

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

FORM 10-Q

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

For the quarterly period ended September 30, 2004

OR

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

Commission File Number 0-14695

**NTS-PROPERTIES VI,
A MARYLAND LIMITED PARTNERSHIP**

(Exact name of registrant as specified in its charter)

Maryland
*(State or other jurisdiction of
incorporation or organization)*

61-1066060
(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)

(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 No

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

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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 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 annual report on Form 10-K for the year ended December 31, 2003. 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 - Consolidated Financial Statements

**NTS-PROPERTIES VI,
A MARYLAND LIMITED PARTNERSHIP
CONSOLIDATED BALANCE SHEETS**

	As of September 30, 2004 <u>(UNAUDITED)</u>	As of December 31, 2003 <u></u>
<u>ASSETS</u>		
Cash and equivalents	\$ 242,266	\$ 125,342
Cash and equivalents - restricted	375,021	245,599
Accounts receivable, net	57,385	132,859
Land, buildings and amenities, net	38,978,599	40,446,437
Other assets	<u>1,168,069</u>	<u>1,203,286</u>
 TOTAL ASSETS	 <u>\$ 40,821,340</u>	 <u>\$ 42,153,523</u>
<u>LIABILITIES AND PARTNERS' EQUITY</u>		
Mortgages and notes payable	\$ 30,248,106	\$ 31,872,038
Accounts payable and accrued expenses	893,778	615,661
Accounts payable - affiliate	1,102,521	206,789
Security deposits	242,409	239,429
Other liabilities	<u>943,709</u>	<u>541,677</u>
 TOTAL LIABILITIES	 33,430,523	 33,475,594
 COMMITMENTS AND CONTINGENCIES (Note 10)		
 PARTNERS' EQUITY	 <u>7,390,817</u>	 <u>8,677,929</u>
 TOTAL LIABILITIES AND PARTNERS' EQUITY	 <u>\$ 40,821,340</u>	 <u>\$ 42,153,523</u>

**NTS-PROPERTIES VI,
A MARYLAND LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF PARTNERS' EQUITY
(UNAUDITED)**

	Limited Partners <u></u>	General Partner <u></u>	Total <u></u>
<u>PARTNERS' EQUITY/(DEFICIT)</u>			
Capital contributions, net of offering costs	\$ 40,518,631	\$ 100	\$ 40,518,731
Net loss - prior years	(16,941,339)	(122,734)	(17,064,073)
Net loss - current year	(1,274,241)	(12,871)	(1,287,112)
Cash distributions declared to date	(12,006,384)	(121,277)	(12,127,661)
Repurchase of limited partnership interests	<u>(2,649,068)</u>	<u>--</u>	<u>(2,649,068)</u>
 BALANCES ON SEPTEMBER 30, 2004	 <u>\$ 7,647,599</u>	 <u>\$ (256,782)</u>	 <u>\$ 7,390,817</u>

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

**NTS-PROPERTIES VI,
A MARYLAND LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>REVENUES</u>				
Rental income	\$ 2,733,715	\$ 2,693,946	\$ 8,004,665	\$ 8,150,947
Tenant reimbursements	408	255	1,203	2,390
TOTAL REVENUES	<u>2,734,123</u>	<u>2,694,201</u>	<u>8,005,868</u>	<u>8,153,337</u>
<u>EXPENSES</u>				
Operating expenses	918,190	780,352	2,435,113	2,276,971
Operating expenses - affiliated	399,414	371,770	1,196,791	1,153,281
Management fees	139,907	136,652	406,825	414,067
Real estate taxes	186,599	235,377	409,640	852,732
Professional and administrative expenses	200,250	149,667	730,655	579,203
Professional and administrative expenses - affiliated	115,560	92,880	325,398	295,550
Depreciation and amortization	<u>663,382</u>	<u>656,821</u>	<u>1,990,038</u>	<u>1,958,424</u>
TOTAL OPERATING EXPENSES	<u>2,623,302</u>	<u>2,423,519</u>	<u>7,494,460</u>	<u>7,530,228</u>
OPERATING INCOME	110,821	270,682	511,408	623,109
Interest and other income	3,197	4,582	18,409	17,306
Interest expense	(589,287)	(631,524)	(1,784,755)	(1,888,403)
Loss on disposal of assets	<u>(5,428)</u>	<u>--</u>	<u>(9,890)</u>	<u>(103,506)</u>
Loss before minority interest	(480,697)	(356,260)	(1,264,828)	(1,351,494)
Minority interest income	<u>8,675</u>	<u>7,674</u>	<u>22,284</u>	<u>22,753</u>
Net loss	<u>\$ (489,372)</u>	<u>\$ (363,934)</u>	<u>\$ (1,287,112)</u>	<u>\$ (1,374,247)</u>
Net loss allocated to the limited partners	<u>\$ (484,478)</u>	<u>\$ (360,295)</u>	<u>\$ (1,274,241)</u>	<u>\$ (1,360,505)</u>
Net loss per limited partnership interest	<u>\$ (12.46)</u>	<u>\$ (9.26)</u>	<u>\$ (32.77)</u>	<u>\$ (34.98)</u>
Weighted average number of limited partnership interests	<u>38,889</u>	<u>38,889</u>	<u>38,889</u>	<u>38,889</u>

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

**NTS-PROPERTIES VI,
A MARYLAND LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)**

	Nine Months Ended September 30,	
	2004	2003
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss	\$ (1,287,112)	\$ (1,374,247)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Loss on disposal of assets	9,890	103,506
Depreciation and amortization	2,032,523	1,997,315
Minority interest income	22,284	22,753
Changes in assets and liabilities:		
Cash and equivalents - restricted	(129,422)	(145,287)
Accounts receivable	75,474	(6,821)
Other assets	17,456	(70,271)
Accounts payable and accrued expenses	1,173,849	377,301
Security deposits	2,980	6,961
Other liabilities	402,032	678,789
	<u>2,319,954</u>	<u>1,589,999</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Additions to land, buildings and amenities	(532,090)	(682,582)
Investment in joint ventures by minority partners, net	(47,008)	(52,633)
	<u>(579,098)</u>	<u>(735,215)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from note payable	19,216	--
Principal payments on mortgages and notes payable	(1,643,148)	(1,535,404)
	<u>(1,623,932)</u>	<u>(1,535,404)</u>
Net increase (decrease) in cash and equivalents	116,924	(680,620)
CASH AND EQUIVALENTS, beginning of period	<u>125,342</u>	<u>1,058,814</u>
CASH AND EQUIVALENTS, end of period	<u>\$ 242,266</u>	<u>\$ 378,194</u>
Interest paid on a cash basis	<u>\$ 1,767,610</u>	<u>\$ 1,872,569</u>

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

**NTS-PROPERTIES VI,
A MARYLAND LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

The unaudited consolidated financial statements included herein should be read in conjunction with NTS-Properties VI's 2003 annual report on Form 10-K as filed with the Securities and Exchange Commission on March 26, 2004. In the opinion of our general partner, all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation have been made to the accompanying consolidated financial statements for the three and nine months ended September 30, 2004 and 2003. 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-Properties VI or its interests in its properties and joint ventures.

Note 1 - Consolidation Policy

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

Other assets include minority interest in our joint venture properties totaling approximately \$738,000 and \$713,000 as of September 30, 2004 and December 31, 2003, respectively. These amounts have been derived primarily from distributions of the joint ventures in excess of the respective minority partners' historical investment in the joint ventures used for financial reporting purposes. This amount will be realized upon the sale of the respective joint venture property or dissolution of the respective joint venture. The underlying assets of the joint ventures are assessed for asset impairment on a periodic basis.

Minority Interest

In May 2003, the Financial Accounting Standards Board ("FASB") issued Statement No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity ("SFAS 150"). SFAS 150 establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. SFAS 150 was effective for all financial instruments created or modified after May 31, 2003, and otherwise was effective at the beginning of the first interim period beginning after June 15, 2003. On November 7, 2003, FASB Staff Position No. FAS 150-3 was issued, which deferred for an indefinite period the classification and measurement provisions, but not the disclosure provisions of SFAS 150.

We consolidate certain properties that are also owned by affiliated parties that have noncontrolling interests. In certain cases, the applicable joint venture agreement provides for a contractual termination date of the agreement based on certain specified events. SFAS 150 describes this type of arrangement as a “limited-life subsidiary”. SFAS 150 requires the disclosure of the estimated settlement value of these noncontrolling interests. As of September 30, 2004, the estimated settlement value of these noncontrolling interests is approximately \$555,000. This settlement value is based on estimated third party consideration paid to the joint venture upon disposition of each property and is net of all other assets and liabilities including any yield maintenance that would have been due on that date had the mortgage encumbering the properties been prepaid on September 30, 2004. Due to the inherent risks and uncertainties related to the operations and sale of real estate assets, among other things, the amount of any potential distribution to the noncontrolling interests is likely to change.

Note 2 - Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management 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 3 - Concentration of Credit Risk

We own and operate, either wholly or through a joint venture, five apartment communities - Park Place Apartments Phases I and III, in Lexington, Kentucky, Willow Lake Apartments, in Indianapolis, Indiana and Sabal Park and Golf Brook Apartments, in Orlando, Florida. We also own and operate, through a joint venture, a commercial rental property - Plainview Point Office Center Phase III, in Louisville, Kentucky. Substantially all of the commercial property’s tenants are local businesses or are businesses which have operations in the Louisville area.

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. 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 4 - Cash and Equivalents

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 repurchase agreement for U.S. government or agency securities each night. As of September 30, 2004, approximately \$165,000 of our overnight investment was included in cash and equivalents.

Note 5 - Cash and Equivalents - Restricted

Cash and equivalents - restricted represents funds received for apartment community security deposits and funds which have been escrowed with mortgage companies for property taxes and insurance in accordance with the loan agreements.

Note 6 - Basis of 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, 5-30 years for amenities and the applicable lease term for tenant improvements. The aggregate cost of our properties for federal tax purposes is approximately \$76,553,000.

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 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. There were no impairment losses during any of the periods presented.

Note 7 - Mortgages and Notes Payable

Mortgages and notes payable consist of the following:

	September 30, 2004	December 31, 2003
Mortgage payable with an insurance company, payable in monthly installments, bearing interest at 7.74%, due October 15, 2012, secured by certain land, buildings and amenities.	\$ 10,716,252	\$ 11,004,713
Mortgage payable with an insurance company, payable in monthly installments, bearing interest at 7.32%, due October 15, 2012, secured by certain land, buildings and amenities.	5,693,790	6,070,365
Mortgage payable with an insurance company, payable in monthly installments, bearing interest at 7.57%, due May 15, 2009, secured by certain land, buildings and amenities.	5,360,405	6,044,431
Mortgage payable with an insurance company, payable in monthly installments, bearing interest at 8.375%, due December 1, 2010, secured by certain land, buildings and amenities.	2,927,021	2,988,656
Mortgage payable with an insurance company, payable in monthly installments, bearing interest at 7.38%, due December 5, 2012, secured by certain land and building.	1,919,901	2,043,356
Mortgage payable with an insurance company, payable in monthly installments, bearing interest at 6.93%, due December 5, 2012, secured by certain land, buildings and amenities.	1,933,067	1,958,280
Mortgage payable with an insurance company, payable in monthly installments, bearing interest at 7.38%, due December 5, 2012, secured by certain land, buildings and amenities.	1,279,934	1,362,237
Note payable to a bank, bearing interest at the bank's Prime Rate, payable monthly, due October 1, 2005. On September 30, 2004, the interest rate was 4.50%.	400,000	400,000
Note payable to a finance company, payable in monthly installments, bearing interest at 8.50%, due July 15, 2006.	17,736	--
	<u>\$ 30,248,106</u>	<u>\$ 31,872,038</u>

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

As of September 30, 2004, the fair value of long-term debt is approximately \$31,975,000, based on the borrowing rates currently available to us for mortgages with similar terms and average maturities.

Note 8 - Accounts Payable - Affiliate

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

NTS Development Company has agreed to defer, until March 31, 2005, amounts owed to them by us as of December 31, 2003 and those amounts accruing from January 1, 2004 through March 31, 2005, other than as permitted by our cash flows. There can be no assurances that NTS Development Company will continue to defer amounts due them past March 31, 2005.

Note 9 - Related Party Transactions

Pursuant to an agreement with us, NTS Development Company, an affiliate of our General Partner, receives property management fees on a monthly basis. The monthly fees are equal to 5% of the gross revenues from our apartment communities and 6% of the gross revenues from our commercial property. Also pursuant to an agreement, NTS Development Company receives a repair and maintenance fee equal to 5.9% of costs incurred which relates to capital improvements and major repair and renovation projects. These repair and maintenance fees are capitalized as part of land, buildings and amenities.

We were charged the following amounts from NTS Development Company for the nine months ended September 30, 2004 and 2003. 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.

	Nine Months Ended September 30,	
	2004	2003
Property management fees	\$ 406,825	\$ 414,067
Property management	783,117	791,923
Leasing	104,174	122,351
Administrative - operating	287,969	229,787
Other	21,531	9,220
Total operating expenses - affiliated	1,196,791	1,153,281
Professional and administrative expenses - affiliated	325,398	295,550
Repair and maintenance fees	23,563	35,307
Leasing commissions	10,990	12,878
Total related party transactions capitalized	34,553	48,185
Total related party transactions	\$ 1,963,567	\$ 1,911,083

During the nine months ended September 30, 2004 and 2003, we were charged \$23,709 and \$22,232, respectively, for property maintenance fees from an affiliate of NTS Development Company.

Note 10 - Commitments and Contingencies

As an owner of real estate, we 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 or 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.

On September 24, 2004, a tenant leased approximately 8,300 square feet of Plainview Point Office Center Phase III. The lease agreement calls for tenant finish, estimated to cost approximately \$101,000. The tenant finish cost is expected to be funded by additional financing and cash reserves. Through September 30, 2004, approximately \$7,000 of the tenant finish cost has been incurred.

Litigation

On December 12, 2001, three individuals filed an action in the Superior Court of the State of California for the County of Contra Costa (the "Superior Court") originally captioned *Buchanan, et al. v. NTS-Properties Associates, et al.* (Case No. C 01-05090) against the general partners (the "General Partners") of NTS-Properties III, NTS-Properties IV, NTS-Properties V, NTS-Properties VI and NTS-Properties VII, Ltd. (the "Partnerships"), as well as several individuals and entities affiliated with us. The action purported to bring claims on behalf of a class of limited partners. These claims were based on, among other things, tender offers made by the Partnerships and an affiliate of the General Partners, as well as the operation of the Partnerships by the General Partners. The plaintiffs alleged, among other things, that the prices at which limited partnership interests were purchased in these tender offers were too low. The plaintiffs sought monetary damages and equitable relief, including an order directing the disposition of the properties owned by the Partnerships and the distribution of the proceeds. No amounts have been accrued for the settlement of this action in our financial statements.

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. Our general partner and legal counsel believe that this action is without merit and are vigorously defending it.

On June 20, 2003, the General Partners reached an agreement in principle with the representatives of the class of plaintiffs to settle the *Buchanan* litigation. This agreed upon settlement includes releases for all of the parties for all of the claims asserted in the *Buchanan* litigation and the *Bohm* litigation. As part of the agreed upon settlement, the General Partners agreed to pursue a merger of the Partnerships and other real estate entities affiliated with the General Partners into a newly-formed entity named NTS Realty Holdings Limited Partnership (“NTS Realty”). NTS Development Company agreed to pay the Partnerships \$1,500,000 on the closing date of the merger. We expect to receive \$723,500 of this payment.

On December 5, 2003, the General Partners, certain of their affiliates and the class of plaintiffs in the *Buchanan* litigation jointly filed a Stipulation and Agreement of Settlement (the “Settlement Agreement”) with the Superior Court. The Settlement Agreement sets forth the terms of the agreed upon settlement the parties reached on June 20, 2003. On February 26, 2004, the Superior Court preliminarily approved the Settlement Agreement as within the range of reasonableness and that it is fair, just and adequate to the class of plaintiffs. The Superior Court scheduled a hearing to finally determine whether the Settlement Agreement is in the best interests of the class of plaintiffs and whether the *Buchanan* litigation should be dismissed with prejudice.

On March 2, 2004, we, along with all defendants, 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. We, along with all defendants, filed a Motion to Strike the corrected Second Amended Complaint. A hearing on this motion is scheduled for January 14, 2005. Our general partner believes that the claims asserted in the corrected Second Amended Complaint have no merit.

On May 6, 2004, the Superior Court granted its final approval of the Settlement Agreement. 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 provides, among other things, that: (1) the Settlement Agreement, and all transactions contemplated thereby, including the proposed merger of the Partnerships into NTS Realty, 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 were overruled by the Superior Court, filed an appeal in the Court of Appeals of the State of California, first Appellate District. Our general partner believes that this appeal has no merit and intends to defend it and the decision of the Superior Court.

Under an indemnification agreement with our general partner, we are responsible for the costs of defending any litigation. For the nine months ended September 30, 2004 and 2003, our share of the legal costs for the *Buchanan* and *Bohm* litigations was approximately \$174,000 and \$217,000, respectively, which was included in our professional and administrative expenses.

We do not believe there is any other 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 financial position or results of operations, except as discussed herein.

Proposed Merger

As part of the Settlement Agreement, our general partner and the general partners of the four public partnerships affiliated with us, have agreed to pursue a merger of the partnerships and several other affiliated real estate entities into NTS Realty. The merger is subject to, among other things, approval by a majority of the limited partner interests in each partnership. For the nine months ended September 30, 2004 and 2003, our share of the legal and professional fees for the proposed merger was approximately \$469,000 and \$110,000, respectively, which was included in our professional and administrative expenses.

On February 4, 2004, NTS Realty filed a joint consent solicitation statement/prospectus on Form S-4 with the Securities and Exchange Commission. The solicitation statement/prospectus presents the merger of the Partnerships with NTS Realty. Concurrent with the merger, ORIG, LLC, a Kentucky limited liability company, which is affiliated with our general partner, will contribute substantially all its real estate assets and all of its liabilities to NTS Realty. NTS Realty filed Amendment No. 1 on June 18, 2004, Amendment No. 2 on August 13, 2004 and Amendment No. 3 on September 30, 2004.

On October 25, 2004 and October 27, 2004, NTS Realty filed Amendment No. 4 and Amendment No. 5, respectively, to its registration statement on Form S-4, which includes a joint consent solicitation statement/prospectus, with the Securities and Exchange Commission to seek approval of the merger of the Partnerships into NTS Realty. The general partners of the Partnerships agreed to pursue a merger of the Partnerships in the Stipulation and Agreement of Settlement that was jointly filed by the general partners, 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 October 27, 2004, the Securities and Exchange Commission signed an order declaring NTS Realty's registration statement to be effective and the Partnerships began mailing the joint consent solicitation statement/prospectus to their respective limited partners.

Note 11 - Segment Reporting

Our reportable operating segments include Apartment Community and Commercial Real Estate Operations. The apartment community operations represent our ownership and operating results relative to the apartment complexes known as Willow Lake, Park Place Phase I, Park Place Phase III, Sabal Park and Golf Brook. The commercial operations represent our ownership and operating results relative to suburban commercial office space known as Plainview Point Office Center Phase III.

The 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 reports financial information for the purposes of assisting in making internal operating decisions. Our management evaluated performance based on stand-alone operating segment net income. Professional and administrative expenses, interest and other income, depreciation, interest expense and minority interest income recorded at the Partnership level have not been allocated to the segments.

	Three Months Ended September 30, 2004		
	Apartment Communities	Commercial	Total
Rental income	\$ 2,537,550	\$ 196,165	\$ 2,733,715
Tenant reimbursements	--	408	408
Total revenues	2,537,550	196,573	2,734,123
Operating expenses and operating expenses - affiliated	1,224,549	93,055	1,317,604
Management fees	126,019	13,888	139,907
Real estate taxes	175,049	11,550	186,599
Depreciation and amortization	589,219	53,740	642,959
Total operating expenses	2,114,836	172,233	2,287,069
Operating income	422,714	24,340	447,054
Interest and other income	2,025	61	2,086
Interest expense	(410,904)	(1)	(410,905)
Loss on disposal of assets	(5,428)	--	(5,428)
Net income	\$ 8,407	\$ 24,400	\$ 32,807

<u>Three Months Ended September 30, 2003</u>			
	<u>Apartment</u>		
	<u>Communities</u>	<u>Commercial</u>	<u>Total</u>
Rental income	\$ 2,569,027	\$ 124,919	\$ 2,693,946
Tenant reimbursements	--	255	255
Total revenues	<u>2,569,027</u>	<u>125,174</u>	<u>2,694,201</u>
Operating expenses and operating expenses - affiliated	1,078,923	73,199	1,152,122
Management fees	129,067	7,585	136,652
Real estate taxes	228,867	6,510	235,377
Depreciation and amortization	<u>581,407</u>	<u>53,047</u>	<u>634,454</u>
Total operating expenses	<u>2,018,264</u>	<u>140,341</u>	<u>2,158,605</u>
Operating income (loss)	550,763	(15,167)	535,596
Interest and other income	1,738	96	1,834
Interest expense	<u>(217,316)</u>	<u>--</u>	<u>(217,316)</u>
Net income (loss)	<u>\$ 335,185</u>	<u>\$ (15,071)</u>	<u>\$ 320,114</u>

<u>Nine Months Ended September 30, 2004</u>			
	<u>Apartment</u>		
	<u>Communities</u>	<u>Commercial</u>	<u>Total</u>
Rental income	\$ 7,488,417	\$ 516,248	\$ 8,004,665
Tenant reimbursements	--	1,203	1,203
Total revenues	<u>7,488,417</u>	<u>517,451</u>	<u>8,005,868</u>
Operating expenses and operating expenses - affiliated	3,373,180	258,724	3,631,904
Management fees	376,079	30,746	406,825
Real estate taxes	364,887	44,753	409,640
Depreciation and amortization	<u>1,762,896</u>	<u>161,987</u>	<u>1,924,883</u>
Total operating expenses	<u>5,877,042</u>	<u>496,210</u>	<u>6,373,252</u>
Operating income	1,611,375	21,241	1,632,616
Interest and other income	13,714	327	14,041
Interest expense	(1,239,465)	(1)	(1,239,466)
Loss on disposal of assets	<u>(7,984)</u>	<u>(1,906)</u>	<u>(9,890)</u>
Net income	<u>\$ 377,640</u>	<u>\$ 19,661</u>	<u>\$ 397,301</u>

	<u>Nine Months Ended September 30, 2003</u>		
	<u>Apartment Communities</u>	<u>Commercial</u>	<u>Total</u>
Rental income	\$ 7,769,900	\$ 381,047	\$ 8,150,947
Tenant reimbursements	--	2,390	2,390
 Total revenues	 <u>7,769,900</u>	 <u>383,437</u>	 <u>8,153,337</u>
Operating expenses and operating expenses - affiliated	3,202,512	227,740	3,430,252
Management fees	390,415	23,652	414,067
Real estate taxes	833,202	19,530	852,732
Depreciation and amortization	<u>1,738,190</u>	<u>153,134</u>	<u>1,891,324</u>
 Total operating expenses	 <u>6,164,319</u>	 <u>424,056</u>	 <u>6,588,375</u>
 Operating income (loss)	 1,605,581	 (40,619)	 1,564,962
Interest and other income	9,861	368	10,229
Interest expense	(653,520)	--	(653,520)
Loss on disposal of assets	<u>(103,506)</u>	<u>--</u>	<u>(103,506)</u>
 Net income (loss)	 <u>\$ 858,416</u>	 <u>\$ (40,251)</u>	 <u>\$ 818,165</u>

A reconciliation of the totals reported for the operating segments to the applicable line items in the consolidated financial statements for the three and nine months ended September 30, 2004 and 2003, is necessary given amounts recorded at the Partnership level and not allocated to the operating properties for internal reporting purposes.

	Three Months Ended September 30,	
	2004	2003
<u>DEPRECIATION AND AMORTIZATION</u>		
Total depreciation and amortization for reportable segments	\$ 642,959	\$ 634,454
Depreciation and amortization for Partnership	<u>20,423</u>	<u>22,367</u>
Total depreciation and amortization	<u>\$ 663,382</u>	<u>\$ 656,821</u>
<u>INTEREST AND OTHER INCOME</u>		
Total interest and other income for reportable segments	\$ 2,086	\$ 1,834
Interest and other income for Partnership	<u>1,111</u>	<u>2,748</u>
Total interest and other income	<u>\$ 3,197</u>	<u>\$ 4,582</u>
<u>INTEREST EXPENSE</u>		
Total interest expense for reportable segments	\$ (410,905)	\$ (217,316)
Interest expense for Partnership	<u>(178,382)</u>	<u>(414,208)</u>
Total interest expense	<u>\$ (589,287)</u>	<u>\$ (631,524)</u>
<u>NET INCOME (LOSS)</u>		
Total net income for reportable segments	\$ 32,807	\$ 320,114
Less minority interest for Partnership	8,675	7,674
Plus net loss for Partnership (1)	<u>(513,504)</u>	<u>(676,374)</u>
Total net loss	<u>\$ (489,372)</u>	<u>\$ (363,934)</u>

- (1) The Partnership's net loss is primarily composed of professional and administrative costs born by the Partnership and also includes interest and other income, 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.

	Nine Months Ended September 30,	
	2004	2003
<u>DEPRECIATION AND AMORTIZATION</u>		
Total depreciation and amortization for reportable segments	\$ 1,924,883	\$ 1,891,324
Depreciation and amortization for Partnership	<u>65,155</u>	<u>67,100</u>
Total depreciation and amortization	<u>\$ 1,990,038</u>	<u>\$ 1,958,424</u>
<u>INTEREST AND OTHER INCOME</u>		
Total interest and other income for reportable segments	\$ 14,041	\$ 10,229
Interest and other income for Partnership	<u>4,368</u>	<u>7,077</u>
Total interest and other income	<u>\$ 18,409</u>	<u>\$ 17,306</u>
<u>INTEREST EXPENSE</u>		
Total interest expense for reportable segments	\$ (1,239,466)	\$ (653,520)
Interest expense for Partnership	<u>(545,289)</u>	<u>(1,234,883)</u>
Total interest expense	<u>\$ (1,784,755)</u>	<u>\$ (1,888,403)</u>
<u>NET INCOME (LOSS)</u>		
Total net income for reportable segments	\$ 397,301	\$ 818,165
Less minority interest for Partnership	22,284	22,753
Plus net loss for Partnership (1)	<u>(1,662,129)</u>	<u>(2,169,659)</u>
Total net loss	<u>\$ (1,287,112)</u>	<u>\$ (1,374,247)</u>

- (1) The Partnership's net loss is primarily composed of professional and administrative costs born by the Partnership and also includes interest and other income, 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.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Consolidated Financial Statements in Item 1 and the cautionary statements below.

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.

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 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.

Recognition of Rental Income

Our apartment communities have operating leases with apartment residents with terms generally of twelve months or less. We recognize rental revenue related to these leases on an accrual basis when due from residents. In accordance with our standard lease terms, rental payments are generally due on a monthly basis.

Our commercial property leases are accounted for as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. We structure our leases to allow us to recover a significant portion of our property operating expenses, real estate taxes and repairs and maintenance expenses from our commercial tenants. Property operating expenses typically include utility, insurance, security, janitorial, landscaping and other administrative expenses. We accrue reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. We also receive estimated payments for these reimbursements from substantially all our tenants throughout the year. We do this to reduce the risk of loss on uncollectible accounts once we perform the final year-end billings for recoverable expenditures. We recognize the difference between estimated recoveries and the final billed amounts in the subsequent year and we believe these differences were not material in any period presented.

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," cash collected for rent exceeded rental income by approximately \$12,000, for the nine months ended September 30, 2004, and cash collected for rent was approximately equal to rental income for the nine months ended September 30, 2003. 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 for tenants with potentially uncollectible outstanding balances due for a period less than ninety days.

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 of between 5-30 years, and amenities have estimated useful lives between 5-30 years.

Minority Interest

In May 2003, the Financial Accounting Standards Board (“FASB”) issued Statement No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity” (“SFAS 150”). SFAS 150 establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. SFAS 150 was effective for all financial instruments created or modified after May 31, 2003, and otherwise was effective at the beginning of the first interim period beginning after June 15, 2003. On November 7, 2003, FASB Staff Position No. FAS 150-3 was issued, which deferred for an indefinite period the classification and measurement provisions, but not the disclosure provisions of SFAS 150.

We consolidate certain properties that are also owned by affiliated parties that have noncontrolling interests. In certain cases, the applicable joint venture agreement provides for a contractual termination date of the agreement based on certain specified events. SFAS 150 describes this type of arrangement as a “limited-life subsidiary”. SFAS 150 requires the disclosure of the estimated settlement value of these noncontrolling interests. As of September 30, 2004, the estimated settlement value of these noncontrolling interests is approximately \$555,000. This settlement value is based on estimated third party consideration paid to the joint venture upon disposition of each property and is net of all other assets and liabilities including any yield maintenance that would have been due on that date had the mortgage encumbering the properties been prepaid on September 30, 2004. Due to the inherent risks and uncertainties related to the operations and sale of real estate assets, among other things, the amount of any potential distribution to the noncontrolling interests is likely to change.

Results of Operations

The following tables include our selected summarized operating data for the three and nine months ended September 30, 2004 and 2003. This data is presented to provide assistance in identifying trends in our operating results and other factors affecting our business. This data should be read in conjunction with our consolidated financial statements, including the notes thereto, in Part I, Item 1 of this report.

Three Months Ended September 30, 2004				
	Apartment			
	Communities	Commercial	Partnership	Total
Net revenues	\$ 2,537,550	\$ 196,573	\$ --	\$ 2,734,123
Operating expenses and operating expenses - affiliated	1,224,549	93,055	--	1,317,604
Depreciation and amortization	589,219	53,740	20,423	663,382
Interest expense	(410,904)	(1)	(178,382)	(589,287)
Net income (loss)	8,407	24,400	(522,179)	(489,372)

Three Months Ended September 30, 2003				
	Apartment			
	Communities	Commercial	Partnership	Total
Net revenues	\$ 2,569,027	\$ 125,174	\$ --	\$ 2,694,201
Operating expenses and operating expenses - affiliated	1,078,923	73,199	--	1,152,122
Depreciation and amortization	581,407	53,047	22,367	656,821
Interest expense	(217,316)	--	(414,208)	(631,524)
Net income (loss)	335,185	(15,071)	(684,048)	(363,934)

Nine Months Ended September 30, 2004				
	Apartment			
	Communities	Commercial	Partnership	Total
Net revenues	\$ 7,488,417	\$ 517,451	\$ --	\$ 8,005,868
Operating expenses and operating expenses - affiliated	3,373,180	258,724	--	3,631,904
Depreciation and amortization	1,762,896	161,987	65,155	1,990,038
Interest expense	(1,239,465)	(1)	(545,289)	(1,784,755)
Net income (loss)	377,640	19,661	(1,684,413)	(1,287,112)

Nine Months Ended September 30, 2003				
	Apartment			
	Communities	Commercial	Partnership	Total
Net revenues	\$ 7,769,900	\$ 383,437	\$ --	\$ 8,153,337
Operating expenses and operating expenses - affiliated	3,202,512	227,740	--	3,430,252
Depreciation and amortization	1,738,190	153,134	67,100	1,958,424
Interest expense	(653,520)	--	(1,234,883)	(1,888,403)
Net income (loss)	858,416	(40,251)	(2,192,412)	(1,374,247)

During the nine months ended September 30, 2004, our operating results have been negatively impacted by the expenses related to our proposed merger. Apartment community net revenues have decreased due to a decrease in average rent per unit. Commercial net revenues have increased slightly as a result of higher average occupancy. Operating expense and operating expenses - affiliated have not changed significantly. Real estate taxes have decreased due to decreased tax assessments at Willow Lake Apartments and Park Place Apartments Phase I, which were partially

offset by an increased tax assessment at Plainview Point Office Center Phase III and by additional Plainview Point Office Center Phase III property tax that was contested in 2003, but overruled in 2004. Depreciation and interest expense have remained fairly constant.

Rental income and tenant reimbursements generated by our properties and joint ventures for the three and nine months ended September 30, 2004 and 2003 were as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2004	2003	2004	2003
<u>Wholly-Owned Properties</u>				
Sabal Park Apartments	\$ 500,657	\$ 445,023	\$ 1,451,993	\$ 1,431,544
Park Place Apartments Phase I	390,510	441,816	1,179,509	1,296,312
Willow Lake Apartments	514,345	535,401	1,544,645	1,670,225
Park Place Apartments Phase III	385,893	381,071	1,139,145	1,145,328
<u>Joint Venture Properties</u>				
<u>(Ownership % on September 30, 2004)</u>				
Golf Brook Apartments (96.03%)	\$ 746,145	\$ 765,716	\$ 2,173,125	\$ 2,226,491
Plainview Point Office Center Phase III (95.04%)	196,573	125,174	517,451	383,437

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 Plainview Point Office Center Phase III which has had low occupancy for an extended period of time. Plainview Point Office Center Phase III has leased approximately 8,300 square feet to a tenant who is expected to move in November 1, 2004. This will bring the building occupancy to 91%.

The occupancy levels at our properties and joint ventures as of September 30, 2004 and 2003 were as follows:

	September 30,	
	2004	2003
<u>Wholly-Owned Properties</u>		
Sabal Park Apartments	97%	88%
Park Place Apartments Phase I	88%	94%
Willow Lake Apartments	85%	86%
Park Place Apartments Phase III	92%	88%
<u>Joint Venture Properties</u>		
<u>(Ownership % on September 30, 2004)</u>		
Golf Brook Apartments (96.03%)	99%	97%
Plainview Point Office Center Phase III (95.04%)	78%	52%

We believe the changes in occupancy on September 30 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 Plainview Point Office Center Phase III which has had low occupancy for an extended period of time. Plainview Point Office Center Phase III has leased approximately 8,300 square feet to a tenant who is expected to move in November 1, 2004. This will bring the building occupancy to 91%.

The average occupancy levels at our properties and joint ventures for the three and nine months ended September 30, 2004 and 2003 were as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2004	2003	2004	2003
<u>Wholly-Owned Properties</u>				
Sabal Park Apartments	97%	88%	96%	93%
Park Place Apartments Phase I	87%	94%	82%	89%
Willow Lake Apartments	86%	85%	86%	86%
Park Place Apartments Phase III	92%	91%	91%	93%
<u>Joint Venture Properties</u>				
<u>(Ownership % on September 30, 2004)</u>				
Golf Brook Apartments (96.03%)	98%	96%	95%	93%
Plainview Point Office Center Phase III (95.04%)	78%	50%	70%	49%

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 Plainview Point Office Center Phase III where there has been a protracted period for the property to become sufficiently leased again. We have a signed agreement with a tenant to lease approximately 8,300 square feet with an expected move in date of November 1, 2004. This will bring Plainview Point Office Center Phase III's occupancy to 91%.

In an effort to continue to improve occupancy at our apartment communities, we have an on-site leasing staff, who are employees of NTS Development Company, at each of the apartment communities. 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 leasing and renewal negotiations for our commercial property are handled by leasing agents, who are employees of NTS Development Company, located in Louisville, Kentucky. The leasing agents are located in the same city as the commercial property. All advertising for the commercial property is coordinated by NTS Development Company's marketing staff located in Louisville, Kentucky.

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 and nine months ending September 30, 2004 and 2003.

Rental Income and Tenant Reimbursements

Rental income and tenant reimbursements were approximately \$2,734,000 and \$8,006,000 for the three and nine months ended September 30, 2004, as compared to approximately \$2,694,000 and \$8,153,000 for the three and nine months ended September 30, 2003, respectively.

The decrease for the nine months ended September 30, 2004 is not a significant change, however, there are significant offsetting changes between our reporting segments. The decrease of approximately \$147,000, or 2%, for the nine month period is made up of a net decrease in apartment community rental income as the result of decreased average rent per unit at Park Place Apartments Phase I, Willow Lake Apartments and Golf Brook Apartments and decreased average occupancy at Park Place Apartments Phase I, partially offset by increased average occupancy at Sabal Park Apartments. The decrease is partially offset by an increase in commercial rental income at Plainview Point Office Center Phase III as the result of increased average occupancy.

The increase of approximately \$40,000, or 1%, for the three month period is not a significant change, however, there are significant offsetting changes between our reporting segments. Commercial rental income increased by approximately \$70,000, which was offset by an approximately \$30,000 decrease in rental income at our apartment communities, all of which were driven by occupancy changes.

Operating Expenses and Operating Expenses – Affiliated

Operating expenses for the three months ended September 30, 2004 and 2003 were approximately \$918,000 and \$780,000, respectively. The increase of approximately \$138,000, or 18% is primarily due to an increase in 1) landscaping costs at Golf Brook Apartments and Sabal Park Apartments, 2) repairs and maintenance costs at all of the underlying properties and 3) bad debt expense at Park Place Apartments Phase III. The increase is partially offset by a decrease in bad debt expense at Golf Brook Apartments, Sabal Park Apartments and Willow Lake Apartments.

Operating expenses did not change significantly between the nine months ended September 30, 2004 and 2003. There are no offsetting material changes.

Our operating expenses – affiliated did not change significantly between the three and nine months ended September 30, 2004 and 2003. There were no offsetting material changes.

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

Real Estate Taxes

Real estate taxes were approximately \$187,000 and \$410,000 for the three and nine months ended September 30, 2004, as compared to approximately \$235,000 and \$853,000 for three and nine months ended September 30, 2003. The decrease of approximately \$48,000, or 20%, and \$443,000, or 52%, is primarily due to decreased tax assessments at Willow Lake Apartments, Golf Brook Apartments and Sabal Park Apartments. We received notice of increased tax assessments in 2003 and retained a consultant to negotiate a reduction of the assessments. For 2003, we accrued property tax expense according to the assessed rate not at the anticipated reduced rate. During the first and third quarters of 2004, we received notices of the reduction of the assessments and were able to adjust the periodic expense accordingly. We have not recorded a gain contingency for any property tax over-payments refunded in 2004. The decrease was partially offset by an increased tax assessment for our commercial property, Plainview Point Office Center Phase III. Based on the recommendation of our consultant, we did not try to appeal the increased tax assessment at Plainview Point Office Center Phase III. The decrease for the nine months ended September 30, 2004 as compared to 2003 was also partially offset by additional Plainview Point Office Center Phase III property tax that was contested in 2003, but overruled in 2004.

Professional and Administrative Expenses and Professional and Administrative Expenses – Affiliated

Professional and administrative expenses were approximately \$200,000 and \$731,000 for the three and nine months ended September 30, 2004, as compared to approximately \$150,000 and \$579,000 for the three and nine months ended September 30, 2003. The increase of approximately \$50,000, or 33%, and \$152,000, or 26% is primarily the result of increased legal and professional fees related to our proposed merger. The increase is partially offset by a decrease in legal and professional fees related to litigation filed by limited partners. See Item 1 – Note 10 for information regarding our proposed merger and litigation filed by limited partners.

Professional and administrative expenses – affiliated were approximately \$116,000 and \$325,000 for the three and nine months ended September 30, 2004, as compared to \$93,000 and \$296,000 for the three and nine months ended September 30, 2003. The increase of approximately \$23,000, or 25%, and \$29,000, or 10% is primarily the result of additional staff and annual salary increases.

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

Professional and administrative expenses - affiliated consisted of approximately the following for the periods presented:

	Nine Months Ended September 30,	
	2004	2003
Finance	\$ 110,000	\$ 85,000
Accounting	115,000	99,000
Investor Relations	49,000	57,000
Human Resources	23,000	24,000
Overhead	28,000	31,000
Total	<u>\$ 325,000</u>	<u>\$ 296,000</u>

Depreciation and Amortization Expense

Our depreciation and amortization expenses did not change significantly between the three and nine months ended September 30, 2004 and 2003. There were no offsetting material changes.

Interest Expense

Our interest expense did not change significantly between the three and nine months ended September 30, 2004 and 2003. There were no offsetting material changes.

Loss on Disposal of Assets

Loss on disposal of assets was approximately \$5,000 and \$10,000 for the three and nine months ended September 30, 2004, as compared to \$0 and \$104,000 for the three and nine months ended September 30, 2003. The increase of approximately \$5,000 for the three months ended September 30, 2004 is primarily due to retirements made in 2004 for HVAC replacements at Sabal Park Apartments before the assets were fully depreciated. The decrease of approximately \$94,000, or 90%, for the nine months ended September 30, 2004 is primarily due to retirements made in 2003 for stair bracket replacements, security system installation and clubhouse renovation at Willow Lake apartments, partially offset by retirements made in 2004 for HVAC replacements at Sabal Park Apartments and computer and HVAC replacement at Willow Lake Apartments before the assets were fully depreciated.

Liquidity and Capital Resources

The following table sets forth the cash provided by or used in operating activities, investing activities and financing activities for the nine months ended September 30, 2004 and 2003.

Cash flows provided by (used in):

	Nine Months Ended	
	September 30,	
	2004	2003
Operating activities	\$ 2,319,954	\$ 1,589,999
Investing activities	(579,098)	(735,215)
Financing activities	<u>(1,623,932)</u>	<u>(1,535,404)</u>
Net increase (decrease) in cash and equivalents	\$ <u>116,924</u>	\$ <u>(680,620)</u>

Net cash provided by operating activities increased from approximately \$1,590,000 for the nine months ended September 30, 2003 to approximately \$2,320,000 for the nine months ended September 30, 2004. The increase was primarily driven by the change in accounts payable. The increased accounts payable includes amounts due for professional services related to our proposed merger and for affiliated payables related to our agreement with NTS Development Company (see Future Liquidity in this same section).

Net cash used in investing activities decreased from approximately \$735,000 for the nine months ended September 30, 2003 to approximately \$579,000 for the nine months ended September 30, 2004. The decrease in net cash used was primarily due to a decrease in capital expenditures at the apartment communities. Additions were made in 2003 for clubhouse renovation, a paving project and stair bracket replacements at Willow Lake Apartments. Additions made in 2004 were for roof replacements at Willow Lake apartments, HVAC replacements and golf carts at Golf Brook Apartments and Sabal Park Apartments and pool resurfacing at Golf Brook Apartments. The decrease at the apartment communities is partially offset by an increase in capital expenditures at our commercial property – Plainview Point Office Center Phase III. 2004 additions at Plainview Point Office Center Phase III included tenant finish and HVAC replacement. 2003 additions at Plainview Point Office Center Phase III included tenant finish only.

Net cash used in financing activities increased from approximately \$1,535,000 for the nine months ended September 30, 2003 to approximately \$1,624,000 for the nine months ended September 30, 2004. The increase was primarily the result of increased principal payments made in 2004, partially offset by a note payable in the amount of \$19,216 obtained during the second quarter of 2004 for the purchase of four golf carts. See Item 1 - Note 7 for information regarding our mortgages and notes payable.

Due to the fact that no distributions were made during the nine months ended September 30, 2004 or 2003, the table which presents that portion of the distributions that represents a return of capital in accordance with GAAP has been omitted.

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 addition, we may be required to obtain financing in connection with the capital improvements and leasing costs described below.

NTS Development Company has agreed to defer, until March 31, 2005, amounts owed to them by us as of December 31, 2003 and those amounts accruing from January 1, 2004 through March 31, 2005, other than as permitted by our cash flows. There can be no assurances that NTS Development Company will continue to defer amounts due them past March 31, 2005. If these amounts are not deferred, such action could have a material adverse effect on our liquidity and financial condition. Payment of such deferred amounts would be dependent upon available operating cash flow or funding from potential third-party resources in the form of loans or advances.

The primary source of future liquidity is expected to be cash from operations. It is anticipated that the cash flow from operations will be sufficient to meet our day to day working capital needs. Cash reserves (which are unrestricted cash and equivalents as shown on our balance sheet) were \$242,266 on September 30, 2004.

The demand on future liquidity is anticipated to increase as a result of the replacement of the roofs at both Willow Lake Apartments (26 buildings) and Park Place Apartments Phase I (23 buildings) all of which were installed using shingles produced by a single manufacturer. The shingles appear to contain defects which may cause roofs to fail. As the shingle manufacturer has declared bankruptcy, we do not expect to be able to recover any of the costs of the roof replacements in the event of any such failures. We do not have sufficient working capital to make all of the roof replacements at one time. As of September 30, 2004, eight buildings at Willow Lake Apartments have had roofs replaced while no roofs have been replaced at Park Place Apartments Phase I. The total cost of replacing all of the remaining roofs is estimated to be approximately \$846,000 (\$30,000 per building for Willow Lake Apartments and \$13,300 per building for Park Place Apartments Phase I).

The demand on future liquidity is also anticipated to increase as we continue our efforts in the leasing of Plainview Point Office Center Phase III. One tenant, who occupied 16,895 square feet or 27%, of the building, vacated its space on November 30, 2001. As a result of this vacancy there has been a protracted period for the property to become fully leased again. On April 16, 2004 a tenant took occupancy of approximately 10,800 square of Plainview Point Office Center Phase III, which

brought the building up to 78% occupancy at September 30, 2004. On September 24, 2004 a tenant leased approximately 8,300 square feet of Plainview Point Office Center Phase III with an expected move in date of November 1, 2004. If this occurs, it will bring the building occupancy to 91% by the end of the year. The lease agreement provides for tenant finish estimated to cost approximately \$101,000. Through September 30, 2004, approximately \$7,000 of the total estimated cost has been incurred.

Over the next 12 months we have planned various building improvement and repair projects including: 1) exterior paint projects and seal coating and re-striping of the parking lots at Park Place Apartments Phases I and III; 2) security alarm replacement projects at Park Place Apartments Phase I and Plainview Point Office Center Phase III; 3) exterior light fixture replacement project and signage replacement at Willow Lake Apartments; 4) tenant finish and a front stair replacement project at Plainview Point Office Center Phase III and 5) HVAC replacements at Sabal Park Apartments and Golf Brook Apartments. The exterior painting of the buildings at Park Place Apartments Phases I and III is estimated to cost approximately \$78,000 and \$10,000, respectively. The seal coating and re-striping of the parking lots at Park Place Apartments Phases I and III is estimated to cost \$40,000 and \$28,000, respectively. The security alarm replacement at Park Place Apartments Phase I is estimated to cost approximately \$50,000 and at Plainview Point Office Center Phase III it is estimated to cost approximately \$9,000. The exterior light fixture replacements and the signage replacements at Willow Lake Apartments are estimated to cost approximately \$27,000 and \$12,000, respectively. The tenant finish and the front stair replacement at Plainview Point Office Center Phase III is estimated to cost \$32,000 and \$10,000, respectively. The HVAC replacements at Sabal Park Apartments and Golf Brook Apartments are estimated to cost approximately \$20,000 and \$23,000, respectively.

The demands on liquidity as discussed above will be managed by our general partner using cash provided by operations, cash reserves, deferral of amounts owed to NTS Development Company, and existing or additional financing secured by our properties. Typically, these capital improvements and leasing costs require use of existing financing or additional financing. There can be no guarantee that such funds will be available at which time our general partner will manage the demand on liquidity according to our best interest.

Leases at Plainview Point Office Center Phase III provide for tenants to contribute toward the payment of common area maintenance expenses, insurance, utilities and real estate taxes. These lease provisions, along with the fact that residential leases are generally for a period of one year, should protect our operations from the impact of inflation and changing prices.

We had no other material commitments for renovations or capital expenditures as of September 30, 2004.

Proposed Merger

As part of the Settlement Agreement, our general partner and the general partners of the four public partnerships affiliated with us, have agreed to pursue a merger of the partnerships and several other affiliated real estate entities into NTS Realty Holdings Limited Partnership (“NTS Realty”). The merger is subject to, among other things, approval by a majority of the limited partner interests in each partnership. For the nine months ended September 30, 2004 and 2003, our share of the legal and professional fees for the proposed merger was approximately \$469,000 and \$110,000, respectively, which was included in our professional and administrative expenses.

On February 4, 2004, NTS Realty filed a joint consent solicitation statement/prospectus on Form S-4 with the Securities and Exchange Commission. The solicitation statement/prospectus presents the merger of NTS-Properties III; NTS-Properties IV; NTS-Properties V; NTS-Properties VI; and NTS-Properties VII, Ltd. with NTS Realty. Concurrent with the merger, ORIG, LLC, a Kentucky limited liability company, which is affiliated with our general partner, will contribute substantially all its real estate assets and all of its liabilities to NTS Realty. NTS Realty filed Amendment No. 1 on June 18, 2004, Amendment No. 2 on August 13, 2004 and Amendment No. 3 on September 30, 2004.

On October 25, 2004 and October 27, 2004, NTS Realty filed Amendment No. 4 and Amendment No. 5, respectively, to its registration statement on Form S-4, which includes a joint consent solicitation statement/prospectus, with the Securities and Exchange Commission to seek approval of the merger of NTS-Properties III, NTS-Properties IV, NTS-Properties V, NTS-Properties VI and NTS-Properties VII, Ltd. (the “Partnerships”) into NTS Realty. The general partners of the Partnerships agreed to pursue a merger of the Partnerships in the Stipulation and Agreement of Settlement that was jointly filed by the general partners, 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 October 27, 2004, the Securities and Exchange Commission signed an order declaring NTS Realty’s registration statement to be effective and the Partnerships began mailing the joint consent solicitation statement/prospectus to their respective limited partners.

Website Information

Our website address is www.ntsdevelopment.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act are available and may be accessed free of charge through the “About NTS” section of our website as soon as reasonably practicable after we electronically file this material with, or furnish it to, the SEC. Our website and the information contained therein or connected thereto are not incorporated into this quarterly report on Form 10-Q.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposure with regard to financial instruments is changes in interest rates. All of our debt bears interest at a fixed rate with the exception of a note payable of \$400,000 that bears interest at the Prime Rate. A hypothetical 100 basis point increase in interest rates would not significantly increase annual interest expense on the variable rate note. A hypothetical 100 basis point increase in interest rates would result in an approximate \$1,284,000 decrease in the fair value of debt.

Item 4 - Controls and Procedures

Our General Partner, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2004. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2004. There were no material changes in our internal controls over financial reporting during the nine months ended September 30, 2004.

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 Stipulation and Agreement of Settlement (the "Settlement Agreement") jointly filed by the general partners (the "General Partners") of NTS-Properties III, NTS-Properties IV, NTS-Properties V, NTS-Properties VI and NTS-Properties VII, Ltd. (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 provides, among other things, that: (1) the Settlement Agreement, and all transactions contemplated thereby, including the proposed merger of the Partnerships into NTS Realty Holdings Limited Partnership, 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 were overruled by the Superior Court, filed an appeal in the Court of Appeals of the State of California, first Appellate District.

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. Our general partner and legal counsel believe that this action is without merit and are vigorously defending it.

On March 2, 2004, we, along with all defendants, 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. We, along with all defendants, filed a Motion to Strike the corrected Second Amended Complaint. A hearing on this motion is scheduled for January 14, 2005. Our general partner believes that the claims asserted in the corrected Second Amended Complaint have no merit.

Items 2 through 5 are omitted because these items are inapplicable or the answers to the items are negative.

Item 6 - Exhibits

Exhibit No.

3	Amended and Restated Agreement and Certificate of Limited Partnership of NTS-Properties VI, a Maryland limited partnership.	*
3a	First Amendment to Amended and Restated Agreement of Limited Partnership of NTS-Properties VI, a Maryland limited partnership.	**
10	Property Management Agreement and Construction Agreement between NTS Development Company and NTS-Properties VI, a Maryland limited partnership.	*
14	Code of Ethics.	***
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.	****
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.	****
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	****

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ****

* Incorporated by reference to documents filed with the Securities and Exchange Commission in connection with the filing of the Registration Statements on Form S-11 on March 22, 1985 (effective June 25, 1985) under Commission File No. 2-96583.

** Incorporated by reference to Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended December 31, 1987 under Commission File No. 0-14695.

*** See www.ntsdevelopment.com for our code of ethics.

**** Attached as an exhibit with this Form 10-Q.

Reports on Form 8-K

We filed a Form 8-K on August 17, 2004, to inform investors of a mini-tender offer by CMG Partners, LLC to purchase their interests in NTS-Properties VI for \$440 per interest in cash. We also informed the investors that we recommended a rejection of the offer and provided reasons for our recommendation.

We filed a Form 8-K on October 29, 2004 to announce that on October 25, 2004 and October 27, 2004, NTS Realty Holdings Limited Partnership (“NTS Realty”) filed Amendment No. 4 and Amendment No. 5, respectively, to its registration statement on Form S-4. NTS Realty filed the original Form S-4 on February 4, 2004, Amendment No. 1 on June 18, 2004, Amendment No. 2 on August 13, 2004 and Amendment No. 3 on September 30, 2004.

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-PROPERTIES VI,
A MARYLAND LIMITED PARTNERSHIP

By: NTS-Properties Associates VI,
General Partner
By: NTS Capital Corporation,
General Partner

/s/ Brian F. Lavin
Brian F. Lavin
President of NTS Capital Corporation

/s/ Gregory A. Wells
Gregory A. Wells
Chief Financial Officer of NTS Capital Corporation

Date: November 15, 2004

EXHIBIT 31.1

CERTIFICATION

I, Brian F. Lavin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NTS-Properties VI, a Maryland 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 registrant's general partner:
 - 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: November 15, 2004

/s/ Brian F. Lavin
President of NTS Capital Corporation,
General Partner of NTS-Properties Associates VI,
General Partner of NTS-Properties VI, a Maryland 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-Properties VI, a Maryland 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 registrant's general partner:
 - 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: November 15, 2004

/s/ Gregory A. Wells

Chief Financial Officer of NTS Capital Corporation,
General Partner of NTS-Properties Associates VI,
General Partner of NTS-Properties VI, a Maryland limited partnership

EXHIBIT 32.1

CERTIFICATION

I, Brian F. Lavin, President of NTS Capital Corporation, the general partner of NTS-Properties Associates VI, the general partner of NTS-Properties VI, a Maryland limited partnership (the "Partnership"), 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 Partnership for the period ended September 30, 2004 (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 Partnership.

Dated: November 15, 2004

/s/ Brian F. Lavin
President of NTS Capital Corporation,
General Partner of NTS-Properties Associates VI,
General Partner of NTS-Properties VI, a Maryland limited partnership

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership 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 Capital Corporation, the general partner of NTS-Properties Associates VI, the general partner of NTS-Properties VI, a Maryland limited partnership (the "Partnership"), 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 Partnership for the period ended September 30, 2004 (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 Partnership.

Dated: November 15, 2004

/s/ Gregory A. Wells

Chief Financial Officer of NTS Capital Corporation,
General Partner of NTS-Properties Associates VI,
General Partner of NTS-Properties VI, a Maryland limited partnership

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