

ARTICLES OF ORGANIZATION
OF
ASSISTED LIVING OF THE SOUTHEAST, LLC

1. The name of the limited liability company is Assisted Living of the Southeast, LLC.

2. The period of its duration shall be perpetual; provided, however, that the limited liability company shall cease to exist upon dissolution of the limited liability company in accordance with Section 10-12-37 of the Alabama Limited Liability Company Act.

3. The purpose for which the limited liability company is organized is the transaction of any or all lawful business for which a limited liability company may be organized under the Alabama Limited Liability Company Act, including, but not limited to, purchase, own, sell, invest in, exchange, encumber, hypothecate, pledge, mortgage, manage, lease or otherwise deal in and with improved and unimproved real property, stocks, bonds (and other evidences of indebtedness), securities, options to purchase or sell any of the foregoing, interests in limited partnerships, limited liability companies, and other business entities, and such other investments, property, and assets as the members shall determine, and engaging in such other and further activities as the members shall from time to time determine to be necessary or incidental to the foregoing.

4. The location and mailing address of the initial registered office of the limited liability company is 2001 Park Place North, Suite 1400, Birmingham, Alabama 35203. The name of its initial registered agent at such address is George B. Harris.

5. The name and address of the initial members of the limited liability company are as follows:

<u>Name</u>	<u>Address</u>
SeniorLife, LLC	✓ c/o George B. Harris 2001 Park Place North, Suite 1400 Birmingham, Alabama 35203
Senior Living Development, LLC	c/o Mark L. David 2176 Parkway Lake Drive Hoover, Alabama 35244

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6. The name and address of the organizer of the limited liability company is George B. Harris, whose address is 2001 Park Place North, Suite 1400, Birmingham, Alabama 35203.

7. The members of the limited liability company shall have the right to admit additional members (including substitute members) upon the unanimous written consent of the members of the limited liability company; provided, however, that if there shall be only one remaining member of the limited liability company, and such member assigns the member's entire membership interest (including financial and other rights), the assignee of such membership interest shall be automatically admitted as a substitute member of the limited liability company.

8. Except as specifically required by any non-waivable provisions of Section 10-12-37 of the Code of Alabama (1975), as amended, the cessation of a member's membership in the limited liability company shall not result in the dissolution of the limited liability company. In the event a member ceases to be a member of the limited liability company (whether such cessation is voluntary or involuntary), and such member was at the time of such cessation of membership the only remaining member of the limited liability company, the holders of all the financial rights in the limited liability company may agree in writing to continue the legal existence and business of the limited liability company and to appoint one or more new members.

9. Management of the limited liability company shall be vested in the members unless the members unanimously agree to the appointment of a manager.

10. (a) No member or manager shall be liable to the limited liability company or any other person, firm or entity for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such member or manager on behalf of the limited liability company.

(b) A member or manager shall be fully protected in relying upon the records of the limited liability company and upon such information, opinions, reports, or statements presented to the limited liability company by any person, firm or entity as to matters within the professional or expert competence of such person or entity and who or which has been selected by or on behalf of the limited liability company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to the member might properly be paid.

(c) To the extent that, at law or in equity, a member or manager has duties (including fiduciary duties) and liabilities relating thereto to the limited liability company or to any other member, a member or manager acting under these Articles of Organization or the Operating Agreement (as may be in effect from time to time) of the limited liability company shall not be liable to the limited liability company or to any other member for his reliance on the provisions of these Articles of Organization, the Operating Agreement (as may be in effect from time to time) of the limited liability company or the Alabama Limited Liability Company Act. The provisions of this Article 9, to the extent that


they restrict the duties and liabilities of a member or manager otherwise existing at law or in equity, shall replace such other duties and liabilities of such member. Each member shall waive all existing and future conflicts of interest, real and alleged, business conflicts or legal conflicts, resulting from any Member's interest in or representation of any other person or business entity, including entities whose interests are directly adverse to the limited liability company or any of its members.

11. (a) To the fullest extent permitted by applicable law, and except for an intentional act, a member or manager shall be entitled to indemnification from the limited liability company for any loss, damage or claim incurred by such member or manager by reason of any act or omission performed or omitted by such member on behalf of the limited liability company.

(b) To the fullest extent permitted by applicable law, and except for an intentional act, expenses (including legal and accounting fees) incurred by a member or manager in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the limited liability company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the limited liability company of an undertaking by or on behalf of the member or manager to repay such amount if it shall be determined that the member or manager is not entitled to be indemnified as authorized in this Article 10.

(c) The limited liability company may purchase and maintain insurance, to the extent and in such amounts as the members shall, in their sole discretion, deem reasonable, on behalf of the members, managers and such other persons or entities as the members shall determine, against any liability that may be asserted against or expenses than may be incurred by any such persons or entities in connection with the activities of the limited liability company or such indemnities, regardless of whether the limited liability company would have the power to indemnify such persons or entities against such liability under the provisions of this Article 10. The members and the limited liability company may enter into indemnity contracts with any member or manager and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under this Article 10 and containing such other procedures regarding indemnification as are appropriate.

The undersigned, acting as the organizer of the limited liability company named herein, and in accordance with the Alabama Limited Liability Company Act, execute these Articles of Organization on this 31st day of May, 1999.



George B. Harris
Its Organizer

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