

AMENDED AND RESTATED
ARTICLES OF ORGANIZATION
OF

FAIR OAKS, L.L.C.

(Formerly known as Country Woods Apartments, L.L.C.)

THESE AMENDED AND RESTATED ARTICLES were executed as of March 27, 1998 by JACK FIORELLA III, PEGGY FIORELLA, JACK FIORELLA, JR. and FIORELLA FAMILY PARTNERSHIP, LTD., an Alabama limited partnership (collectively the "Original Members") and by BARNETT PARTNERS, LTD., an Alabama limited partnership ("Barnett"), pursuant to Section 10-12-12(c), Code of Alabama, as amended, for the purposes set forth below. (The Original Members and Barnett are collectively referred to herein as the "Members".)

R E C I T A L S:

A. Country Woods Apartments, L.L.C. (the "Company") is an Alabama limited liability company formed by the Original Members and existing pursuant to Articles of Organization dated December 6, 1995, filed as Instrument 1995-35189 in the Probate Office of Shelby County, Alabama, as previously amended by First Amendment dated March 17, 1998, and filed as Instrument 1998-09536 in said Office (collectively the "Original Articles").

B. The Original Members have admitted Barnett as a Member of the Company, pursuant to the Amended and Restated Operating Agreement of Fair Oaks, L.L.C. dated contemporaneously herewith (the "Operating Agreement") and have agreed to amend and restate the Original Articles, through the execution of this instrument, in order to change the name of the Company to Fair Oaks, L.L.C., to restrict the business purpose of the Company, as described in Paragraph 4 hereinbelow, and to otherwise amend, restate and supersede the Original Articles on the terms and provisions hereinafter stated.

NOW, THEREFORE, the Members, intending to be legally bound, hereby amend and restate the Articles as follows:

1. NAME OF COMPANY. The name of the Company is hereby changed from Country Woods Apartments, L.L.C. to:

"FAIR OAKS, L.L.C."

2. COMPANY OPERATING AGREEMENT. The affairs of the Company, the conduct of its business, and the relations of its Members, are regulated and established under the Operating Agreement referred to above. Capitalized terms used but not defined in these Articles are defined in the Operating Agreement.

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3. PERIOD OF DURATION. The period of the Company's duration commenced as of December 6, 1995 and shall continue until December 5, 2045, provided that the Company shall be dissolved, and its affairs shall be wound up, upon the occurrence of any of the following events:

- (a) The written consent of all Members to dissolve the Company;
- (b) If there is no remaining Member unless, within ninety (90) days after the cessation of membership of the last Member, the holders of all Financial Rights in the Company agree in writing to continue the legal existence and business of the Company and to appoint one or more new Members;
- (c) If the Company is not the successor in any merger or consolidation with one or more limited liability companies or other entities; and
- (d) The entry of a decree of judicial dissolution under the Act.

4. COMPANY PURPOSE. The Company exists for the purpose of acquiring, owning and operating a multi-family residential development located at 4715 Bonny Oaks Drive, Chattanooga, Tennessee (the "Property") located on the real property described on Exhibit "A" hereto. In that connection, the Company has registered as a foreign limited liability company under the provisions of the Tennessee Limited Liability Company Act. Further, to ensure its status as a single purpose, single asset entity, the Company shall not (i) engage in any business other than owning and operating the Property, (ii) acquire or own material assets other than the Property and incidental personal property, (iii) maintain assets in a way difficult to segregate and identify, (iv) fail to hold itself out to the public as a separate legal entity, or (v) fail to conduct business solely in its name.

5. INITIAL REGISTERED OFFICE. The initial registered office identified in the Original Articles was Two Riverchase Office Plaza, Suite 206, Birmingham, Alabama 35245 (which is located in Shelby County, Alabama). The Company's current principal office is 1950 Stonegate Drive, Suite 250, Birmingham, Alabama 35242 (which is located in Jefferson County, Alabama). The Company's initial registered agent (and current registered agent) is Jack Fiorella III, whose current address is 1950 Stonegate Drive, Suite 250, Birmingham, Alabama 35242. Pursuant to Section 10-12-12(B) of the Act, this Amendment is to be filed in Shelby County, Alabama, the County in which the Company's initial registered office was located.

6. COMPANY MEMBERS. The Original Members, who each have a mailing address of 1950 Stonegate Drive, Suite 250, Birmingham, Alabama 35242, were the initial Members of the Company identified as such in the Original Articles. The Original Members, together with Barnett, whose address is also 1950 Stonegate Drive, Suite

250, Birmingham, Alabama 35242, currently constitute all of the Members of the Company.

7. ADDITIONAL AND SUBSTITUTE MEMBERS. Any additional or substitute Members shall be admitted to the Company only in accordance with the terms set forth in the Operating Agreement.

8. NO VOLUNTARY DISSOCIATION. As authorized under the Act, the Operating Agreement contains provisions to the effect that a Member has no power to dissociate by voluntary act from the Company.

9. CESSATION OF MEMBERSHIP. The cessation of membership of one or more Members will result in the dissolution of the Company only if (i) there is no remaining Member following such cessation of membership and (ii) the legal existence and business of the Company is not continued pursuant to Paragraph 3(b) of these Articles.

10. MANAGEMENT OF THE COMPANY. Management of the Company is vested in its Members pursuant to the Act and the Operating Agreement. Jack Fiorella III has been designated as the "Administrative Member" of the Company, pursuant to the Operating Agreement, and has been authorized to take and effect certain actions by and on behalf of the Company in that capacity, as more particularly described in the Operating Agreement.

11. ISSUANCE AND DISPOSITION OF MEMBERSHIP INTERESTS.

(a) Issuance of Membership Interests. The Company may from time to time issue Membership Interests pursuant to the Operating Agreement, and may receive in payment thereof, in whole or in part, cash, services actually performed, real or personal property (tangible or intangible), or a promissory note or other binding obligation to pay cash, convey property or render services.

(b) Restrictions on Transfer of Membership Interests. Membership Interests shall be transferrable only upon such terms and conditions as set forth in the Operating Agreement.

(c) Rights and Options. Rights or options entitling the holders thereof to purchase Membership Interests from the Company shall be created and issued by the Company only as set forth in the Operating Agreement.

(d) Acquisition of Membership Interests. Any Person which shall acquire a Membership Interest in the Company shall acquire it subject to the provisions of these Articles of Organization and the Operating Agreement. So far as not otherwise expressly provided by the laws of the State of Alabama, the Company shall be entitled to treat the Person in whose name any Membership Interest is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in

said Membership Interest on the part of any other Person, whether or not the Company shall have notice thereof.

(e) Certificates of Interest. The Company may issue certificates from time to time to evidence the interests of the Members of the Company.

12. INDEMNIFICATION OF MEMBERS, EMPLOYEES AND AGENTS. The Company may indemnify its Members, employees and agents to the maximum extent provided by law. The Operating Agreement contains certain mandatory and permissive indemnifications, provisions and procedures concerning the notification and defense of claims in connection therewith.

13. INVESTMENT INTENT.

(a) Member Representations. Each Member does hereby acknowledge, represent and warrant to, and does hereby agree with, the Company as follows:

(i) By reason of such Member's knowledge and experience in financial and business matters, such Member is capable of evaluating the merits and risks of an investment in the company.

(ii) Such Member is acquiring his or its interest in the Company for investment, with the intent of holding the same, and not with a view toward participating, directly or indirectly, in a distribution or resale of such interest, and such interest is being acquired only for his or its own account and not for the account or benefit of any other person.

(iii) Such Member's financial condition is such that he or it is not under any present necessity or obligation to dispose of his or its interest in the Company in order to satisfy any existing or contemplated indebtedness or undertaking.

(iv) Such Member's overall commitment to investments which are not readily marketable is not disproportionate to his or its net worth, and such Member's investment in the Company will not cause such overall commitment to become excessive.

(v) Such Member has adequate means of providing for current needs and contingencies and has no need for liquidity in an investment in the Company. Accordingly, such Member can bear the economic risk of an investment in the Company.

(b) No Securities Registration. The interest being acquired by such Member has not been registered under the Securities Act of 1933, as amended, or any state securities laws, and such interest shall be held indefinitely unless subsequently registered under

such laws or unless, in the opinion of counsel satisfactory to the Company, a transfer may be effected without registration thereunder. Accordingly, the Company shall place a legend on any certificate evidencing such Member's interest to such effect, and shall issue stop transfer instructions to the Company's transfer agent, if any, with respect to its interests, or, if the Company transfers its own interests, shall make a notation in the appropriate records of the Company.

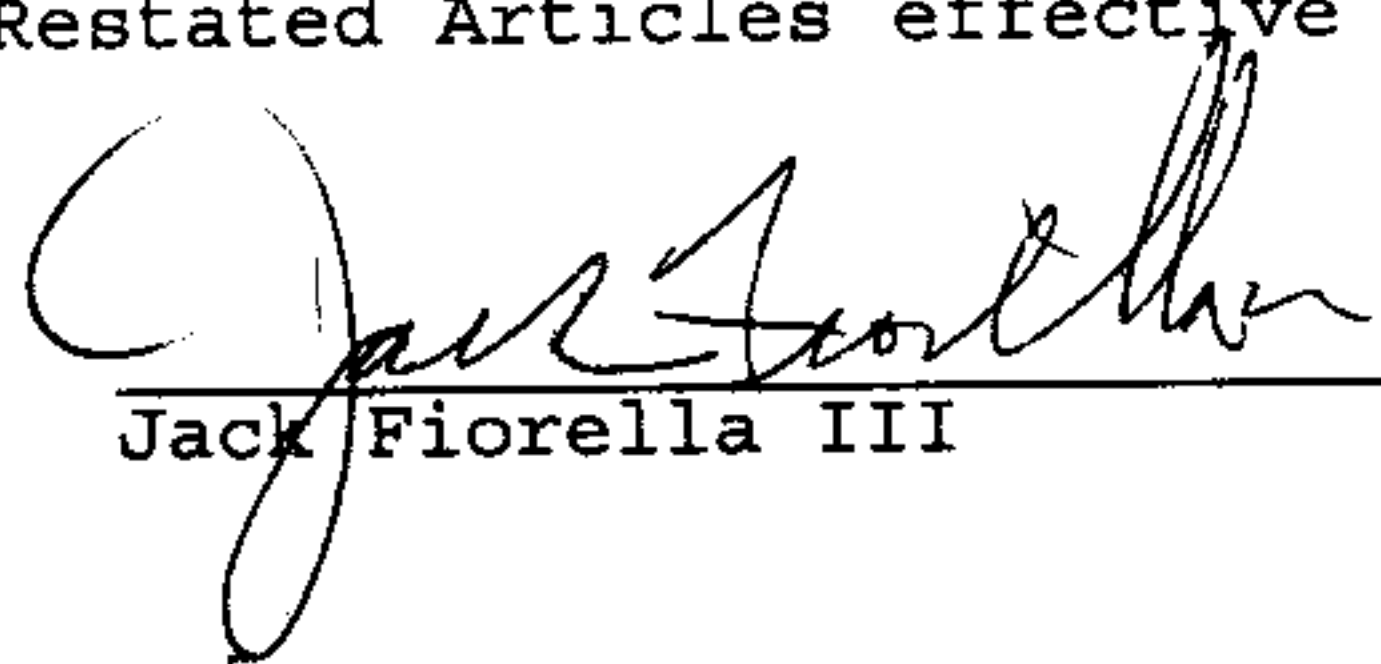
(c) Member Indemnities. Each Member does hereby indemnify and hold harmless the Company and each other Member from and against any and all liabilities, costs, damages and expenses reasonably incurred by each indemnified Member which result from any misrepresentation of any of the foregoing by such indemnifying Member or any inaccuracy in any of the foregoing.

14. SUBSEQUENTLY ADOPTED LAWS. Any and every statute of the State of Alabama hereafter enacted whereby the rights, powers and privileges of the holders of membership interests of limited liability companies organized under the general laws of the State of Alabama are increased, diminished or in any way affected, or whereby effect is given to the action taken by any part but less than all of the holders of membership interests of any such limited liability company, shall apply to this Company and to every holder of membership interests thereof, to the same extent as if such statute had been in force at the date of the making and filing of these Articles of Organization.

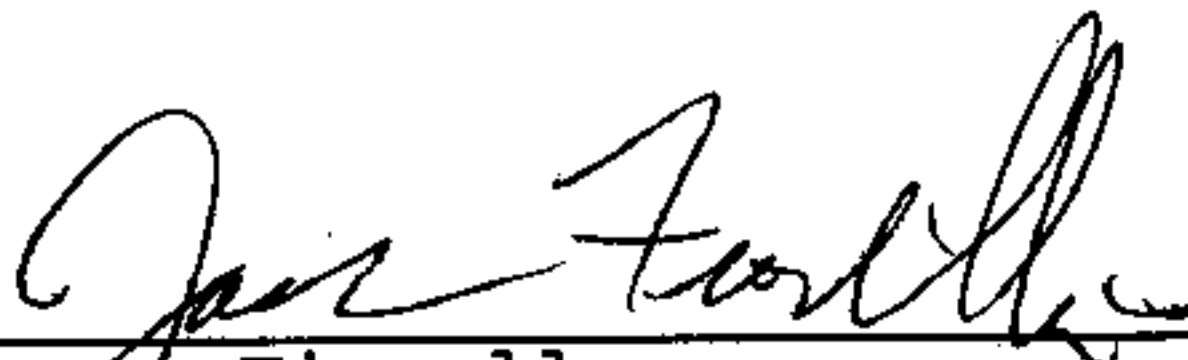
15. AMENDMENT. The Company reserves the right to amend, alter, change or repeal any provision contained in these Amended and Restated Articles of Organization, in the manner now or hereafter provided by law, and all rights conferred upon holders of membership interests herein are granted subject to this reservation; provided, however, that no such amendment, alteration, change or repeal shall be effective without approval of the Members, pursuant to the Operating Agreement.

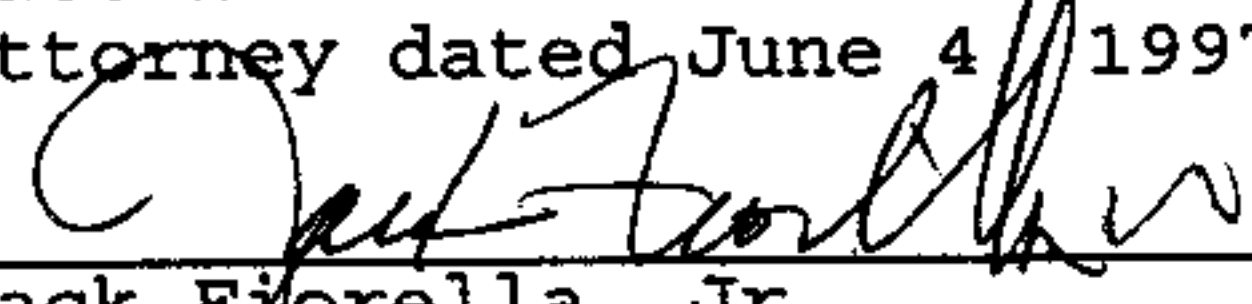
16. EFFECT OF RESTATEMENT. The Members intend that the Original Articles shall be amended, restated and superseded in their entirety through the execution of these Amended and Restated Articles and the filing thereof pursuant to Section 10-12-12(B) of the Act.

IN WITNESS WHEREOF, the undersigned, as Members of Fair Oaks, L.L.C., (formerly known as Country Woods Apartments, L.L.C.) have executed these Amended and Restated Articles effective as of the 21 day of March, 1998.

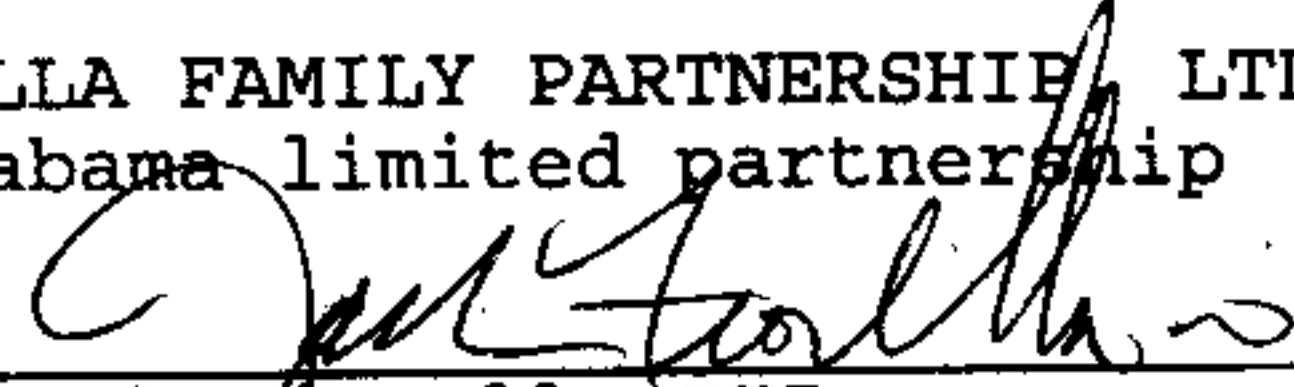


Jack Fiorella III

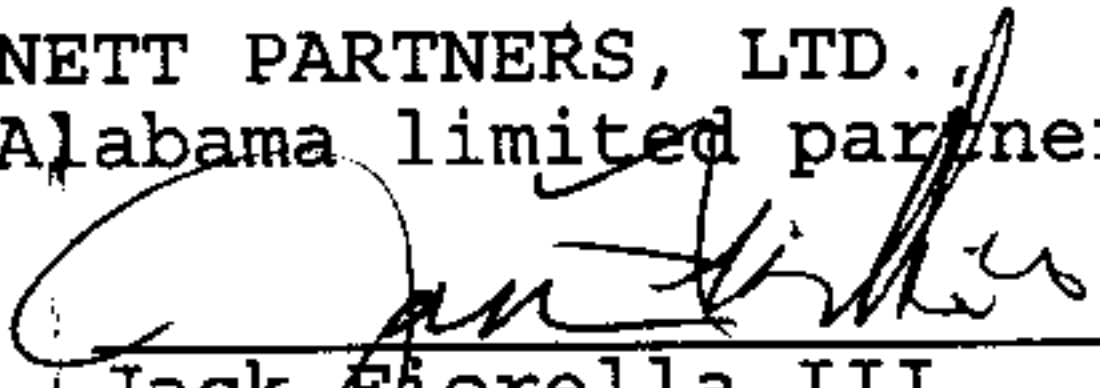

Peggy Fiorella
By Jack Fiorella III, Attorney-in-
Fact under Durable General Power-of-
Attorney dated June 4, 1997


Jack Fiorella, Jr.
By Jack Fiorella III, Attorney-in-
Fact under Durable General Power-of-
Attorney dated June 4, 1997

FIGRELLA FAMILY PARTNERSHIP LTD.,
an Alabama limited partnership

By: 
Jack Fiorella III,
General Partner

BARNETT PARTNERS, LTD.,
an Alabama limited partnership

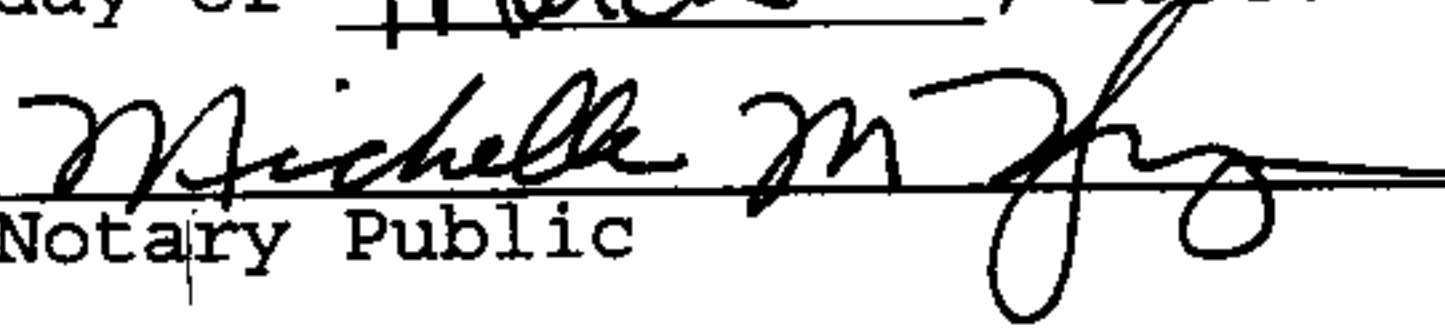
By: 
Jack Fiorella III,
General Partner

STATE OF ALABAMA)

Jefferson COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Jack Fiorella III, whose name individually and as Attorney-in-Fact for Peggy Fiorella and Jack Fiorella, Jr., hereinabove named, is signed to the foregoing Amended and Restated Articles of Fair Oaks, L.L.C., 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 individually and in his capacity shown above, as of March, 1998.

GIVEN under my hand this 27th day of March, 1998.


Notary Public

My Commission Expires:

2/28/2000

STATE OF ALABAMA)

Jefferson COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Jack Fiorella III, whose name as General Partner of Fiorella Family Partnership, Ltd., an Alabama limited partnership, is signed to the foregoing Amended and Restated Articles of Fair Oaks, L.L.C., and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in such capacity and with full authority, executed said instrument voluntarily for and as the act of said limited partnership as of the date first written above.

Given under my hand and official seal this the 27th day of March, 1998.

Michelle M. Zito
Notary Public

My Commission Expires
2/28/2000

STATE OF ALABAMA)

Jefferson COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Jack Fiorella III, whose name as General Partner of Barnett Partners, Ltd., an Alabama limited partnership, is signed to the foregoing Amended and Restated Articles of Fair Oaks, L.L.C., and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in such capacity and with full authority, executed said instrument voluntarily for and as the act of said limited partnership as of the date first written above.

Given under my hand and official seal this the 27th day of March, 1998.

Michelle M. Zito
Notary Public

My Commission Expires
2/28/2000

LOCATED IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

BEING all of Lots Two (2) and Three (3), Bonny Oaks Drive Subdivision, as shown by corrective plat of record in Plat Book 37, Page 141, in the Register's Office of Hamilton County, Tennessee, and a tract of land designated as Crescent Oaks Apartments, Planned Unit Development, as shown on plat of record in Plat Book 34, Pages 5-1, 2, 3, 4, 5 and 6, in the Register's Office of Hamilton County, Tennessee, all of which forms one contiguous tract of land, which is more particularly described as follows:

BEGINNING AT THE INTERSECTION of the East line of Redlands Drive with the North line of Bonny Oaks Drive; thence North, 33 degrees 15 minutes No (00) seconds West, with and along the East line of Redlands Drive, 67.66 feet; thence Northwestwardly, with and along the Northeast line of Redlands Drive as it curves to the left (said curve having a Radius of 245.35 feet and a Delta Angle of 68 degrees 40 minutes 10 seconds), an Arc Distance of 294.06 feet; thence North, 56 degrees 55 minutes No (00) seconds West, with and along the Northeast line of Redlands Drive, 77.70 feet; thence North, 11 degrees 14 minutes No (00) seconds East, 1,286.74 feet; thence South, 68 degrees 39 minutes 47 seconds East, 469.57 feet to a point in the West line of Righton Lane; thence South, 19 degrees 44 minutes No (00) seconds West, with and along the West line of Righton Lane, 469.49 feet to the point of its intersection with the South line of Robinwood Drive; thence South, 69 degrees 16 minutes No (00) seconds East, with and along the South line of Redlands Drive, 318.50 feet; thence South, 10 degrees 38 minutes 10 seconds West, 158.64 feet; thence South, 10 degrees 13 minutes No (00) seconds West, 535.81 feet; thence South, 10 degrees 13 minutes No (00) seconds West, 312.92 feet to a point in the North line of Bonny Oaks Drive; thence, with and along the North line of Bonny Oaks Drive, as follows: North, 78 degrees 13 minutes No (00) seconds West, 12.45 feet, North, 11 degrees 47 minutes No (00) seconds East, 8.30 feet, North, 78 degrees 13 minutes No (00) seconds West, 226.00 feet, North, 78 degrees 13 minutes No (00) seconds West, 60.00 feet and North, 78 degrees 13 minutes No (00) seconds West, 151.83 feet, to THE POINT OF BEGINNING.

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AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
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Exhibit "A"