,588,177	-	3,132,956
Depreciation and amortization	1,272	75,050	1,169,710	789,446	36,451	2,071,929
Total interest expense	-	105,524	877,967	383,040	399,605	1,766,136
Net income (loss)	3,194	(20,738)	432,267	357,309	(1,693,617)	(921,585)

We believe the changes in rental income and tenant reimbursements from period to period are temporary effects of each property's specific mix of lease maturities and are not indicative of any known trend, except for Commonwealth Business Center Phase I where we expect there will be a protracted period for the property to become fully leased again.

Occupancy levels at our properties by segment as of March 31, 2005 and 2004 were as follows:

	As of March 31,	
	2005	2004
Commercial	83.4%	82.4%
Multifamily	88.2%	87.0%
Retail	99.5%	100.0%
Land	N/A	N/A

We believe the changes in occupancy on March 31 from year to year are temporary effects of each property's specific mix of lease maturities and are not indicative of any known trend, except for Commonwealth Business Center Phase I where we expect there will be a protracted period for the property to become full leased again.

The average occupancy levels at our properties by segment for the three months ended March 31, 2005 and 2004 were as follows:

	Three Months Ended March 31,	
	2005	2004
Commercial	83.3%	82.7%
Multifamily	87.8%	87.0%
Retail	99.5%	100.0%
Land	N/A	N/A

We believe the changes in average occupancy from period to period are temporary effects of each property's specific mix of lease maturities and are not indicative of any known trend, except for Commonwealth Business Center Phase I where we expect there will be a protracted period for the property to become fully leased again.

The leasing and renewal negotiations for our commercial properties located in Louisville, Kentucky are handled by leasing agents that are employees of NTS Development Company. All advertising for the commercial properties is coordinated by NTS Development Company's marketing staff located in Louisville, Kentucky.

In an effort to continue to improve occupancy at our multifamily properties, we have on-site leasing staff, who are employees of NTS Development Company, at each of the multifamily properties. The staff handles all on-site visits from potential tenants, coordinates local advertising with NTS Development Company's marketing staff, makes visits to local companies to promote fully furnished apartments, and negotiates lease renewals with current residents.

The following discussion relating to changes in our results of operations includes only material line items within our Statements of Operations or line items for which there was a material change between the three months ended March 31, 2005 and 2004.

Rental Income and Tenant Reimbursements

Rental income and tenant reimbursements for the three months ended March 31, 2005 and 2004 were approximately $8,584,000 and $8,290,000, respectively. The increase of approximately $294,000, or 4%, was primarily the result of increased revenues in the commercial and multifamily segments. The commercial segment increase was the result of increased average occupancy at Plainview Point Office Center Phase III, Atrium Center and Lakeshore Business Center Phase III partially offset by decreased average occupancy at Commonwealth Business Center Phase I, Blankenbaker Business Center Phase II and Lakeshore Business Center Phase I. The multifamily segment increase was the result of increased average occupancy and average rent per unit at Golf Brook Apartments, Park Place Apartments Phase I and II, and Sabal Park Apartments partially offset by decreased average occupancy and average rent per unit at The Willows of Plainview Phase I and II, The Park at the Willows, Park Place Apartments Phase III and Willow Lake Apartments.

Operating Expenses and Operating Expenses – Affiliated

Operating expenses for the three months ended March 31, 2005 and 2004 were approximately $2,095,000 and $2,056,000, respectively. The increase of approximately $39,000, or 2%, was not a significant change, however there were significant offsetting variances within our commercial and retail segments. The offsetting variances were due to an increase in bad debt expense at Lakeshore Business Center Phases I and II and Peachtree Corporate Center for our commercial segment. The increase was partially offset by a decrease in bad debt expense at Outlets Mall for our retail segment.

Operating expenses – affiliated for the three months ended March 31, 2005 and 2004 were approximately $980,000 and $1,077,000, respectively. The decrease of approximately $97,000, or 9%, was primarily the result of decreased personnel costs at all of our properties.

Operating expenses - affiliated are for the services performed by employees of NTS Development Company, an affiliate of our general partners. These employee services include property management, leasing, maintenance, security and other services necessary to manage and operate our business.

Management Fees

Management fees for the three months ended March 31, 2005 and 2004 were approximately $389,000 and $446,000, respectively. The decrease of approximately $57,000, or 13%, was primarily the result of a change in the management fee calculation pursuant to the terms of an agreement with NTS Development Company.

Real Estate Taxes

Real estate taxes for the three months ended March 31, 2005 and 2004 were approximately $562,000 and $477,000, respectively. The increase of approximately $85,000, or 18%, was primarily the result of adjustments made to the periodic expense in 2004 upon notice of the reduction of the tax assessments at Willow Lake Apartments. The increase was partially offset by a decreased tax assessment at Golf Brook Apartments.

Professional and Administrative Expenses and Professional and Administrative Expenses – Affiliated

Professional and administrative expenses for the three months ended March 31, 2005 and 2004 were approximately $739,000 and $1,099,000, respectively. The decrease of approximately $360,000, or 33%, was primarily the result of reduced legal and professional fees related to the merger and to the class action litigation. Professional and administrative expenses for the three months ended March 31, 2005 included approximately $153,000 and $153,000 of merger and litigation expenses, respectively. Professional and administrative expenses for the three months ended March 31, 2004 included approximately $681,000 and $212,000 of merger and litigation expenses, respectively.

Professional and administrative expenses – affiliated for the three months ended March 31, 2005 and 2004 were approximately $352,000 and $254,000, respectively. The increase of approximately $98,000, or 39%, was the result of increased personnel costs at all of our properties.

Professional and administrative expenses - affiliated are for the services performed by employees of NTS Development Company, an affiliate of our general partners. These employee services include legal, financial and other services necessary to manage and operate our business.

Professional and administrative expenses - affiliated consisted of the following:

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Finance	$ 101,000	$ 71,000
Accounting	157,000	108,000
Investor Relations	47,000	31,000
Human Resources	3,000	18,000
Overhead	44,000	26,000
Total	$ 352,000	$ 254,000

Depreciation and Amortization

Depreciation and amortization expenses for the three months ended March 31, 2005 and 2004 were approximately $2,142,000 and $2,072,000, respectively. The increase of approximately $70,000, or 3%, was not a significant change, however, there were significant offsetting variances. The offsetting variances were primarily the result of amortization of our intangible assets, partially offset by the revision of our fixed assets lives subsequent to their acquisition by NTS Realty Holdings Limited Partnership.

Interest Expense

Interest expense for the three months ended March 31, 2005 and 2004 was approximately $1,827,000 and $1,766,000, respectively. The increase of approximately $61,000, or 3%, was not a significant change and was not indicative of any known trend or uncertainty. There were no material offsetting changes.

Liquidity and Capital Resources

Our most liquid asset is our cash and cash equivalents, which consist of cash and short term investments, but do not include any restricted cash. Operating income generated by the properties will be the primary source from which we generate cash. Other sources of cash include the proceeds from mortgage loans and notes payable. Our main uses of cash will relate to capital expenditures, required payments of mortgages and notes payable, distributions and property taxes.

	(UNAUDITED) Three Months Ended March 31, 2005	(UNAUDITED) Three Months Ended March 31, 2004
Operating activities	$ 1,841,478	$ 1,864,738
Investing activities	(3,644,698)	(350,792)
Financing activities	14,668,997	(1,615,378)
Net increase (decrease) in cash and equivalents	$ 12,865,777	$ (101,432)

Cash Flow from Operating Activities

Net cash provided by operating activities was approximately $1,841,000 for the three months ended March 31, 2005 and 2004, respectively.

Cash Flow from Investing Activities

Net cash used in investing activities increased from approximately $351,000 for the three months ended March 31, 2004 to approximately $3,645,000 for the three months ended March 31, 2005. The increase is primarily due to externally escrowing. Increased capital expenditures include: HVAC replacements at Blankenbaker Business Center 1A and 1B, roof replacements at Blankenbaker Business Center II, Park Place Apartments Phase I and Willow Lake Apartments, vacant suite improvements at Lakeshore Business Center Phases I and II, and tenant improvements at Commonwealth Business Center Phase I and Springs Office Center.

Cash Flow from Financing Activities

For the three months ended March 31, 2004, we used approximately $1,615,000 in net cash from financing activities. Net cash provided by financing activities was approximately $14,669,000 for the three months ended March 31, 2005. The change was primarily the result of $30,000,000 in loan proceeds obtained in March 2005. The increase is partially offset by the payoff of the revolving note payable of approximately $14,971,000.

Future Liquidity

Our future liquidity depends significantly on our properties' occupancy remaining at a level which provides for debt payments and adequate working capital, currently and in the future. If occupancy were to fall below that level and remain at or below that level for a significant period of time, our ability to make payments due under our debt agreements and to continue paying daily operational costs would be greatly impaired. In the next twelve months, we intend to operate the properties in a similar manner to their operation in recent years. Cash reserves which consist of unrestricted cash as shown on our balance sheet was approximately $15,440,000 on March 31, 2005. As part of the merger, we refinanced approximately $94.0 million of debt with approximately $119.0 million of new debt. The refinancing, among other things, lowered interest rates and extended the amortization schedules. The refinancing of this debt allowed us to generate cash flow to pay capital expenditures, principal and interest expenses from mortgages and notes payable, deferred fees and expenses to NTS Development Company. Subject to our distribution policy, we anticipate making quarterly distributions to our limited partners.

On April 14, 2005, NTS Realty announced that the board of directors of its managing general partner, NTS Realty Capital, Inc., approved a quarterly distribution of $0.10 per unit on NTS Realty's limited partnership units. The distribution will be paid on May 13, 2005, to limited partners of record at the close of business on April 27, 2005.

We expect to incur capital expenditures of approximately $9.1 million during the next twelve months primarily for roof replacements and tenant origination costs necessary to continue leasing our properties. This discussion of future liquidity details our material commitments.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposure with regard to financial instruments is expected to be our exposure to changes in interest rates. We refinanced substantially all of our debt acquired at the time of our merger with instruments which bear interest at a fixed rate with the exception of an approximately $14.0 million mortgage. We anticipate that a hypothetical 100 basis point increase in interest rates would result in an approximate $6,500,000 decrease in the fair value of our fixed rate debt while increasing interest expense on our variable rate debt by approximately $140,000 annually.

Item 4 - Controls and Procedures

Our managing general partner established disclosure controls and procedures to ensure that our material information is made known to the officers of our managing general partner who certify our financial reports, to our management and to the board of directors of our managing partner.

As of March 31, 2005, our managing general partner's Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that the information required to be disclosed by us in the reports that we file or submit under Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

PART II – OTHER INFORMATION

Item 1 - Legal Proceedings

On May 6, 2004, the Superior Court of the State of California for the County of Contra Costa granted its final approval of the settlement agreement jointly filed by the general partners (the "General Partners") of the Partnerships, along with certain of their affiliates, with the class of plaintiffs in the action originally captioned Buchanan, et al. v. NTS-Properties Associates, et al. (Case No. C 01-05090) on December 5, 2003. At the final hearing, any member of the class of plaintiffs was given the opportunity to object to the final approval of the settlement agreement, the entry of a final judgment dismissing with prejudice the Buchanan litigation, or an application of an award for attorneys' fees and expenses to plaintiffs' counsel. The Superior Court's order provided, among other things, that: (1) the settlement agreement, and all transactions contemplated thereby, including the merger of the Partnerships into us, are fair, reasonable and adequate, and in the best interests of the class of plaintiffs; (2) the plaintiffs' complaint and each and every cause of action and claim set forth therein is dismissed with prejudice; (3) each class member is barred from transferring, selling or otherwise disposing of (other than by operation of law) their interests until the earlier of the closing date of the merger, the termination of the settlement or June 30, 2004; and (4) each class member who requested to be excluded from the settlement released their claims in the Bohm litigation.

On June 11, 2004, Joseph Bohm and David Duval, class members who objected to the settlement agreement but whose objections were overruled by the Superior Court (the "Appellants"), filed an appeal in the Court of Appeals of the State of California, First Appellate District. The Appellants filed their opening appellate brief on October 22, 2004. The General Partners and the Partnerships, as well as the class representatives, filed their respective responses on February 14, 2005, and Appellants filed their reply. The appellate court is in the process of scheduling oral arguments on this matter.

On February 27, 2003, two individuals filed a class and derivative action in the Circuit Court of Jefferson County, Kentucky captioned Bohm, et al. v. J.D. Nichols, et al. (Case No. 03-CI-01740) against certain of the General Partners and several individuals and entities affiliated with us. The complaint was amended to include the general partner of NTS-Properties III and the general partner of NTS-Properties Plus Ltd., which is no longer in existence. In the amended complaint, the plaintiffs purport to bring claims on behalf of a class of limited partners and derivatively on behalf of us and the Partnerships based on alleged overpayment of fees, prohibited investments, improper failures to make distributions, purchases of limited partnerships interests at insufficient prices and other violations of the limited partnership agreements. The plaintiffs are seeking, among other things, compensatory and punitive damages in an unspecified amount, an accounting, the appointment of a receiver or liquidating trustee, the entry of an order of dissolution against the Partnerships, a declaratory judgment and injunctive relief. No amounts have been accrued for the settlement of this action in our financial statements. The General Partners and their legal counsel believe that this action is without merit and are vigorously defending it.

On March 2, 2004, the General Partners filed a motion to dismiss the Bohm litigation. After the motion to dismiss was fully briefed, the settlement agreement in the Buchanan litigation received final court approval. The Circuit Court of Jefferson County, Kentucky, instructed the plaintiffs in the Bohm litigation to file an amended complaint in light of the approved settlement of the Buchanan litigation. The plaintiffs in the Bohm litigation filed a corrected second amended complaint on August 11, 2004. The General Partners, along with all defendants, filed a motion to strike the corrected second amended complaint. On February 9, 2005, the Circuit Court instructed the defendants to file a responsive pleading only as to direct claims asserted by the individual plaintiffs. On March 9, 2005, the General Partners, along with all of the defendants, filed: (1) a motion to dismiss and (2) a joint motion to dismiss the "corrected" second amended complaint. A hearing on these motions is scheduled for July 15, 2005. The General Partners believe that the claims asserted in the "corrected" second amended complaint have no merit.

Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3 - Defaults Upon Senior Securities

None.

Item 4 - Submission of Matters to a Vote of Security Holders

None.

Item 5 - Other Information

Not Applicable.

Item 6 – Exhibits

Exhibit No.		
2.01	Agreement and Plan of Merger entered into by and among NTS Realty Holdings Limited Partnership, NTS-Properties III, NTS-Properties IV, NTS-Properties V, a Maryland limited partnership, NTS-Properties VI, a Maryland limited partnership and NTS-Properties VII, Ltd.	(2)
2.02	Contribution Agreement entered into by and among NTS Realty Holdings Limited Partnership and ORIG, LLC.	(3)
3.01	Certificate of Limited Partnership of NTS Realty Holdings Limited Partnership.	(5)
3.02	Form of Agreement of Limited Partnership of NTS Realty Holdings Limited Partnership.	(4)
3.03	Certificate of Incorporation of NTS Realty Capital, Inc.	(5)
3.04	Bylaws of NTS Realty Capital, Inc.	(6)
10.01	Form of Management Agreement between NTS Realty Holdings Limited Partnership and NTS Development Company.	(5)
10.02	Lease Agreement dated as of January 12, 2005, between NTS Realty Holdings Limited Partnership and SHPS, Inc.	(8)
14.01	Code of Conduct and Ethics.	(8)

Exhibit No.

31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.	(1)
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.	(1)
32.1	Certification of Chief Executive Officer Pursuant to18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	(1)
32.2	Certification of Chief Financial Officer Pursuant to18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	(1)
99.1	Form of Lock-up Agreement between NTS Realty Holdings Limited Partnership and the executive officers of NTS Realty Capital, Inc.	(5)
99.2	Registration Statement on Form S-4, as filed by the Registrant with the Securities and Exchange Commission on October 27, 2004.	(7)

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(1) Filed as part of this quarterly report on Form 10-Q.

(2) Incorporated by reference to Appendix B to the Registrant's Registration Statement on Form S-4, as filed by the Registrant with the Securities and Exchange Commission on October 27, 2004 (file number 333-112467).

(3) Incorporated by reference to Appendix C to the Registrant's Registration Statement on Form S-4, as filed by the Registrant with the Securities and Exchange Commission on October 27, 2004 (file number 333-112467).

(4) Incorporated by reference to Appendix D to the Registrant's Registration Statement on Form S-4, as filed by the Registrant with the Securities and Exchange Commission on October 27, 2004 (file number 333-112467).

(5) Incorporated by reference to the Registrant's Form S-4, as filed by the Registrant with the Securities and Exchange Commission on February 4, 2004.

(6) Incorporated by reference to Amendment No.1 to the Form S-4, as filed by the Registrant with the Securities and Exchange Commission on June 18, 2004.

(7) Incorporated by reference to the Registrant's Registration Statement on Form S-4, as filed with the Securities and Exchange Commission on October 27, 2004 (file number 333-112467).

(8) Incorporated by reference to the Registrant's annual report on Form 10-K for the year ended December 31, 2004, as filed by the Registrant with the Securities and Exchange Commission on March 31, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NTS REALTY HOLDINGS LIMITED PARTNERSHIP

By: NTS REALTY CAPITAL, INC.
Its: Managing General Partner

By: /s/ Brian F. Lavin
Brian F. Lavin
Its: President and Chief Executive Officer
Date: May 13, 2005

EXHIBIT 31.1

CERTIFICATION

I, Brian F. Lavin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NTS Realty Holdings Limited Partnership;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the board of directors of the registrant:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 13, 2005

/s/ Brian F. Lavin
President and Chief Executive Officer of
NTS Realty Capital, Inc., the Managing General Partner of
NTS Realty Holdings Limited Partnership

EXHIBIT 31.2

CERTIFICATION

I, Gregory A. Wells, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NTS Realty Holdings Limited Partnership;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the board of directors of the registrant:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 13, 2005

/s/ Gregory A. Wells
Chief Financial Officer of
NTS Realty Capital, Inc., the Managing General Partner of
NTS Realty Holdings Limited Partnership

EXHIBIT 32.1

CERTIFICATION

I, Brian F. Lavin, President and Chief Executive Officer of NTS Realty Capital, Inc., the managing general partner of NTS Realty Holdings Limited Partnership (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The quarterly report on Form 10-Q of the Company for the three months ended March 31, 2005 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 13, 2005

/s/ Brian F. Lavin
President and Chief Executive Officer of
NTS Realty Capital, Inc., the Managing General Partner of
NTS Realty Holdings Limited Partnership

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION

I, Gregory A. Wells, Chief Financial Officer of NTS Realty Capital, Inc., the managing general partner of NTS Realty Holdings Limited Partnership (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The quarterly report on Form 10-Q of the Company for the three months ended March 31, 2005 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 13, 2005

/s/ Gregory A. Wells
Chief Financial Officer of
NTS Realty Capital, Inc., the Managing General Partner of
NTS Realty Holdings Limited Partnership

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.