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

FORM 10-K

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

For the fiscal year ended December 31, 2002

OR

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

Commission File Number 0-17589

NTS-PROPERTIES VII, LTD.

(Exact name of registrant as specified in its charter)

61-1119232	10172 Linn Station Road Louisville, Kentucky 40223
(I.R.S. Employer Identification No.)	*(Address of principal executive offices)*

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

Florida
(State or other jurisdiction of incorporation or organization)

Securities registered pursuant to Section 12(b) of the Act: None

Title of each Class: None

Name of each exchange on which registered: None

Securities registered pursuant to Section 12(g) of the Act:

Limited partnership interests	None
(Title of Class)	(Name of each exchange on which registered)

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether Registrant is an accelerated filer (as defined by Rule 12b-2 of the Securities Exchange Act of 1934). Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days: No aggregate market value can be determined because no established market exists for the limited partnership interests.

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements included in this Form 10-K, particularly those included in Part I, Items 1 and 2 - Business and Properties, and Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), may be considered "forward-looking statements" because such 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. Should such event not occur, then the result which we expected also may not occur or occur in a different manner, which may be more or less favorable to us. We do not undertake any obligations to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

Any forward-looking statements included in MD&A, or elsewhere in this report, reflect management's best judgment based on known factors and 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 discussed below. Any forward-looking information provided by us pursuant to the "safe harbor" provisions established by recent securities legislation should be evaluated in the context of these factors. See Part II - Item 7 for Cautionary Statements.

PART I

Items 1 and 2 - Business and Properties

Development of Business

NTS-Properties VII, Ltd., a Florida limited partnership (the "Partnership"), was formed in 1987. The General Partner is NTS-Properties Associates VII, a Kentucky limited partnership (the "General Partner"). The general partners of the General Partner are NTS Capital Corporation and J.D. Nichols. As of December 31, 2002, the Partnership owned the following properties and joint venture interest listed below. As used in this Form 10-K the terms "we," "us" or "our," as the context requires, may refer to the Partnership or its interests in these properties and joint venture:

- The Park at the Willows, a 48-unit luxury apartment complex located on a 2.8 acre tract in Louisville, Kentucky, acquired complete by us.

- Park Place Apartments Phase II, a 132-unit luxury apartment complex located on an 11 acre tract in Lexington, Kentucky, constructed by us.

- A joint venture interest in Blankenbaker Business Center 1A, a business center with approximately 50,000 net rentable ground floor square feet and approximately 50,000 net rentable mezzanine square feet, located in Louisville, Kentucky, acquired complete by the joint venture between us and NTS-Properties Plus Ltd., an affiliate of our General Partner. The joint venture agreement was amended to admit NTS-Properties IV, an affiliate of our General Partner, ("NTS-Properties IV") during 1994. Our percentage interest in the joint venture was 31.34% on December 31, 2002.

We or the joint venture in which we are a partner has a fee title interest in the above properties. While we believe that our properties are adequately covered by property insurance, there is a risk that unknown mold and other microbial damage may not be covered by our insurance. Please see Part II, Item 7 for a discussion of this potential liability.

As of December 31, 2002, our properties were encumbered by mortgages as shown in the table below:

Property	Interest Rate	Maturity Date		Balance on 12/31/02
Park Place Apartments Phase II	7.37%	10/15/12	(1)	$ 3,488,518
Blankenbaker Business Center 1A	8.50%	11/15/05	(2)	$ 1,733,466

(1) Monthly principal payments are based upon a 19-year amortization schedule. The outstanding principal balance at maturity based on the current rate of amortization is estimated to be approximately $1,436,000.

(2) Current monthly principal payments are based upon an 11-year amortization schedule. At maturity, we believe the mortgage will have been repaid based on the current rate of amortization.

The Park at the Willows was not encumbered by any outstanding mortgages on December 31, 2002.

Financial Information About Industry Segments

We are presently engaged solely in the business of developing, constructing, owning and operating residential apartments. A presentation of information concerning industry segments is therefore not applicable. See Part II, Item 8 - Note 8 for information regarding our operating segments.

Narrative Description of Business

General

Our current investment objectives are consistent with our original objectives, which are to provide cash distributions from the operation or financing of our properties, obtain long-term capital gain treatment on the sale or refinancing of properties, provide limited partners with deferrals of federal income taxes, and preserve limited partners' capital. Proceeds of any sale or refinancing of our properties may be distributed to limited partners, or may be used to repay debt or to make capital improvements to properties.

The properties we currently own, which are described in the following section, are the same as those we originally acquired. Our properties are in a condition suitable for their intended use. We periodically evaluate whether to retain, refinance, or sell or otherwise dispose of these properties, with a view toward meeting the above investment objectives, including the making of distributions. In deciding whether to sell a property, we will consider factors such as potential capital appreciation, mortgage pre-payment penalties, market conditions, cash flow and federal income tax considerations, including possible adverse federal income tax consequences to the limited partners. Distributions have been suspended to fund current and future capital improvements and debt repayment. For information on distributions, see Part II, Item 5 of this Form 10-K. In addition, see "Potential Consolidation" later in this section for a discussion of our potential consolidation with other affiliated entities.

Description of Real Property

The Park at the Willows

All apartments in The Park at the Willows are loft, one-bedroom or deluxe one-bedroom apartments. All apartments have wall-to-wall carpeting, individually controlled heating and air conditioning, dishwashers, ranges, refrigerators with ice makers, garbage disposals and microwave ovens. Loft and one-bedroom apartments have stackable washers and dryers. Deluxe apartments have washer/dryer hook-ups. In addition, pursuant to an agreement with the Willows of Plainview apartment community, which was developed adjacent to The Park at the Willows and is owned by NTS-Properties IV and NTS-Properties V, two publicly registered limited partnerships sponsored by an affiliate of our General Partner, tenants of The Park at the Willows have access to and use of the coin-operated washer/dryer facilities, clubhouse, management offices, swimming pool, whirlpool and tennis courts at The Willows of Plainview. We share proportionately in the costs of maintaining and operating these facilities.

As of December 31, 2002, monthly rental rates at The Park at the Willows start at $604 for one-bedroom apartments, $699 for deluxe apartments and $749 for lofts, with additional monthly rental amounts for special features and locations. Tenants pay all costs of heating, air conditioning, water, sewer and electricity. Most leases are for a period of one year. Apartments will be rented in some cases, however, on a shorter term basis at an additional charge. The occupancy levels at the apartment complex as of December 31 were 90% (2002), 75% (2001), 90% (2000), 81% (1999) and 77% (1998). See Part II, Item 7 for average occupancy information.

Park Place Apartments Phase II

Apartments at Park Place Apartments Phase II include one-bedroom and two-bedroom apartments and two-bedroom town homes. All apartments have wall-to-wall carpeting, individually controlled heating and air conditioning, dishwashers, ranges, refrigerators with ice makers, garbage disposals and microwave ovens. Each unit has either a washer/dryer hook-up or access to coin-operated washers and dryers. Amenities include the clubhouse with a party room, swimming pool, tennis courts, racquetball courts, exercise facility and management offices. The amenities are shared with Phase I and Phase III of the Park Place Development which were developed and constructed by NTS-Properties VI, an affiliate of our General Partner. The costs to construct and operate the common amenities are shared proportionately by each phase.

As of December 31, 2002, monthly rental rates at Park Place Apartments Phase II start at $669 for one-bedroom apartments, $909 for two-bedroom apartments and $1,169 for two-bedroom town homes, with additional monthly rental amounts for special features and locations. Tenants pay all costs of heating, air conditioning, water, sewer and electricity. Most leases are for a period of one year. Apartments will be rented in some cases, however, on a shorter term basis at an additional charge. The occupancy levels at the apartment complex as of December 31 were 89% (2002), 76% (2001), 77% (2000), 86% (1999) and 85% (1998). See Part II, Item 7 for average occupancy information.

Blankenbaker Business Center Joint Venture

A single tenant leases 100% of the Blankenbaker Business Center 1A building. The annual base rent, which does not include the cost of utilities, is $7.48 per square foot. The lease term is for 11 years and expires July 2005. The lease provides for the tenant to contribute toward the payment of common area maintenance expenses, insurance and real estate taxes. The tenant is a professional service entity in the insurance industry. The occupancy level at the business center as of December 31, 2002, 2001, 2000, 1999 and 1998 was 100%. See Part II, Item 7 for average occupancy information.

The following table contains approximate data concerning the major tenant lease in effect on December 31, 2002:

Major Tenant (1):	Year of Expiration	Square Feet and % of Net Rentable Area (2)	Current Annual Rental per Square Foot
1	2005	100,640 (100%)	$7.48

(1) Major tenants are those that individually occupy 10% or more of the rentable square footage.
(2) Rentable area includes ground floor and mezzanine square feet.

Additional Operating Data

Additional operating data regarding our properties and joint venture is furnished in the following table:

	Federal Tax Basis	Property Tax Rate	Annual Property Taxes
Wholly-Owned Properties			
The Park at the Willows	$ 2,684,182	.010950	$ 15,023
Park Place Apartments Phase II	$ 9,850,043	.009575	$ 70,605
Joint Venture Property			
Blankenbaker Business Center 1A	$ 7,386,626	.010850	$ 51,281

Depreciation for book purposes is computed using the straight-line method over the estimated useful lives of the assets which are 7-30 years for land improvements, 5-30 years for buildings and improvements, 5-30 years for amenities and the applicable lease term for tenant improvements.

Joint Venture Investment

Blankenbaker Business Center Joint Venture

On December 28, 1990, we entered into a joint venture agreement with NTS-Properties Plus Ltd. to own and operate Blankenbaker Business Center 1A and to acquire an approximately 2.49 acre parking lot that was being leased by the business center from an affiliate of our General Partner. The use of the parking lot is a provision of the tenant's lease agreement with the business center. On August 16, 1994, the Blankenbaker Business Center Joint Venture Agreement was amended to admit NTS-Properties IV to the joint venture. The terms of the joint venture shall continue until dissolved. Dissolution shall occur upon, but not before, the first to occur of the following:

- the withdrawal, bankruptcy or dissolution of a partner or the execution by a partner of an assignment for the benefit of its creditors;
- the sale, condemnation or taking by eminent domain of all or substantially all of the assets of the real property and parking lot and the sale and/or collection of any evidences of indebtedness received in connection therewith;
- the vote or consent of each of the partners to dissolve the Partnership; or
- December 31, 2030.

The net cash flow for each calendar quarter is distributed to the partners in accordance with their respective percentage interests. The term "Net Cash Flow" for any period shall mean the excess, if any of A) the sum of (i) the gross receipts of the joint venture property for such period, other than capital contributions plus (ii) any funds released by the partners for previously established reserves (referred to in clause (B) (iv) below), over (B) the sum of (i) all cash operating expenses paid by the joint venture property during such period in the course of business, (ii) capital expenditures paid in cash during such period, (iii) payments during such period on account of amortization of the principal of any debts or liabilities of the joint venture property and (iv) reserves for contingent liabilities and future expenses of the joint venture property as established by the partners; provided, however, that the amounts referred to in (B) (i), (ii) and (iii) above shall only be taken into account to the extent not funded by capital contributions or paid out of previously established reserves. "Percentage Interest" means that percentage which the capital contribution of a partner bears to the aggregate capital contributions of all the partners. Net income or net loss is also allocated between the partners pursuant to their Percentage Interest as described in the joint venture agreement. Our ownership share was 31.34% on December 31, 2002, 2001 and 2000. We use the equity method of accounting for this joint venture.

The joint venture obtained permanent financing of $4,800,000 in November 1994. The outstanding balance on December 31, 2002 was approximately $1,733,000. The mortgage bears interest at a fixed rate of 8.5% and is due November 15, 2005. Currently, monthly principal payments are based upon an 11-year amortization schedule. At maturity, we believe the mortgage will have been repaid based on the current rate of amortization.

In June 2002, NTS-Properties Plus, one of the original members of the Blankenbaker Business Center joint venture, merged into ORIG, LLC, an affiliate of ours. As a result of the merger, ORIG has succeeded to the interests of NTS-Properties Plus in the joint venture. See the information under the caption “Ownership of Joint Venture” in Part II, Item 7 of this Form 10-K.

Competition

Our properties are subject to competition from similar types of properties (including, in certain areas, properties owned or managed by affiliates of our General Partner) in the respective vicinities in which they are located. Such competition is generally for the retention of existing tenants at lease expiration or for new tenants when vacancies occur. We maintain the suitability and competitiveness of our properties primarily on the basis of effective rents, amenities and service provided to tenants. Competition is expected to increase in the future as a result of the construction of additional properties. As of December 31, 2002, properties under construction, or scheduled to start construction in 2003, in the respective vicinities in which our properties are located are as follows: In the vicinity of The Park at the Willows, there are three apartment communities scheduled to start construction in 2003. The first community will have approximately 300 units and is scheduled to break ground in Spring 2003. The second community will have approximately 500 units and is scheduled to begin construction in August 2003. The third community will have approximately 200 units and is expected to start construction some time in the late summer of 2003. The expected completion date for all three communities is unknown at this time. In the vicinity of Park Place Apartments Phase II, there is one community of approximately 500 units that could potentially be constructed in 2003. The estimated begin construction date and the completion date are unknown at this time. We have not commissioned a formal market analysis of competitive conditions in any market in which we own properties, but rely upon the market condition knowledge of the employees at NTS Development Company who manage and supervise leasing for each property. See “Conflict of Interest.”

Management of Properties

NTS Development Company, an affiliate of our General Partner, directs the management of our properties pursuant to a written agreement (the “Agreement”). NTS Development Company is a wholly-owned subsidiary of NTS Corporation. Mr. J. D. Nichols has a controlling interest in NTS Corporation and is a General Partner of NTS-Properties Associates VII. Under the Agreement, NTS Development Company establishes rental policies and rates and directs the marketing activity of leasing personnel. NTS Development Company also coordinates the purchase of equipment and supplies, maintenance activity and the selection of all vendors, suppliers and independent contractors.

As compensation for its services, NTS Development Company received $77,413 in property management fees from our residential properties for the year ended December 31, 2002. The fee is equal to 5% of gross revenues from residential properties.

In addition, the Agreement requires us to purchase all insurance relating to the managed properties, to pay the direct out-of-pocket expenses of NTS Development Company in connection with our operations, including the cost of goods and materials used for and on our behalf, and to reimburse NTS Development Company for the salaries, commissions, fringe benefits and related employment expenses of personnel.

The term of the Agreement between NTS Development Company and us was initially for five years, and renewed thereafter for succeeding one-year periods, until cancelled. The Agreement is subject to cancellation by either party upon 60-days written notice. As of December 31, 2002, the Agreement is still in effect.

Working Capital Practices

Information about our working capital practices is included in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7.

Seasonal Operations

We do not consider our operations to be seasonal to any material degree.

Conflict of Interest

Principals of the General Partner or its affiliates own or operate real estate properties that compete, directly or indirectly, with properties owned by us. Because we were organized by, and are operated by the General Partner, conflicts arising from our competition with properties owned by affiliated partnerships are not resolved through arms-length negotiations, but through the exercise of the General Partner's judgment consistent with its fiduciary responsibility to the limited partners and our investment objectives and policies. The General Partner is accountable to the limited partners as a fiduciary and consequently must exercise good faith and integrity in handling our affairs. A provision has been made in our Partnership Agreement that the General Partner will not be liable to us except for acts or omissions performed or omitted fraudulently, in bad faith or with negligence. The Partnership Agreement provides for indemnification of the General Partner by us for liability resulting from errors in judgment or certain acts or omissions. The General Partner and its affiliates have the right to compete with our properties including the right to develop competing properties now and in the future, in addition to the existing properties which may compete directly or indirectly.

NTS Development Company, an affiliate of the General Partner, acts in a similar capacity for other affiliated entities in the same geographic region where we have property interests. As a result of the affiliation between NTS Development Company and our General Partner, there is a conflict of interest between our General Partner's duty to the limited partners and its incentive to cause us to retain our properties because of the payment of fees to NTS Development Company. We believe the agreement with NTS Development Company is on terms no less favorable to us than those which could be obtained from a third party for similar services in the same geographical region in which the properties are located. The contract is terminable by either party without penalty upon 60-days written notice.

Employees

We have no employees. Under the terms of the property management agreement with NTS Development Company, NTS Development Company makes its employees available to perform services for us. In addition to the property management fees that we pay to NTS Development Company, we reimburse this affiliate for the actual costs of providing such services. See Part II, Item 8 - Note 6 and Part III, Item 13 for further discussions of related party transactions.

Potential Consolidation

Our General Partner, along with the general partners of four other public limited partnerships affiliated with us, is investigating a consolidation with other affiliated entities. In addition to these affiliated entities, the consolidation would likely involve several private partnerships and our General Partner. The new combined entity would own all of the properties currently owned by the public limited partnerships, and the limited partners or other owners of these entities would receive an ownership interest in the combined entity. The number of ownership interests to be received by limited partners and the other owners of the entities participating in the consolidation would likely be determined based on the relative value of the assets contributed to the combined entity by each public limited partnership, reduced by any indebtedness assumed by the entity. The majority of the contributed assets would consist of real estate properties, whose relative values would be based on appraisals. The potential benefits of consolidating the entities include: reducing the administrative costs as a percentage of assets and revenues by creating a single public entity; diversifying limited partners' investments in real estate to include additional markets and types of properties; and creating an asset base and capital structure that may enable greater access to the capital markets. There are, however, also a number of potential adverse consequences to a consolidation such as, the expenses associated with a consolidation and the fact that the duration of the new entity would likely exceed our anticipated duration, and that the interests of our limited partners in the combined entity would be smaller on a percentage basis than their interests in us. Further, the new entity may adopt investment and management policies that are different from those presently used by our General Partner. A consolidation requires approval of our limited partners and the limited partners and other equity holders of the other proposed participants to the consolidation. Accordingly, there is no assurance that the consolidation will occur.

Website Information

Our Internet 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 Internet website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our Internet website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K.

Item 3 - Legal Proceedings

On December 12, 2001, three individuals filed an action in the Superior Court of the State of California for the County of Contra Costa against our General Partner, the general partners of four public partnerships affiliated with us and several individuals and entities affiliated with us. The action purports to bring claims on behalf of a class of limited partners based on, among other things, tender offers made by the public partnerships and an affiliate of our General Partner. The plaintiffs allege, among other things, that the prices at which limited partnership interests were purchased in these tender offers were too low. The plaintiffs are seeking monetary damages and equitable relief, including an order directing the disposition of the properties owned by the public partnerships and the distribution of the proceeds. No amounts have been accrued as a liability for this action in our financial statements at December 31, 2002. Under an indemnification agreement with our General Partner, we are responsible for the costs of defending this action. For the year ended December 31, 2002, our share of these legal costs was approximately $25,000, which was expensed.

On September 24, 2002, in connection with the above-described lawsuit, the plaintiffs voluntarily dismissed two of the individuals and one of the entities that had objected to the lawsuit on personal jurisdiction grounds. This dismissal was the result of an agreement under which some defendants agreed not to contest jurisdiction and plaintiffs agreed to dismiss other defendants. Additionally, on October 22, 2002, the court issued an order sustaining the demurrer of our General Partner and the general partners of two limited partnerships affiliated with us. The effect of this ruling is that our General Partner and the other two general partners are no longer parties to the lawsuit. On the same date the court overruled the demurrer of the general partners of two of the partnerships affiliated with us and one individual and two entities affiliated with us. The entities and individuals whose demurrers were overruled remain defendants in the lawsuit. These parties believe the lawsuit is without merit, and are vigorously defending it.

On February 27, 2003, two individuals filed a class and derivative action in the Circuit Court of Jefferson County, Kentucky against our General Partner, the general partners of three public partnerships affiliated with us and several individuals and entities affiliated with us. On March 21, 2003, the complaint was amended to include the general partners of another public partnership affiliated with us and a partnership that was affiliated with us but 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 affiliated public partnerships based on alleged overpayments of fees, prohibited investments, improper failures to make distributions, purchases of limited partnership 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 public partnerships, a declaratory judgment, and injunctive relief. Our General Partner believes that this action is without merit, and intends to vigorously defend it.

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.

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

None.

PART II

Item 5 - Market for Registrant's Limited Partnership Interests and Related Partner Matters

There is no established trading market for the limited partnership interests. We had 776 limited partners as of January 31, 2003. Cash distributions and allocations of income (loss) are made as described in Item 8 - Note 1E.

No distributions were paid during 2002 or 2001. Quarterly distributions are determined based on current cash balances, cash flow being generated by operations and cash reserves needed for future leasing costs, tenant finish costs and capital improvements. Distributions have been suspended to fund current and future capital improvements and debt repayment. Our ability to pay distributions is dependent upon, among other things, our ability to refinance properties on favorable terms.

Annual distributions totaling $0.15 per limited partnership interest were paid during the year ended December 31, 2000. Distributions were paid quarterly as follows:

	2002	2001	2000
First quarter	$ --	$ --	$ .05
Second quarter	--	--	.05
Third quarter	--	--	.05
Fourth quarter	--	--	--
	$ --	$ --	$ .15

The table below presents that portion of the distributions that represents a return of capital based on Accounting Principles Generally Accepted in the United States for the years ended December 31, 2002, 2001 and 2000.

	Net Income (Loss) Allocated	Cash Distributions Declared	Return of Capital
Limited partners			
2002	$ (209,579)	$ --	$ --
2001	(155,772)	--	--
2000	28,759	83,236	54,477
General Partner			
2002	$ (2,117)	$ --	$ --
2001	(1,573)	--	--
2000	290	840	550

Item 6 - Selected Financial Data

Years ended December 31:

	2002	2001	2000	1999	1998
Rental income	$ 1,515,528	$ 1,528,920	$ 1,617,578	$ 1,649,799	$ 1,624,385
Other income	7,753	14,573	30,565	24,413	27,851
Income (loss) from investment in joint venture	95,935	77,932	54,881	52,317	36,158
Gain on sale of assets	364	26	4,118	--	--
Total expenses	(1,831,276)	(1,778,796)	(1,678,093)	(1,649,633)	(1,718,890)
Net income (loss)	$ (211,696)	$ (157,345)	$ 29,049	$ 76,896	$ (30,496)
Net income (loss) allocated to:					
General Partner	$ (2,117)	$ (1,573)	$ 290	$ 769	$ (305)
Limited partners	$ (209,579)	$ (155,772)	$ 28,759	$ 76,127	$ (30,191)
Net income (loss) per limited partnership interest	$ (0.38)	$ (0.28)	$ 0.05	$ 0.13	$ (0.05)
Weighted average number of limited partnership interests	552,236	553,031	554,828	567,325	581,622
Cumulative net income (loss) allocated to:					
General Partner	$ (29,354)	$ (27,237)	$ (25,664)	$ (25,954)	$ (26,723)
Limited partners	$ (2,906,131)	$ (2,696,552)	$ (2,540,780)	$ (2,569,539)	$ (2,645,666)
Cumulative taxable income (loss) allocated to:					
General Partner	$ 26,476	$ 26,437	$ 26,699	$ 26,100	$ 23,511
Limited partners	$ (2,962,914)	$ (2,876,673)	$ (2,781,494)	$ (2,809,106)	$ (2,915,767)
Distributions declared:					
General Partner	$ --	$ --	$ 840	$ 1,138	$ 1,458
Limited partners	$ --	$ --	$ 83,236	$ 112,646	$ 144,299
Cumulative distributions declared:					
General Partner	$ 27,445	$ 27,445	$ 27,445	$ 26,605	$ 25,467
Limited partners	$ 2,717,046	$ 2,717,046	$ 2,717,046	$ 2,633,810	$ 2,521,164
At year end:					
Cash and equivalents	$ 382,533	$ 431,232	$ 307,173	$ 396,110	$ 394,778
Land, buildings and amenities, net	$ 7,299,579	$ 7,730,705	$ 8,088,455	$ 8,327,056	$ 8,601,080
Total assets	$ 8,432,230	$ 8,820,883	$ 9,004,494	$ 9,282,186	$ 9,554,908
Mortgages and notes payable	$ 3,494,218	$ 3,659,778	$ 3,756,533	$ 3,876,398	$ 3,987,830

The above selected financial data should be read in conjunction with the financial statements and related notes appearing elsewhere in this Form 10-K report.

The Emerging Issues Tasks Force ("EITF") of the Financial Accounting Standards Board ("FASB") reached a consensus on Issue No. 00-1, "Applicability of the Pro Rata Method of Consolidation to Investments in Certain Partnerships and Other Unincorporated Joint Ventures." The EITF reached a consensus that a proportionate gross financial statement presentation (referred to as "proportionate consolidation" in the Notes to Financial Statements) is not appropriate for an investment in an unincorporated legal entity accounted for by the equity method of accounting, unless the investee is in either the construction industry or an extractive industry where there is a longstanding practice of its use.

The consensus is applicable to financial statements for annual periods ending after June 15, 2000. We have applied the consensus to all comparative financial statements, restating them to conform with the consensus for all periods presented. The application of this consensus did not result in a restatement of previously reported partners' equity or results of operations, but did result in a recharacterization or reclassification of certain financial statements' captions and amounts. The data in the table above has been restated for all periods presented.

Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Financial Statements in Item 8 and the Cautionary Statements below.

Critical Accounting Policies

Our most critical business assumption is that our properties' occupancy will remain 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, then our ability to make payments due under our debt agreements and to continue paying daily operational costs would be greatly affected.

We review properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value may not be recoverable. These circumstances include, but are not limited to, declines in cash flows and occupancy. We recognize an impairment of property when the estimated undiscounted operating income before depreciation and amortization is less than the carrying value of the property. To the extent an impairment has occurred, we charge to income the excess of the carrying value of the property over its estimated fair value. We may decide to sell properties that are held for use. The sales prices of these properties may differ from their carrying values.

Impact of Accounting Pronouncements

During the year ended December 31, 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 requires one accounting model to be used for long-lived assets to be disposed of by sale, whether previously held or used or newly acquired, and it broadens the presentation of discontinued operations to include more disposal transactions. Our adoption of SFAS No. 144 did not impact the financial statements in 2002.

Occupancy Levels

The occupancy levels at our properties and joint venture as of December 31 were as follows:

	2002 (1)	2001	2000
Wholly-Owned Properties			
The Park at the Willows	90%	75%	90%
Park Place Apartments Phase II	89%	76%	77%
Joint Venture Property (Ownership % on December 31, 2002)			
Blankenbaker Business Center 1A (31.34%)	100%	100%	100%

(1) Current occupancy levels are considered adequate to continue the operation of our properties.

The average occupancy levels at our properties and joint venture for the years ended December 31 were as follows:

	2002	2001	2000
Wholly-Owned Properties			
The Park at the Willows (1)	83%	90%	81%
Park Place Apartments Phase II	82%	77%	83%
Joint Venture Property (Ownership % on December 31, 2002)			
Blankenbaker Business Center 1A (31.34%)	100%	100%	100%

(1) In our opinion, the decrease in year ending average occupancy is only a temporary fluctuation and does not represent a permanent downward occupancy trend.

Rental and Other Income

Rental and other income generated by our properties and joint venture for the years ended December 31 were as follows:

	2002	2001	2000
Wholly-Owned Properties			
The Park at the Willows	$ 323,586	$ 353,343	$ 308,120
Park Place Apartments Phase II	$ 1,195,876	$ 1,178,628	$ 1,321,808
Joint Venture Property (Ownership % on December 31, 2002)			
Blankenbaker Business Center 1A (31.34%)	$ 952,219	$ 935,165	$ 908,100

Results of Operations for 2000, 2001 and 2002

If there has not been a material change in a particular line item on the Statements of Operations from one year to the next, we have omitted any discussion concerning that individual line item.

Loss on Disposal of Assets

In 2001, we retired a portion of the original building assets that were not fully depreciated, as a result of an exterior paint and repair project at Park Place Apartments Phase II. We also retired a roof asset at Park Place Apartments Phase II due to replacement of the roof. In 2000, we retired assets that were not fully depreciated due to a clubhouse renovation project at Park Place Apartments Phase II and exterior renovations at The Park at the Willows.

Professional and Administrative Expenses

Professional and administrative expenses increased approximately $28,000, or 39%, in 2002. The increase is primarily due to increased legal and professional services as a result of litigation. See Part II, Item 8 - Note 7 for information regarding our litigation.

Professional and administrative expenses decreased approximately $14,000, or 16%, in 2001. The decrease is primarily due to decreased investor service expenditures and decreased legal and professional services.

Professional and Administrative Expenses - Affiliated

Professional and administrative expenses - affiliated increased approximately $24,000, or 28%, in 2001. The increase is primarily the result of increased personnel costs. 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 others necessary to manage and operate our properties and joint ventures.

Depreciation and Amortization Expense

Depreciation and amortization expense increased approximately $48,000, or 11%, in 2002 and approximately $72,000, or 19%, in 2001. The increase for both years is primarily due to management's change in the estimated useful life of all of the roof assets at Park Place Apartments Phase II in July 2001. The estimated useful life was reduced in anticipation of replacing the roofs. The increase in 2001 is also a result of building improvements (exterior repair projects) and water sub-metering installations at both Park Place Apartments Phase II and The Park at the Willows, clubhouse renovations at Park Place Apartments Phase II and studio renovations at The Park at the Willows (all net of retirements).

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which are 7-30 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 wholly-owned properties for federal tax purposes is approximately $12,823,000.

Liquidity and Capital Resources

The majority of our cash flow is derived from operating activities. Cash flows used in investing activities consist of amounts spent for capital improvements at our properties. Cash flows used in financing activities consist of cash distributions, principal payments on mortgages payable, payment of loan costs and amounts paid to repurchase limited partnership interests. We do not expect any material changes in the mix and relative cost of capital resources from those in 2002.

We do not foresee any material reduction in occupancy levels at any of our properties which would have a material adverse effect upon our cash flow.

The following table illustrates our cash flows provided by or used in operating activities, investing activities and financing activities:

	2002	2001	2000
Operating activities	$ 184,149	$ 421,539	$ 315,895
Investing activities	(67,288)	(194,725)	(185,891)
Financing activities	(165,560)	(102,755)	(218,941)
Net (decrease) increase in cash and equivalents	$ (48,699)	$ 124,059	$ (88,937)

Net cash provided by operating activities decreased approximately $237,000, or 56%, in 2002. The decrease was primarily driven by the changes in accounts payable and accounts receivable as well as the reduced operating results before non-cash items.

Net cash provided by operating activities increased approximately $106,000, or 34%, in 2001. The increase was driven primarily by increased accounts payable and a decrease in accounts receivable partially offset by decreased income before depreciation and amortization.

Net cash used in investing activities decreased approximately $127,000, or 65%, in 2002. The decrease was primarily the result of decreased capital expenditures at Park Place Apartments Phase II, partially offset by increased capital expenditures at The Park at the Willows. The decrease is also driven by the change in investments in and advances to the joint venture.

Net cash used in financing activities increased approximately $63,000, or 61%, in 2002. The increase was primarily the result of loan proceeds received in 2001 (no loan proceeds were received in 2002) and increased principal payments made in 2002.

Net cash used in financing activities decreased approximately $116,000, or 53% in 2001. The decrease is primarily the result of the discontinuance of cash distributions starting in the fourth quarter of 2000 and proceeds from two notes payable obtained in March 2001. See Item 8, Note 5 – Mortgage and Notes Payable for further detail on notes payable.

During the year ended December 31, 2000, we used cash flow from operations and cash on hand to make a 1% (annualized) distribution of $84,076. The annualized distribution rate is calculated as a percent of the original capital contribution. The limited partners received 99% and the General Partner received 1% of these distributions. The primary source of future liquidity is expected to be derived from cash generated by our properties after adequate cash reserves are established for future leasing, roof replacements and renovations. It is anticipated that the cash flow from operations and cash reserves will be sufficient to meet our needs. Cash reserves (which are unrestricted cash and equivalents as shown on our balance sheet as of December 31) were $382,533, $431,232 and $307,173 on December 31, 2002, 2001 and 2000, respectively.

The table below presents that portion of the distributions that represents a return of capital based on Accounting Principles Generally Accepted in the United States for the years ended December 31, 2002, 2001 and 2000.

	Net Income (Loss) Allocated	Cash Distributions Declared	Return of Capital
Limited partners			
2002	$ (209,579)	$ --	$ --
2001	(155,772)	--	--
2000	28,759	83,236	54,477
General Partner			
2002	$ (2,117)	$ --	$ --
2001	(1,573)	--	--
2000	290	840	550

On January 24, 2001, we notified our limited partners that we would be suspending distributions starting with the fourth quarter 2000. The suspension is necessary to build up cash reserves in contemplation of the roof replacements at Park Place Apartments Phase II (mentioned below). Once sufficient reserves are accumulated, we will review cash, working capital levels and projections for their use, and resume distributions if appropriate.

The demand on future liquidity is anticipated to increase as a result of the replacement of the roofs at Park Place Apartments Phase II (18 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. Based upon these facts, management changed the estimated useful life of the roof assets. The change resulted in an approximate increase in depreciation expense of $96,000 and $48,000 for 2002 and 2001, respectively. We do not have sufficient working capital to make all of the roof replacements at one time. As of December 31, 2002, one roof replacement has been completed. The total cost of replacing the remaining roofs is estimated to be $340,000 ($20,000 per building). Nine roof replacements have been budgeted for 2003.

Blankenbaker Business Center 1A is expected to require a new roof in 2003. The roof replacement is expected to cost approximately $235,000. Our share of this cost is expected to be approximately $74,000.

We had no other material commitments for renovations or capital expenditures as of December 31, 2002.

We are making efforts to improve occupancy at our residential properties. We have an on-site leasing staff, that 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 works with current residents on lease renewals.

The lease at Blankenbaker Business Center 1A provides for the tenant 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.

Across the United States there have been recent reports of lawsuits against owners and managers of multi-family and commercial properties asserting claims of personal injury and property damage caused by the asserted presence of mold and other microbial organisms in residential units and commercial space. Some of these lawsuits have resulted in substantial monetary judgments or settlements. We have not, at present, been named as a defendant in any lawsuit that has alleged the presence of mold or other microbial organisms. Prior to September 13, 2002, we were insured against claims arising from the presence of mold due to water intrusion. However, since September 13, 2002, certain of our insurance carriers have excluded from insurance coverage property damage loss claims arising from the presence of mold, although certain of our insurance carriers do provide some coverage for personal injury claims. We are in the process of implementing protocols and procedures to prevent the build-up of mold and other microbial organisms in our properties, and are in the process of implementing more stringent maintenance, housekeeping and notification requirements for tenants in our properties. We believe that these measures will eliminate, or at least, minimize any effect that mold or other microbial organisms could have on our tenants. To date, we have not incurred any material costs or liabilities relating to claims of mold exposure or to abate mold conditions. Because the law regarding mold is unsettled and subject to change, however, we can make no assurance that liabilities resulting from the presence of, or exposure to, mold or other microbial organisms will not have a material adverse effect on our consolidated financial condition or results of operations and our subsidiaries taken as a whole.

Contractual Obligations and Commercial Commitments

The following disclosure represents our obligations and commitments to make future payments under contracts, such as debt and lease agreements, and under contingent commitments, such as debt guarantees.

	Payments Due by Period				
Contractual Obligations	Total	Within One Year	Two - Three Years	Four - Five Years	After 5 Years
Long-term debt	$ 3,494,218	$ 155,200	$ 334,034	$ 386,941	$ 2,618,043
Capital lease obligations	$ --	$ --	$ --	$ --	$ --
Operating leases (1)	$ --	$ --	$ --	$ --	$ --
Other long-term obligations (2)	$ --	$ --	$ --	$ --	$ --
Total contractual cash obligations	$ 3,494,218	$ 155,200	$ 334,034	$ 386,941	$ 2,618,043

(1) We are party to numerous small operating leases for office equipment such as copiers, postage machines and fax machines, which represent an insignificant obligation.

(2) We are party to several annual maintenance agreements with vendors for such items as outdoor maintenance, pool service and security systems, which we may or may not renew each year.

		Amount of Commitment Expiration Per Period			
Other Commercial Commitments	Total Amounts Committed	Within One Year	Two - Three Years	Four - Five Years	Over 5 Years
Line of credit	$ --	$ --	$ --	$ --	$ --
Standby letters of credit and guarantees (1)	$ 1,733,466	$ 546,767	$ 1,186,699	$ --	$ --
Other commercial commitments (2)	$ --	$ --	$ --	$ --	$ --
Total commercial commitments	$ 1,733,466	$ 546,767	$ 1,186,699	$ --	$ --

(1) We are a guarantor, along with NTS-Properties Plus, of Blankenbaker Business Center 1A's mortgage. The balance in the table represents 100% of the outstanding mortgage balance, of which we are jointly and severally liable.

(2) We do not, as a practice, enter into long term purchase commitments for commodities or services. We may from time to time agree to "fee for service arrangements" which are for a term of greater than one year.

Cautionary Statements

Our liquidity, capital resources and results of operations are subject to a number of risks and uncertainties including, but not limited to the following:

- our ability to achieve planned revenues;
- our ability to make payments due under our debt agreements;
- our ability to negotiate and maintain terms with vendors and service providers for operating expenses;
- competitive pressures from other real estate companies, including large commercial and residential real estate companies, which may affect the nature and viability of our business strategy;
- trends in the economy as a whole which may affect consumer confidence and demand for the types of rental property held by us;
- our ability to predict the demand for specific rental properties;
- our ability to attract and retain tenants;
- availability and costs of management and labor employed;
- real estate occupancy and development costs, including the substantial fixed investment costs associated with renovations necessary to obtain new tenants and retain existing tenants;
- the risk of a major commercial tenant defaulting on its lease due to risks generally associated with real estate, many of which are beyond our control, including general or local economic conditions, competition, interest rates, real estate tax rates, other operating expenses and acts of God; and
- the risk of revised zoning laws, taxes, and utilities regulations as well as municipal mergers of local governmental entities.

Item 7A - Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposure with regard to financial instruments is changes in interest rates. Our two notes payable bear interest at the Prime Rate. Our mortgage payable bears interest at a fixed rate. A hypothetical 100 basis point increase in interest rates would not significantly increase annual interest expenses on the variable rate notes. A hypothetical 100 basis point increase in interest rates would result in an approximate $202,000 decrease in the fair value of debt.

Item 8 - Financial Statements and Supplementary Data

REPORT OF INDEPENDENT AUDITORS

To NTS-Properties VII, Ltd.:

We have audited the accompanying balance sheet of NTS-Properties VII, Ltd. (the Partnership) as of December 31, 2002, and the related statements of operations, partners' equity and cash flows for the year then ended. Our audit also included the financial statement schedule listed in the index at Item 15(a). These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Partnership and the financial statement schedule as of December 31, 2001, and for each of the two years in the period ended December 31, 2001, were audited by other auditors who have ceased operations and whose report dated March 21, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the financial position of NTS-Properties VII, Ltd. as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Ernst & Young LLP

Louisville, Kentucky
March 26, 2003

This report is a copy of the previously issued Arthur Andersen LLP ("Andersen") Auditors' Report. This report has not been reissued by Andersen.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To NTS-Properties VII, Ltd.:

We have audited the accompanying balance sheets of NTS-Properties VII, Ltd. (a Florida limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, partners' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements and the schedules referred to below are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NTS-Properties VII, Ltd. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of Real Estate and Accumulated Depreciation included in this filing is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Louisville, Kentucky
March 21, 2002

NTS-PROPERTIES VII, LTD.
BALANCE SHEETS
DECEMBER 31, 2002 AND 2001

	2002	2001
ASSETS		
Cash and equivalents	$ 382,533	$ 431,232
Cash and equivalents - restricted	28,775	23,568
Accounts receivable, net	4,532	1,173
Land, buildings and amenities, net	7,299,579	7,730,705
Investment in and advances to joint venture	663,678	572,171
Other assets	53,133	62,034
TOTAL ASSETS	$ 8,432,230	$ 8,820,883
LIABILITIES AND PARTNERS' EQUITY		
Mortgage and notes payable	$ 3,494,218	$ 3,659,778
Accounts payable	48,583	97,604
Security deposits	28,775	23,375
Other liabilities	40,910	8,686
TOTAL LIABILITIES	3,612,486	3,789,443
COMMITMENTS AND CONTINGENCIES (Note 7)		
PARTNERS' EQUITY	4,819,744	5,031,440
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 8,432,230	$ 8,820,883

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

NTS-PROPERTIES VII, LTD.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

	2002	2001	2000
REVENUES			
Rental income	$ 1,515,528	$ 1,528,920	$ 1,617,578
Interest and other income	7,753	14,573	30,565
Income from investment in joint venture	95,935	77,932	54,881
Gain on sale of assets	364	26	4,118
TOTAL REVENUES	1,619,580	1,621,451	1,707,142
EXPENSES			
Operating expenses	418,331	395,607	377,700
Operating expenses - affiliated	266,307	254,364	235,801
Loss on disposal of assets	2,038	51,421	54,533
Interest expense	266,573	277,416	285,383
Management fees	77,413	78,563	83,823
Real estate taxes	84,039	86,890	88,011
Professional and administrative expenses	100,183	72,310	86,342
Professional and administrative expenses - affiliated	115,224	109,311	85,611
Depreciation and amortization	501,168	452,914	380,889
TOTAL EXPENSES	1,831,276	1,778,796	1,678,093
Net (loss) income	$ (211,696)	$ (157,345)	$ 29,049
Net (loss) income allocated to the limited partners	$ (209,579)	$ (155,772)	$ 28,759
Net (loss) income per limited partnership interest	$ (0.38)	$ (0.28)	$ 0.05
Weighted average number of limited partnership interests	552,236	553,031	554,828

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

NTS-PROPERTIES VII, LTD.
STATEMENTS OF PARTNERS' EQUITY (1)
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

	Limited Partners' Interests	Limited Partners	General Partner	Total
PARTNERS' EQUITY/(DEFICIT)				
Balances on January 1, 2000	555,736	$ 5,317,271	$ (52,459)	$ 5,264,812
Net income		28,759	290	29,049
Distributions declared		(83,236)	(840)	(84,076)
Repurchase of limited partnership interests	(2,500)	(15,000)	--	(15,000)
Balances on December 31, 2000	553,236	5,247,794	(53,009)	5,194,785
Net loss		(155,772)	(1,573)	(157,345)
Repurchase of limited partnership interests	(1,000)	(6,000)	--	(6,000)
Balances on December 31, 2001	552,236	5,086,022	(54,582)	5,031,440
Net loss		(209,579)	(2,117)	(211,696)
Balances on December 31, 2002	552,236	$ 4,876,443	$ (56,699)	$ 4,819,744

(1) For the periods presented, there are no elements of other comprehensive income as defined by the Financial Accounting Standards Board, Statement of Financial Accounting Standards Statement No. 130, "Reporting Comprehensive Income."

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

NTS-PROPERTIES VII, LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	$ (211,696)	$ (157,345)	$ 29,049
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Provision for doubtful accounts	6,508	2,487	--
Write-off of uncollectible accounts receivable	--	(2,487)	--
Loss on disposal of assets	2,038	51,421	54,533
Gain on sale of assets	(364)	(26)	(4,118)
Depreciation and amortization	504,289	456,034	384,197
Income from investment from joint venture	(95,935)	(77,932)	(54,881)
Changes in assets and liabilities:			
Cash and equivalents - restricted	(5,207)	2,607	1,649
Accounts receivable	(9,867)	61,805	24,607
Other assets	5,780	8,486	(31,341)
Accounts payable	(49,021)	83,166	(78,337)
Security deposits	5,400	(1,950)	(1,150)
Other liabilities	32,224	(4,727)	(8,313)
Net cash provided by operating activities	184,149	421,539	315,895
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to land, buildings, and amenities	(72,080)	(146,618)	(199,637)
Proceeds from sale of assets	364	60	6,934
Investment in and advances to joint venture	4,428	(48,167)	6,812
Net cash used in investing activities	(67,288)	(194,725)	(185,891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on mortgage and notes payable	(165,560)	(147,815)	(119,865)
Proceeds from notes payable	--	51,060	--
Cash distributions	--	--	(84,076)
Repurchase of limited partnership interests	--	(6,000)	(15,000)
Net cash used in financing activities	(165,560)	(102,755)	(218,941)
Net (decrease) increase in cash and equivalents	(48,699)	124,059	(88,937)
CASH AND EQUIVALENTS, beginning of year	431,232	307,173	396,110
CASH AND EQUIVALENTS, end of year	$ 382,533	$ 431,232	$ 307,173
Interest paid on a cash basis	$ 263,928	$ 274,703	$ 285,047

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

NTS-PROPERTIES VII, LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

Note 1 - Significant Accounting Policies

A) Organization

NTS-Properties VII, Ltd. (the "Partnership") is a limited partnership organized under the laws of the state of Florida in April 1987. Our General Partner is NTS-Properties Associates VII (a Kentucky limited partnership). We are in the business of developing, constructing, owning and operating apartment complexes and commercial real estate.

B) Basis of Presentation and Joint Venture Accounting

The financial statements include the accounts of all wholly-owned properties. Intercompany transactions and balances have been eliminated. Our less than 50% owned joint venture is accounted for under the equity method. The terms "we," "us" or "our," as the context requires, may refer to the Partnership or its interests in these properties and joint venture.

Please see the accompanying Blankenbaker Business Center Joint Venture financial statements and notes.

C) Properties and Joint Venture

We own and operate the following properties and joint venture:

- The Park at the Willows, a 48-unit luxury apartment complex in Louisville, Kentucky.
- Park Place Apartments Phase II, a 132-unit luxury apartment complex in Lexington, Kentucky.
- A 31.34% joint venture interest in Blankenbaker Business Center Phase 1A, a business center with approximately 50,000 net rentable ground floor square feet and approximately 50,000 net rentable mezzanine square feet located in Louisville, Kentucky.

D) Revenue Recognition

We recognize revenue in accordance with each tenant's respective lease agreement. Our typical apartment lease is for a period of one year or less and does not contain scheduled rent increases.

E) Allocation of Net Income (Loss) and Cash Distributions

Pre-termination date net cash receipts and interim net cash receipts, as defined in the Partnership Agreement, and which are made available for distribution, will be distributed 99% to the limited partners and 1% to the General Partner.

Net operating income (excluding net gains from sales and other specially allocated items) shall be allocated to the limited partners and the General Partner in proportion to their respective cash distributions . Net operating income in excess of cash distributions shall be allocated as follows: (1) pro rata to all partners with a negative capital account in an amount to restore the negative capital account to zero; (2) 99% to the limited partners and 1% to the General Partner until the limited partners have received an amount equal to their original capital less cash distributions except distribution of pre-termination date net cash receipts; (3) the balance, 80% to the limited partners and 20% to the General Partner. Net operating losses shall be allocated 99% to the limited partners and 1% to the General Partner for all periods presented in the accompanying financial statements.

F) Tax Status

We have received a ruling from the Internal Revenue Service stating that we are classified as a limited partnership for federal income tax purposes. As such, we make no provision for income taxes. The taxable income or loss is passed through to the holders of partnership interests for inclusion on their individual income tax returns.

A reconciliation of net (loss) income for financial statement purposes versus that for income tax reporting is as follows:

	2002	2001	2000
Net (loss) income	$ (211,696)	$ (157,345)	$ 29,049
Items handled differently for tax purposes:			
Depreciation and amortization	88,113	58,033	(14,534)
Prepaid rent and other capitalized leasing costs	28,958	2,390	9,384
Bad debt allowance	6,508	--	--
Gain/loss on disposal of assets	658	(2,899)	4,312
Accrued expenses	1,056	3,500	--
Non-deductible expenses	201	880	--
Taxable (loss) income	$ (86,202)	$ (95,441)	$ 28,211

G) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with Accounting Principles Generally Accepted in the United States 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.

H) Cash and Equivalents

We have a cash management program which provides for the overnight investment of excess cash balances. Per an agreement with a bank, excess cash is invested in a repurchase agreement for U.S. Government or agency securities on a nightly basis. As of December 31, 2002, approximately $331,000 was transferred into the investment.

I) Cash and Equivalents - Restricted

Cash and equivalents - restricted represents funds received for residential security deposits.

J) Basis of Property and Depreciation

Land, buildings and amenities are stated at historical cost less accumulated depreciation. 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 7-30 years for land improvements, 5-30 years for buildings and improvements and 5-30 years for amenities. The aggregate cost of our properties for federal tax purposes as of December 31, 2002 is approximately $12,823,000.

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 such 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. Application of this standard during the year ended December 31, 2002 did not result in an impairment loss.

K) Advertising

We expense advertising costs as incurred. Advertising expense was immaterial to us during the years ended December 31, 2002, 2001 and 2000.

L) Statements of Cash Flows

For purposes of reporting cash flows, cash and equivalents include cash on hand and short-term, highly liquid investments with initial maturities of three months or less.

M) Impact of Accounting Pronouncements

During the year ended December 31, 2002, we adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 requires one accounting model to be used for long-lived assets to be disposed of by sale, whether previously held or used or newly acquired, and it broadens the presentation of discontinued operations to include more disposal transactions. Our adoption of SFAS No. 144 did not impact the financial statements in 2002.

Note 2 - Concentration of Credit Risk

We own and operate, through a joint venture, a commercial rental property in Louisville, Kentucky. The sole tenant which occupies 100% of the property is a business which has operations in the Louisville area. We also own and operate apartment communities in Louisville and Lexington, Kentucky.

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 3 - Tender Offers

Between December 7, 1998 and December 31, 2001, we and ORIG, LLC, ("ORIG") an affiliate of ours, (the "Offerors"), filed four tender offers with the Securities and Exchange Commission. Through the four tender offers, we repurchased 23,500 Interests for $141,000 or $6.00 per Interest. ORIG purchased 159,613 Interests for $957,678 or $6.00 per Interest. Interests repurchased by us were retired. Interests purchased by ORIG are being held by it.

On May 10, 2002, ORIG commenced a tender offer to purchase up to 20,000 Interests at a price of $6.00 per Interest. ORIG had the option to acquire additional Interests on a pro rata basis if more than 20,000 Interests were tendered. The tender offer was scheduled to expire on August 16, 2002.

On August 7, 2002, ORIG amended its tender offer to extend the expiration date from August 16, 2002, to September 16, 2002. The tender offer was amended on September 5, 2002, to increase the purchase price to $6.50 per Interest and increase the number of Interests to 50,000. This amendment also extended the expiration date to October 1, 2002.

On October 1, 2002, the tender offer expired. Upon expiration, 43,607 Interests had been tendered. ORIG purchased 43,607 Interests for $283,446 and incurred $3,075 in expenses associated with the tender offer. We did not participate in this tender offer.

Note 4 - Land, Buildings and Amenities

The following schedule provides an analysis of our investment in property held for lease as of December 31:

	2002	2001
Land and improvements	$ 3,116,312	$ 3,090,080
Building and improvements	10,172,892	10,146,423
	13,289,204	13,236,503
Less accumulated depreciation	5,989,625	5,505,798
	$ 7,299,579	$ 7,730,705

Note 5 - Mortgage and Notes Payable

Mortgage and notes payable as of December 31, consisted of the following:

	2002	2001
Mortgage payable to an insurance company in monthly installments, bearing interest at a fixed rate of 7.37%, due October 15, 2012, secured by land and buildings.	$ 3,488,518	$ 3,627,428
Note payable to a bank in monthly installments, bearing interest at the Prime Rate, but not less than 6.0%, due March 27, 2003. On December 31, 2002, the interest rate was 6.0%.	4,259	24,169
Note payable to a bank in monthly installments, bearing interest at the Prime Rate, but not less than 6.0%, due March 27, 2003. On December 31, 2002, the interest rate was 6.0%.	1,441	8,181
	$ 3,494,218	$ 3,659,778

Our mortgage may be prepaid but is subject to prepayment of a yield-maintenance premium.

Scheduled maturities of debt are as follows:

For the Years Ended December 31,	Amount
2003	$ 155,200
2004	160,841
2005	173,193
2006	186,366
2007	200,575
Thereafter	2,618,043
	$ 3,494,218

Based on the borrowing rates currently available to us for mortgages with similar terms and average maturities, the fair value of long-term debt on December 31, 2002 and 2001 was approximately $3,768,000 and $3,739,000, respectively.

Note 6 - 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 fee is equal to 5% of the gross revenues from our residential properties. 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 pursuant to an agreement with NTS Development Company for the years ended December 31, 2002, 2001 and 2000. 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.

	For the Years Ended December 31,		
	2002	2001	2000
Property management fees	$ 77,413	$ 78,563	$ 83,823
Property management	153,129	154,611	138,777
Leasing	31,968	27,450	25,057
Administrative - operating	79,844	70,865	70,758
Other	1,366	1,438	1,209
Total operating expenses - affiliated	266,307	254,364	235,801
Professional and administrative expenses - affiliated	115,224	109,311	85,611
Repairs and maintenance fees	2,235	2,150	9,340
Construction management	1,547	600	116
Total related party transactions capitalized	3,782	2,750	9,456
Total related party transactions	$ 462,726	$ 444,988	$ 414,691

Note 7 - Commitments and Contingencies

We, as an owner of real estate, are subject to various environmental laws of federal, state and local governments. Compliance by us 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 are jointly and severally liable under the mortgage loan agreement for the Blankenbaker Business Center 1A debt. The outstanding balances on this mortgage on December 31, 2002 and 2001 were $1,733,466 and $2,235,829, respectively.

On December 12, 2001, three individuals filed an action in the Superior Court of the State of California for the County of Contra Costa against our General Partner, the general partners of four public partnerships affiliated with us and several individuals and entities affiliated with us. The action purports to bring claims on behalf of a class of limited partners based on, among other things, tender offers made by the public partnerships and an affiliate of our General Partner. The plaintiffs allege, among other things, that the prices at which limited partnership interests were purchased in these tender offers were too low. The plaintiffs are seeking monetary damages and equitable relief, including an order directing the disposition of the properties owned by the public partnerships and the distribution of the proceeds. No amounts have been accrued as a liability for this action in our financial statements at December 31, 2002. Under an indemnification agreement with our General Partner, we are responsible for the costs of defending this action. For the year ended December 31, 2002, our share of these legal costs was approximately $25,000, which was expensed.

On September 24, 2002, in connection with the above-described lawsuit, the plaintiffs voluntarily dismissed two of the individuals and one of the entities that had objected to the lawsuit on personal jurisdiction grounds. This dismissal was the result of an agreement under which some defendants agreed not to contest jurisdiction and plaintiffs agreed to dismiss other defendants. Additionally, on October 22, 2002, the court issued an order sustaining the demurrer of our General Partner and the general partners of two limited partnerships affiliated with us. The effect of this ruling is that our General Partner and the other two general partners are no longer parties to the lawsuit. On the same date the court overruled the demurrer of the general partners of two of the partnerships affiliated with us and one individual and two entities affiliated with us. The entities and individuals whose demurrers were overruled remain defendants in the lawsuit. These parties believe the lawsuit is without merit, and are vigorously defending it.

On February 27, 2003, two individuals filed a class and derivative action in the Circuit Court of Jefferson County, Kentucky against our General Partner, the general partners of three public partnerships affiliated with us and several individuals and entities affiliated with us. On March 21, 2003, the complaint was amended to include the general partners of another public partnership affiliated with us and a partnership that was affiliated with us but 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 affiliated public partnerships based on alleged overpayments of fees, prohibited investments, improper failures to make distributions, purchases of limited partnership 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 public partnerships, a declaratory judgment, and injunctive relief. Our General Partner believes that this action is without merit, and intends to vigorously defend it.

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.

We plan to replace the roofs at Park Place Apartments Phase II (18 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. Based upon these facts, management changed the estimated useful life of the roof assets. The change resulted in an approximate increase in depreciation expense of $96,000 and $48,000 for 2002 and 2001, respectively. We do not have sufficient working capital to make all of the roof replacements at one time. As of December 31, 2002 one roof replacement has been completed. The total cost of replacing the remaining roofs is estimated to be $340,000 ($20,000 per building).

Note 8 - Segment Reporting

Our reportable operating segments include only one segment - Residential Real Estate Operations.

Note 9 - Selected Quarterly Financial Data (Unaudited)

2002	For the Quarters Ended March 31	June 30	September 30	December 31
Total revenues	$ 380,712	$ 394,014	$ 406,780	$ 438,074
Total expenses	422,009	441,073	492,308	475,886
Net loss	(41,297)	(47,059)	(85,528)	(37,812)
Net loss allocated to the limited partners	(40,884)	(46,588)	(84,673)	(37,434)
Net loss per limited partnership interest	(0.07)	(0.08)	(0.15)	(0.08)

2001	For the Quarters Ended March 31	June 30	September 30	December 31
Total revenues	$ 402,169	$ 406,864	$ 408,705	$ 403,713
Total expenses	448,317	445,857	443,939	440,683
Net loss	(46,148)	(38,993)	(35,234)	(36,970)
Net loss allocated to the limited partners	(45,687)	(38,603)	(34,882)	(36,600)
Net loss per limited partnership interest	(0.08)	(0.07)	(0.06)	(0.07)

REPORT OF INDEPENDENT AUDITORS

To the Blankenbaker Business Center Joint Venture:

We have audited the accompanying balance sheet of the Blankenbaker Business Center Joint Venture (the Joint Venture) as of December 31, 2002, and the related statements of operations, partners' equity and cash flows for the year then ended. These financial statements are the responsibility of the Joint Venture's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Joint Venture as of December 31, 2001, and for each of the two years in the period ended December 31, 2001, were audited by other auditors who have ceased operations and whose report dated March 21, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the financial position of the Blankenbaker Business Center Joint Venture as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Louisville, Kentucky
March 26, 2003

This report is a copy of the previously issued Arthur Andersen LLP ("Andersen") Auditors' Report. This report has not been reissued by Andersen.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Blankenbaker Business Center Joint Venture:

We have audited the accompanying balance sheets of the Blankenbaker Business Center Joint Venture as of December 31, 2001 and 2000, and the related statements of operations, partners' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Blankenbaker Business Center Joint Venture's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Blankenbaker Business Center Joint Venture as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Louisville, Kentucky
March 21, 2002

BLANKENBAKER BUSINESS CENTER JOINT VENTURE
BALANCE SHEETS
DECEMBER 31, 2002 AND 2001

	2002	2001
ASSETS		
Cash and equivalents	$ 42,955	$ 59,123
Cash and equivalents - restricted	3,663	9,597
Accounts receivable	51,130	60,238
Land, buildings and amenities, net	3,124,368	3,318,229
Other assets	112,911	150,699
TOTAL ASSETS	$ 3,335,027	$ 3,597,886
LIABILITIES AND PARTNERS' EQUITY		
Mortgage payable	$ 1,733,466	$ 2,235,829
Accounts payable	9,040	59,223
Other liabilities	51,129	53,423
TOTAL LIABILITIES	1,793,635	2,348,475
COMMITMENTS AND CONTINGENCIES (Note 7)		
PARTNERS' EQUITY	1,541,392	1,249,411
TOTAL LIABILITIES AND PARTNERS' EQUITY	$ 3,335,027	$ 3,597,886

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

BLANKENBAKER BUSINESS CENTER JOINT VENTURE
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

	2002	2001	2000
REVENUES			
Rental income	$ 951,763	$ 934,612	$ 907,614
Interest and other income	456	553	486
TOTAL REVENUES	952,219	935,165	908,100
EXPENSES			
Operating expenses	114,999	92,516	100,128
Operating expenses - affiliated	38,007	36,062	33,802
Loss on disposal of assets	--	--	242
Interest expense	176,836	217,369	255,004
Management fees	57,133	56,110	54,486
Real estate taxes	51,281	49,412	54,677
Professional and administrative expenses - affiliated	--	--	200,000
Depreciation and amortization	207,852	204,683	204,296
TOTAL EXPENSES	646,108	656,152	902,635
Net income	$ 306,111	$ 279,013	$ 5,465

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

BLANKENBAKER BUSINESS CENTER JOINT VENTURE
STATEMENTS OF PARTNERS' EQUITY (1)
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

	Partners' Equity
Balances on January 1, 2000	$ 633,779
Net income	5,465
Distributions	(41,398)
Capital contributions	219,690
Balances on December 31, 2000	817,536
Net income	279,013
Distributions	(47,138)
Capital contributions	200,000
Balances on December 31, 2001	1,249,411
Net income	306,111
Distributions	(14,130)
Balances on December 31, 2002	$ 1,541,392

(1) For the periods presented, there are no elements of other comprehensive income as defined by the Financial Accounting Standards Board, Statement of Financial Accounting Standards Statement No. 130, "Reporting Comprehensive Income."

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

BLANKENBAKER BUSINESS CENTER JOINT VENTURE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 306,111	$ 279,013	$ 5,465
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on disposal of assets	--	--	242
Depreciation and amortization	247,306	244,137	211,745
Changes in assets and liabilities:			
Cash and equivalents - restricted	5,934	(3,739)	33,260
Accounts receivable	9,108	(28,307)	(31,931)
Other assets	(1,666)	(358)	30,608
Accounts payable	(50,183)	(155,912)	(9,550)
Other liabilities	(2,294)	(614)	44,716
Net cash provided by operating activities	514,316	334,220	284,555
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to land, buildings, and amenities	(13,991)	(18,414)	--
Net cash used in investing activities	(13,991)	(18,414)	--
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on mortgage payable	(502,363)	(461,564)	(424,080)
Cash distributions	(14,130)	(47,138)	(41,398)
Capital contributions	--	200,000	219,690
Net cash used in financing activities	(516,493)	(308,702)	(245,788)
Net (decrease) increase in cash and equivalents	(16,168)	7,104	38,767
CASH AND EQUIVALENTS, beginning of year	59,123	52,019	13,252
CASH AND EQUIVALENTS, end of year	$ 42,955	$ 59,123	$ 52,019
Interest paid on a cash basis	$ 170,773	$ 211,572	$ 256,506

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

BLANKENBAKER BUSINESS CENTER JOINT VENTURE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

Note 1 - Significant Accounting Policies

A) Organization

Blankenbaker Business Center Joint Venture (the "Joint Venture") was organized on December 28, 1990, by NTS-Properties VII, Ltd. and NTS-Properties Plus Ltd. to own and operate Blankenbaker Business Center 1A and to acquire an approximately 2.49 acre parking lot that was being leased by the business center from an affiliate of the General Partner. On August 16, 1994, the Blankenbaker Business Center Joint Venture Agreement was amended to admit NTS-Properties IV to the Joint Venture. The terms "we," "us" or "our," as the context requires, may refer to the Joint Venture or its interests in this property.

B) Properties

Blankenbaker Business Center Joint Venture owns Blankenbaker Business Center 1A, a business center with approximately 50,000 net rentable ground floor square feet and approximately 50,000 net rentable mezzanine square feet located in Louisville, Kentucky.

C) Allocation of Net Income (Loss) and Cash Distributions

The net cash flow for each calendar quarter is distributed to the partners in accordance with their respective percentage interests. The term "Net Cash Flow" for any period shall mean the excess, if any of A) the sum of (i) the gross receipts of the joint venture property for such period, other than capital contributions plus (ii) any funds released by the partners for previously established reserves (referred to in clause (B) (iv) below), over (B) the sum of (i) all cash operating expenses paid by the joint venture property during such period in the course of business, (ii) capital expenditures paid in cash during such period, (iii) payments during such period on account of amortization of the principal of any debts or liabilities of the joint venture property and (iv) reserves for contingent liabilities and future expenses of the joint venture property as established by the partners; provided, however, that the amounts referred to in (B) (i), (ii) and (iii) above shall only be taken into account to the extent not funded by capital contributions or paid out of previously established reserves. "Percentage Interest" means that percentage which the capital contribution of a partner bears to the aggregate capital contributions of all the partners.

Net income or loss is allocated between the partners in accordance with their respective percentage interests pursuant to the Joint Venture agreement.

D) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with Accounting Principles Generally Accepted in the United States 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.

E) Cash and Equivalents - Restricted

Cash and equivalents - restricted represents funds which have been escrowed with a mortgage company for property taxes in accordance with the loan agreement.

F) Basis of Property and Depreciation

Land, buildings and amenities are stated at cost to the Joint Venture. 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 10-30 years for land improvements, 5-30 years for building and improvements and the applicable lease term for tenant improvements. The aggregate cost of Blankenbaker Business Center 1A for federal tax purposes as of December 31, 2002 is approximately $7,387,000.

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 such 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. Application of this standard during the year ended December 31, 2002 did not result in an impairment loss.

G) Revenue Recognition - Rental Income and Capitalized Leasing Costs

For financial reporting purposes, the income from commercial leases is recognized on a straight-line basis over the lease term. There was no accrued income connected with commercial leases as of December 31, 2002 and 2001, due to the renewal lease having no scheduled and specified rent increases. All commissions paid to commercial property leasing agents are deferred and amortized on a straight-line basis over the applicable lease term.

H) Advertising

The Joint Venture expenses advertising costs as incurred. Advertising expense was immaterial to the Joint Venture during the years ended December 31, 2002, 2001 and 2000.

I) Impact of Accounting Pronouncements

During the year ended December 31, 2002, we adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 requires one accounting model to be used for long-lived assets to be disposed of by sale, whether previously held or used or newly acquired, and it broadens the presentation of discontinued operations to include more disposal transactions. Our adoption of SFAS No. 144 did not impact the financial statements in 2002.

Note 2 - Concentration of Credit Risk

The Joint Venture owns and operates a commercial property in Louisville, Kentucky. The sole tenant which occupies 100% of the property is a business which has operations in the Louisville area.

Note 3 - Land, Buildings and Amenities

The following schedule provides an analysis of the Joint Venture investment in property held for lease as of December 31:

	2002	2001
Land and improvements	$ 2,236,516	$ 2,236,516
Building and improvements	5,150,109	5,136,118
	7,386,625	7,372,634
Less accumulated depreciation	4,262,257	4,054,405
	$ 3,124,368	$ 3,318,229

Note 4 - Mortgage Payable

Mortgage payable as of December 31 consist of the following:

	2002	2001
Mortgage payable to an insurance company in monthly installments, bearing interest at a fixed rate of 8.5%, due November 15, 2005, secured by land and buildings.	$ 1,733,466	$ 2,235,829
	$ 1,733,466	$ 2,235,829

Scheduled maturities of debt are as follows:

For the Years Ended December 31,		Amount
2003	$	546,767
2004		595,096
2005		591,603
	$	1,733,466

Based on the borrowing rates currently available to the Joint Venture for mortgages with similar terms and average maturities, the fair value of long-term debt on December 31, 2002 and 2001 was approximately $1,784,000 and $2,278,000, respectively.

Note 5 - Rental Income Under Operating Lease

The following is a schedule of minimum future rental income on the noncancellable operating lease:

For the Years Ended December 31,		Amount
2003	$	752,787
2004		752,787
2005		439,126
	$	1,944,700

Note 6 - Related Party Transactions

Pursuant to an agreement with the partnerships which formed the Blankenbaker Business Center Joint Venture, NTS Development Company, an affiliate of the General Partners of the partnerships, receives property management fees on a monthly basis. The fee is equal to 6% of the gross revenues from the partnerships' commercial properties. Also permitted by an agreement, NTS Development Company receives a repair and maintenance fee equal to 5.9% of costs incurred which relate to capital improvements. These repair and maintenance fees are 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 Development Company for the years ended December 31, 2002, 2001 and 2000. 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. The professional and administrative expenses - affiliated includes a cost recovery to provide for expenditures made on the Joint Venture's behalf.

	For the Years Ended December 31,		
	2002	2001	2000
Property management fees	$ 57,133	$ 56,110	$ 54,486
Property management	22,595	20,091	15,563
Leasing	3,831	5,106	--
Administrative - operating	9,900	9,903	17,268
Other	1,681	962	971
Total operating expenses - affiliated	38,007	36,062	33,802
Professional and administrative expenses - affiliated	--	--	200,000
Total related party transactions	$ 95,140	$ 92,172	$ 288,288

Note 7 - Commitments and Contingencies

The Joint Venture, as an owner of real estate, is subject to various environmental laws of federal, state and local governments. Compliance by the Joint Venture with existing laws has not had a material adverse effect on the Joint Venture's financial condition and results of operations. However, the Joint Venture cannot predict the impact of new or changed laws or regulations on the currently owned properties or on properties that may be acquired in the future.

On December 12, 2001, three individuals filed an action in the Superior Court of the State of California for the County of Contra Costa against the General Partner of NTS-Properties VII, Ltd., the general partners of four public partnerships affiliated with us and several individuals and entities affiliated with us. The action purports to bring claims on behalf of a class of limited partners based on, among other things, tender offers made by the public partnerships and an affiliate of the General Partner of NTS-Properties VII, Ltd. The plaintiffs allege, among other things, that the prices at which limited partnership interests were purchased in these tender offers were too low. The plaintiffs are seeking monetary damages and equitable relief, including an order directing the disposition of the properties owned by the public partnerships and the distribution of the proceeds. No amounts have been accrued as a liability for this action in our financial statements at December 31, 2002.

On September 24, 2002, in connection with the above-described lawsuit, the plaintiffs voluntarily dismissed two of the individuals and one of the entities that had objected to the lawsuit on personal jurisdiction grounds. This dismissal was the result of an agreement under which some defendants agreed not to contest jurisdiction and plaintiffs agreed to dismiss other defendants. Additionally, on October 22, 2002, the court issued an order sustaining the demurrer of the General Partner of NTS-Properties VII, Ltd. and the general partners of two limited partnerships affiliated with us. The effect of this ruling is that the General Partner of NTS-Properties VII, Ltd. and the other two general partners are no longer parties to the lawsuit. On the same date the court overruled the demurrer of the general partners of two of the partnerships affiliated with us and one individual and two entities affiliated with us. The entities and individuals whose demurrers were overruled remain defendants in the lawsuit. These parties believe the lawsuit is without merit, and are vigorously defending it.

On February 27, 2003, two individuals filed a class and derivative action in the Circuit Court of Jefferson County, Kentucky against the General Partner of NTS-Properties VII, Ltd, the general partners of three public partnerships affiliated with us and several individuals and entities affiliated with us. On March 21, 2003, the complaint was amended to include the general partners of another public partnership affiliated with us and a partnership that was affiliated with us but 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 affiliated public partnerships based on alleged overpayments of fees, prohibited investments, improper failures to make distributions, purchases of limited partnership 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 public partnerships, a declaratory judgment, and injunctive relief. The General Partner of NTS-Properties VII, Ltd. believes that this action is without merit, and intends to vigorously defend it.

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.

Note 8 - Segment Reporting

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

Item 9 - Change in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10 - Directors and Executive Officers of the Registrant

Because we are a limited partnership and not a corporation, we do not have directors or officers. We are managed by our General Partner, NTS-Properties Associates VII. Additionally we have entered into a management contract with NTS Development Company, an affiliate of our General Partner, to provide property management services.

The General Partners of NTS-Properties Associates VII are as follows:

J. D. Nichols

Mr. Nichols (age 61) is the managing General Partner of NTS-Properties Associates VII and is Chairman of the Board of NTS Corporation (since 1985) and NTS Development Company (since 1977).

NTS Capital Corporation

NTS Capital Corporation (formerly NTS Corporation) is a Kentucky corporation formed in October 1979. J. D. Nichols is Chairman of the Board and the sole director of NTS Capital Corporation.

The Manager of our properties is NTS Development Company, the executive officers and/or directors of which are J. D. Nichols, Brian F. Lavin and Gregory A. Wells.

Brian F. Lavin

Brian F. Lavin (age 49), President of NTS Corporation and NTS Development Company joined the Manager in June 1997. From November 1994 through June 1997, Mr. Lavin served as President of the Residential Division of Paragon Group, Inc. and as a Vice President of Paragon’s Midwest Division prior to November 1994. In this capacity, he directed the development, marketing, leasing and management operations for the firms expanding portfolios.

Mr. Lavin attended the University of Missouri where he received his Bachelor's Degree in Business Administration. He is a licensed Kentucky Real Estate Broker and Certified Property Manager. Mr. Lavin is a member of the Institute of Real Estate Management, council member of the Urban Land Institute and member of the National Multi-Housing Council. He has served on the Boards of the Louisville Science Center, Louisville Ballet, Greater Louisville Inc., National Multi-Housing Council, Louisville Apartment Association, the Board of Trustees for the Louisville Olmsted Parks Conservancy, Inc. and currently serves on the Board of Directors and Executive Committee of Greater Louisville Inc. and Board of Overseers for the University of Louisville.

Gregory A. Wells

Mr. Wells (age 44), Senior Vice President and Chief Financial Officer of NTS Corporation and NTS Development Company, joined the Manager in July 1999. From May 1998 through June 1999, Mr. Wells served as Chief Financial Officer of Hokanson Companies, Inc. and as Secretary and Treasurer of Hokanson Construction, Inc. in Indianapolis, Indiana from January 1995 through May 1998. In these capacities, he directed financial and operational activities for commercial real estate, company owned and third-party managed properties, building and suite renovations, and commercial and residential construction. Mr. Wells previously served as Vice President of Operations and Treasurer of Executive Telecom System, Inc., a subsidiary of The Bureau of National Affairs, Inc. (Washington, D.C.). Mr. Wells received a Bachelor's Degree in Business Administration from George Mason University and is a Certified Public Accountant in Virginia and Kentucky. He participates in a number of charitable and volunteer activities in the Louisville, Kentucky area.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that certain persons, including persons who own more than ten percent (10%) of our limited partnership interests, file initial statements of beneficial ownership (Form 3), and statements of changes in beneficial ownership (Forms 4 or 5), with the U.S. Securities and Exchange Commission (the "SEC"). The SEC requires that these persons furnish us with copies of all forms filed with the SEC.

To our knowledge, based solely on review of the copies of the forms we received, or written representations from certain reporting persons, that no additional forms were required for those persons.

Item 11 - Management Remuneration and Transactions

The officers and/or directors of our corporate General Partner receive no direct remuneration in such capacities. We are required to pay a property management fee based on gross revenues to NTS Development Company. We are also required to pay to NTS Development Company a repair and maintenance fee on costs related to specific projects and a refinancing fee on Net Cash Proceeds from the refinancing of any of our properties. Also, NTS Development Company provides certain other services to us. See Item 8 - Note 6 which describes the calculations of these fees and sets forth transactions with affiliates of our General Partner for the years ended December 31, 2002, 2001 and 2000.

Our General Partner is entitled to receive cash distributions and allocations of profits and losses from us. See Item 8 - Note 1E which describes the methods used to determine income allocations and cash distributions.

See Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, along with Consolidated Cash Flows and Financial Condition, for information concerning recent tender offers for our limited partners.

Item 12 - Security Ownership of Certain Beneficial Owners and Management

The following provides details regarding owners of more than 5% of the total outstanding limited partnership interests as of January 31, 2003.

ORIG, LLC 10172 Linn Station Rd. Louisville, Kentucky 40223	216,080 Interests (39.13%)

ORIG, LLC is a Kentucky limited liability company, the members of which are J. D. Nichols (1%), Barbara M. Nichols (J.D. Nichols' wife) (74%), and Brian F. Lavin (25%). J.D. Nichols and Brian F. Lavin are the Chairman and President, respectively, of NTS Capital Corporation, a general partner of NTS Properties Associates VII, our General Partner.

Our General Partner is NTS-Properties Associates VII, a Kentucky limited partnership, 10172 Linn Station Road, Louisville, Kentucky 40223. The general partners of our General Partner and their total respective interests (general and limited) in NTS-Properties Associates VII are as follows:

J. D. Nichols 10172 Linn Station Road Louisville, Kentucky 40223	36.05%
NTS Capital Corporation 10172 Linn Station Road Louisville, Kentucky 40223	11.95%

The remaining 52.00% interests are owned by various limited partners of NTS-Properties Associates VII.

Item 13 - Certain Relationships and Related 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 fee is equal to 5% of gross revenues from the residential properties. Also pursuant to an agreement with us, 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 pursuant to an agreement with NTS Development Company for the years ended December 31, 2002, 2001, and 2000. 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.

These charges were as follows:

	For the Years Ended December 31,		
	2002	2001	2000
Property management fees	$ 77,413	$ 78,563	$ 83,823
Property management	153,129	154,611	138,777
Leasing	31,968	27,450	25,057
Administrative - operating	79,844	70,865	70,758
Other	1,366	1,438	1,209
Total operating expenses - affiliated	266,307	254,364	235,801
Professional and administrative expenses - affiliated	115,224	109,311	85,611
Repairs and maintenance fees	2,235	2,150	9,340
Construction management	1,547	600	116
Total related party transactions capitalized	3,782	2,750	9,456
Total related party transactions	$ 462,726	$ 444,988	$ 414,691

Our affiliate, ORIG, LLC has participated in tender offers for our Interests. See Item 8 - Note 3 for additional information on these tender offers.

Item 14 - Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of NTS Capital Corporation, the General Partner of our General Partner, have concluded, based on their evaluation within 90 days of the filing date of this report, that our disclosure controls and procedures are effective for gathering, analyzing and disclosing the information we are required to disclose in our reports filed under the Securities Exchange Act of 1934. There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the previously mentioned evaluation.

PART IV

Item 15 - Exhibits, Financial Statement Schedules and Reports on Form 8-K

1 - Financial Statements

The financial statements for the year ended December 31, 2002 along with the report from Ernst & Young LLP dated March 26, 2003, and the financial statements for the years ended December 31, 2001 and 2000 along with a copy of the report from Arthur Andersen LLP dated March 21, 2002, which has not been reissued, appear in Part II, Item 8. The following schedules should be read in conjunction with those financial statements.

2 - Financial Statement Schedules

Schedules	Page No.
III-Real Estate and Accumulated Depreciation	56-57

All other schedules have been omitted because they are not applicable, are not required, or because the required information is included in the financial statements or notes thereto.

3 - Exhibits

Exhibit No.		
3.	Amended and Restated Agreement and Certificate of Limited Partnership of NTS-Properties VII, Ltd., a Florida limited partnership.	*
10.	Property Management and Construction Agreement between NTS Development Company and NTS-Properties VII, Ltd.	*
99.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	**
99.2	Certification of Chief Financial Officer 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 May 15, 1987 (effective October 29, 1987) under Commission File No. 33-14308.

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

4 - Reports on Form 8-K

None.

NTS-PROPERTIES VII, LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
AS OF DECEMBER 31, 2002

	The Park at the Willows	Park Place Apartments Phase II	Total
Encumbrances	None	(A)	
Initial cost to partnership:			
Land	$ 457,048	$ 2,616,693	$ 3,073,741
Buildings and improvements	2,091,968	7,692,119	9,784,087
Cost capitalized subsequent to acquisition:			
Improvements (net of retirements)	135,817	277,618	413,435
Gross amount at which carried December 31, 2002 (B):			
Land	$ 461,250	$ 2,655,062	$ 3,116,312
Buildings and improvements	2,223,583	7,931,368	10,154,951
Total	$ 2,684,833	$ 10,586,430	$ 13,271,263
Accumulated depreciation	$ 1,205,864	$ 4,771,202	$ 5,977,066
Date of construction	N/A	02/90	
Date acquired	05/88	N/A	
Life at which depreciation in latest income statement is computed	(C)	(C)	

(A) First mortgage held by an insurance company.
(B) Aggregate cost of real estate for tax purposes is approximately $12,823,000.
(C) Depreciation is computed using the straight-line method over the estimated useful lives of the assets which are 7-30 years for land improvements, 5-30 years for buildings and improvements and 5-30 years for amenities.
(D) Reconciliation, net of accumulated depreciation, to financial statements:

Total gross cost on December 31, 2002	$ 13,271,263
Additions to Partnership for computer hardware and software in 1998	8,797
Additions to Partnership for computer hardware and software in 1999	9,144
Balance on December 31, 2002	13,289,204
Less accumulated depreciation	5,977,066
Less accumulated depreciation for Partnership computer hardware and software	12,559
Land, buildings and amenities, net on December 31, 2002	$ 7,299,579

NTS-PROPERTIES VII, LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

	Real Estate	Accumulated Depreciation
Balances on January 1, 2000	$ 13,084,898	$ 4,757,842
Additions during period:		
Improvements	199,637	--
Depreciation	--	380,889
Deductions during period:		
Retirements	(97,760)	(40,411)
Balances on December 31, 2000	13,186,775	5,098,320
Additions during period:		
Improvements	146,618	--
Depreciation	--	452,914
Deductions during period:		
Retirements	(96,890)	(45,436)
Balances on December 31, 2001	13,236,503	5,505,798
Additions during period:		
Improvements	72,080	--
Depreciation	--	501,168
Deductions during period:		
Retirements	(19,379)	(17,341)
Balances on December 31, 2002	$ 13,289,204	$ 5,989,625

SIGNATURES

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

NTS-PROPERTIES VII, LTD.

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

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

Date: March 31, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this Form 10-K has been signed below by the following persons on behalf of the registrant in their capacities and on the date indicated above.

Signature	Title
/s/ J. D. Nichols J. D. Nichols	General Partner of NTS-Properties Associates VII and Chairman of the Board and Sole Director of NTS Capital Corporation
/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

We are a limited partnership and no proxy material has been sent to the limited partners. We will deliver to the limited partners an annual report containing our financial statements and a message from our General Partner.

CERTIFICATION

Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Brian F. Lavin, certify that:

1. I have reviewed this annual report on Form 10-K for NTS-Properties VII, Ltd.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officer and I (herein the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its unconsolidated joint venture, (collectively the "Partnership") is made known to the Certifying Officers by others within the Partnership, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report the conclusions of the Certifying Officers about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's Certifying Officers have disclosed, based on our most recent evaluation, to the registrant's auditors and the General Partner:

   a) all significant deficiencies (if any) in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; 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; and

6. The registrant's Certifying Officers have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 31, 2003

/s/ Brian F. Lavin
President of NTS Capital Corporation, General Partner of NTS-Properties Associates VII, General Partner of NTS-Properties VII, Ltd.

See also the certification pursuant to Section 906 of the Sarbanes Oxley Act of 2002, which is also attached to this report.

CERTIFICATION

Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Gregory A. Wells, certify that:

1. I have reviewed this annual report on Form 10-K for NTS-Properties VII, Ltd.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officer and I (herein the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its unconsolidated joint venture, (collectively the "Partnership") is made known to the Certifying Officers by others within the Partnership, particularly during the period in which this annual report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

    c) presented in this annual report the conclusions of the Certifying Officers about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's Certifying Officers have disclosed, based on our most recent evaluation, to the registrant's auditors and the General Partner:

    a) all significant deficiencies (if any) in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; 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; and

6. The registrant's Certifying Officers have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 31, 2003

/s/ Gregory A. Wells
Chief Financial Officer of NTS Capital Corporation, General Partner of NTS-Properties Associates VII, General Partner of NTS-Properties VII, Ltd.

See also the certification pursuant to Section 906 of the Sarbanes Oxley Act of 2002, which is also attached to this report.

Exhibit 99.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

I, Brian F. Lavin, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

To the best of my knowledge and belief, the annual report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2003, by NTS-Properties VII, Ltd. and to which this certification is appended (the "Periodic Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, and the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of NTS-Properties VII, Ltd.

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

/s/ Brian F. Lavin
President of NTS Capital Corporation,
General Partner of NTS-Properties Associates VII,
General Partner of NTS-Properties VII, Ltd.

Exhibit 99.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

I, Gregory A. Wells, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

To the best of my knowledge and belief, the annual report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2003, by NTS-Properties VII, Ltd. and to which this certification is appended (the "Periodic Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, and the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of NTS-Properties VII, Ltd.

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

/s/ Gregory A. Wells
Chief Financial Officer of NTS Capital Corporation,
General Partner of NTS-Properties Associates VII,
General Partner of NTS-Properties VII, Ltd.