

**ARTICLES OF ORGANIZATION
OF
GREY SHOAL MANAGER, L.L.C.**

The undersigned, pursuant to the Alabama Limited Liability Company Act, Code of Alabama, 1975, Section 10-12-1, et seq., as amended from time to time (the "Act"), for the purpose of forming a limited liability company under the laws of the State of Alabama do hereby adopt the following Articles of Organization (the "Articles"):

**ARTICLE I
NAME**

The name of the limited liability company is GREY SHOAL MANAGER, L.L.C. (the "Company").

**ARTICLE II
PERIOD OF DURATION**

The period of duration of the Company shall be from the date of filing until dissolution of the Company pursuant to provisions of the Act.

**ARTICLE III
PURPOSES**

The Company's business and purpose shall consist solely of the following:

- (a) To acquire a Percentage Interest in and act as the Managing Member of Grey Shoal, L.L.C., an Alabama limited liability company (the "Borrower"), which is engaged solely in the ownership, operation and management of the real estate project known as Stonecrest Apartments located in Shelby County, Alabama (the "Property"), pursuant to and in accordance with the Company's Operating Agreement and the Borrower's Amended and Restated Articles of Organization and Amended and Restated Operating Agreement (the "Borrower Agreements"); and
- (b) to engage in such other lawful activities permitted by the laws of the State of Alabama as are incidental, necessary or appropriate to the foregoing.

**ARTICLE IV
ADDRESS AND REGISTERED AGENT**

The initial registered office of the Company is 753 E. Glenn Avenue, Auburn, Alabama 36830, and the initial registered agent at that address is Michael V. Shannon.

**ARTICLE V
INITIAL MEMBERS**

The names and mailing addresses of the initial Members of the Company are:

Michael V. Shannon
P.O. Box 807
Auburn, AL 36831-0807

David L. Strobel
P.O. Box 807
Auburn, AL 36831-0807

C. H. Weaver, Jr.
P.O. Box 807
Auburn, AL 36831-0807

ARTICLE VI ADDITIONAL MEMBERS

Additional Members may be admitted upon unanimous agreement of the then existing Members.

ARTICLE VII LIMITATIONS

Notwithstanding any other provisions of these Articles and any provision of law that otherwise so empowers the Company, the Company shall not, without the unanimous consent of its Members, do any of the following:

- (a) engage in any business or activity other than those set forth in Article III or cause or allow the Borrower to engage in any business or activity other than as set forth in the Borrower Agreements;
- (b) incur any indebtedness or assume or guaranty any indebtedness of any Person other than the Mortgage (as defined in the Borrower's Agreements) and indebtedness permitted thereunder and normal trade accounts payable and lease obligations in the ordinary course of business (subject to the limitations contained in the Mortgage);
- (c) cause the Borrower to incur any indebtedness or to assume or guaranty any indebtedness of any Person, other than the Mortgage, indebtedness permitted thereunder, and normal trade accounts payable in the ordinary course of business (subject to the limitations contained in the Mortgage); dissolve, wind up or liquidate, in whole or in part;
- (d) dissolve, wind up or liquidate, in whole or in part;
- (e) cause or consent to the dissolution, winding-up or liquidation, in whole or in part, of the Borrower;
- (f) consolidate, combine or merge with or into any other entity or convey or transfer or lease its property and assets substantially as an entirety to any Person;

(g) cause the Borrower to consolidate, combine or merge with or into any other Person or to convey or transfer or lease its Property and assets substantially as an entirety to any Person;

(h) with respect to the Company or the Borrower, institute proceedings to be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or the Borrower of a substantial part of the property of the Company or the Borrower, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due or take limited liability company action in furtherance of any such action;

(i) amend Articles III, VII, VIII or IX of these Articles or approve an amendment to Articles III, VII, VIII, IX or X of the Amended and Restated Articles of Organization governing the Borrower;

(j) withdraw as Managing Member of the Borrower.

So long as any obligation secured by the Mortgage remain outstanding and not paid in full, the Company shall have no authority to take, and shall not take, any action in items (a) through (g), (h) or (j) above without (1) the prior written consent of the holder of the Mortgage, and (2) after any Secondary Market Transaction (as defined in the Mortgage) and if requested by the holder of the Mortgage, confirmation from each of the Rating Agencies (as defined in the Mortgage) that such action will not result in the qualification, withdrawal or downgrade of any securities rating assigned in connection with the Mortgage.

ARTICLE VIII SEPARATENESS/OPERATIONS MATTERS

The Company shall:

(a) maintain books and records and bank accounts separate from those of any other Person;

(b) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets;

(c) hold regular meetings of the Members, as appropriate, to conduct the business of the Company, and observe all other corporate formalities;

(d) hold itself out to creditors and the public as a legal entity separate and distinct from any other Person;

(e) prepare separate tax returns and financial statements, or if part of a consolidated group, then it will be shown as a separate member of such group;

(f) allocate and charge fairly and reasonably any common employee or overhead shared with Affiliates (as defined below);

- (g) transact all business with Affiliates on an arm's-length basis and pursuant to enforceable agreements;
- (h) conduct business in its own name, and use separate stationery, invoices and checks;
- (i) not commingle its assets or funds with those of any other Person;
- (j) not assume, guarantee or pay the debts or obligations of any other Person;
- (k) pay its own liabilities out of its own funds;
- (l) pay the salaries of its own employees and maintain a sufficient number of employees in light of its contemplated business operations;
- (m) not hold out its credit as being available to satisfy the obligations of others;
- (n) not acquire obligations or securities of its Members;
- (o) not pledge its assets for the benefit of any other Person or make any loans or advances to any Person;
- (p) correct any known misunderstanding regarding its separate identity; and
- (q) maintain adequate capital in light of its contemplated business operations.

ARTICLE IX EFFECT OF BANKRUPTCY, DEATH OR INCOMPETENCY OF A MEMBER

The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member (an "Assignee") shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such Assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Member's Percentage Interest shall be subject to all of the restrictions hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

ARTICLE X MANAGEMENT

The Company will be managed by the Members.

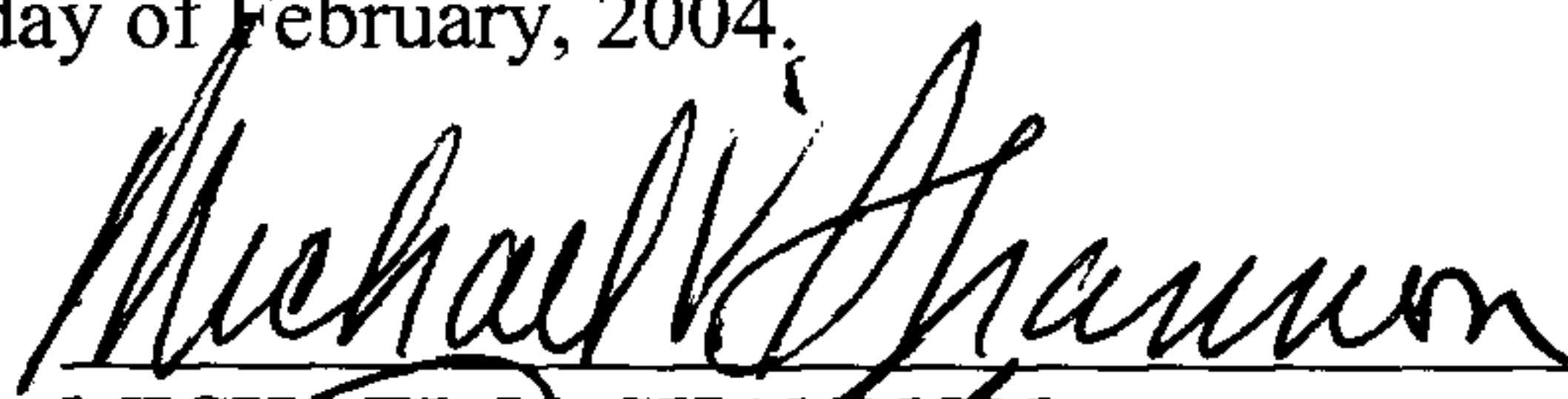
**ARTICLE XI
DEFINITIONS**

For purposes of these Articles, the following terms will have the following meanings:

(a) "Affiliate" means any Person controlling or controlled by or under common control with the Company including, without limitation (i) any Person who has a familial relationship, by blood, marriage or otherwise with any Member or employee of the Company, or any Affiliate thereof and (ii) any Person which receives compensation for administrative, legal or accounting services from the Company, or any Affiliate. For purposes of this definition, "control" when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) "Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization, or government or any agency or political subdivision thereof.

IN WITNESS WHEREOF, the Members have hereunto subscribed their names or have caused this instrument to be executed as of the 22 day of February, 2004.



MICHAEL V. SHANNON



DAVID L. STROBEL

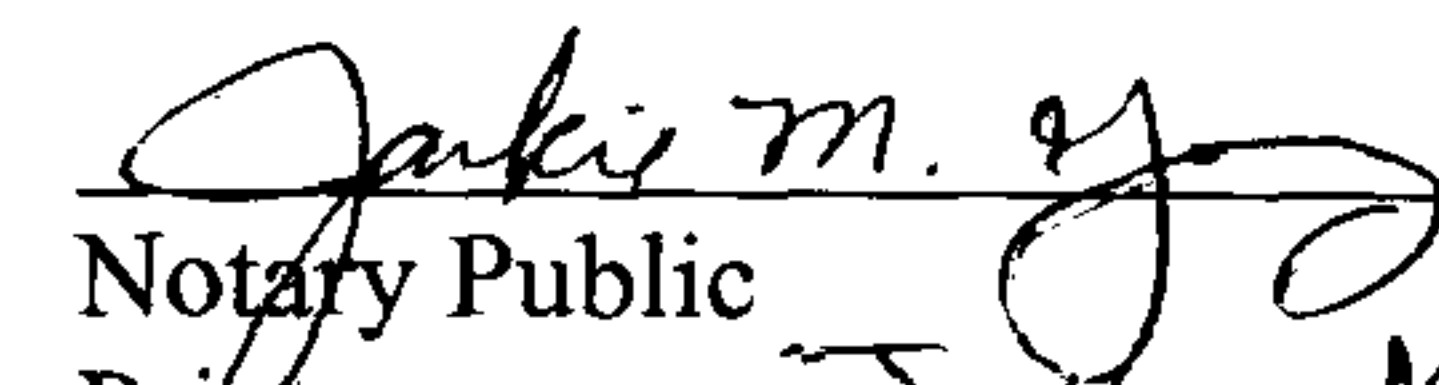


C. H. WEAVER, JR.

STATE OF ALABAMA
COUNTY OF LEE

I, the undersigned authority, a Notary Public in and for said State of Alabama, hereby certify that Michael V. Shannon, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal of office this 22 day of March, 2004.

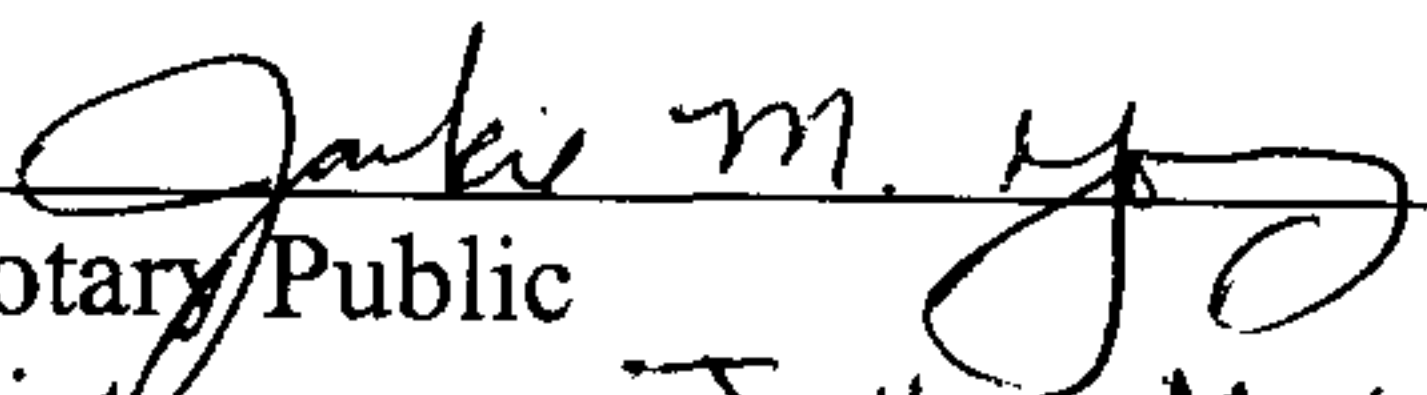


Notary Public
Print name: Jackie M. Young
My Commission Expires: _____
MY COMMISSION EXPIRES AUG. 6, 2007

STATE OF ALABAMA
COUNTY OF LEE

I, the undersigned authority, a Notary Public in and for said State of Alabama, hereby certify that David L. Strobel, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal of office this 22 day of March, 2004.

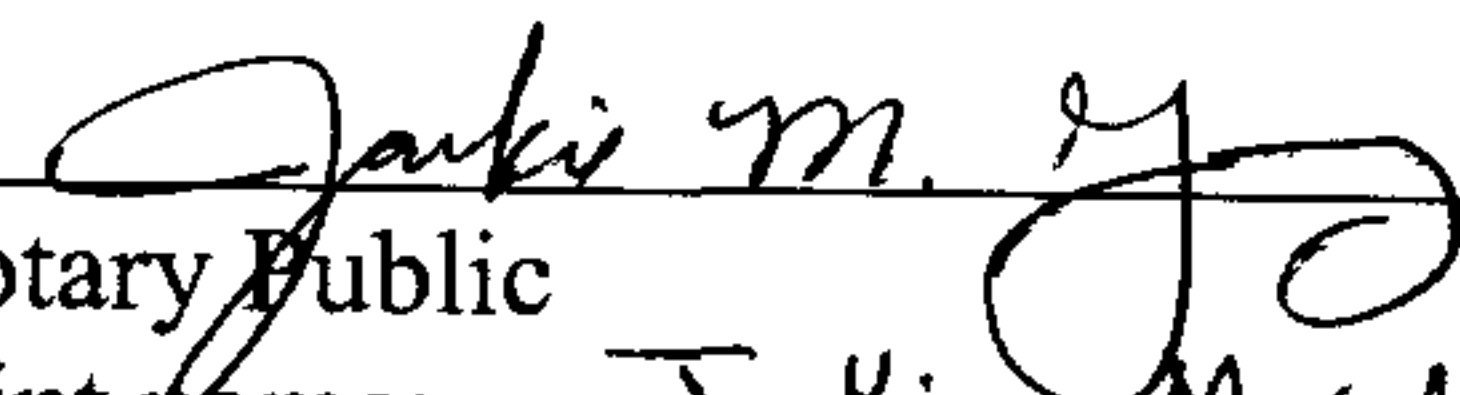


Notary Public
Print name: Jackie M. Young
My Commission Expires: _____
MY COMMISSION EXPIRES AUG. 6, 2007

STATE OF ALABAMA
COUNTY OF LEE

I, the undersigned authority, a Notary Public in and for said State of Alabama, hereby certify that C. H. Weaver, Jr., whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal of office this 22 day of March, 2004.



Notary Public
Print name: Jackie M. Young
My Commission Expires: _____
MY COMMISSION EXPIRES AUG. 6, 2007