M02000002627

CSC THE UNITED STATES CORPORATION COMPANY

ACCOUNT NO. : 072100000032

REFERENCE : 871717 4612384

AUTHORIZATION : Patricia Pizzuto

COST LIMIT : $ 285.00

ORDER DATE : June 26, 1998

ORDER TIME : 2:52 PM

ORDER NO. : 871717-040

CUSTOMER NO: 4612384

CUSTOMER: Robin Broughton, Legal Asst
Mcguire Woods Battle & Boothe
One James Center
901 East Cary St
Richmond, VA 23219

2nd

CM

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98 JUL -2 AM 9:44
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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FOREIGN FILINGS

NAME: GRAY HOLDINGS, LLC

XXXX QUALIFICATION (TYPE: LL)

7

98 JUL -2 PM 3:24
DIVISION OF CORPORATIONS

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

________ CERTIFIED COPY
XX PLAIN STAMPED COPY
________ CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Brenda Phillips

APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. Gray Holdings, LLC
(Name of foreign limited liability company must end with the words "limited company" or their abbreviation "L.C." if not so contained in the name at present. Please note: "L.L.C." is not an acceptable suffix in Florida.)

2. Virginia
(Jurisdiction under the law of which foreign limited liability company is organized)

3. 54-1872713
(FEI number, if applicable)

4. 11/12/97
(Date of Organization)

5. Perpetual
(Duration: Year limited liability company will cease to exist or "perpetual")

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TALLAHASSEE, FLORIDA

6. January 1, 1998
(Date first transacted business in Florida. (See sections 608.501, 608.502, and 817.155, F.S.)

7. Riverfront Plaza, East Tower, 951 East Byrd Street, Suite 910
Richmond, Virginia 23219
(Street address of principal office)

8. List name, title, and business address of each managing member[MGRM] or manager[MGR] who will manage the foreign limited liability company in Florida: (attach additional page if necessary)

NAME & ADDRESS:	TITLE:	NAME & ADDRESS:	TITLE:
See Attached Exhibit A			

AFFIDAVIT OF MEMBERSHIP AND CONTRIBUTIONS OF FOREIGN LIMITED LIABILITY COMPANY

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98 JUL -2 AM 9:44
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TALLAHASSEE, FLORIDA

The undersigned member or authorized representative of a member of Gray Holdings, LLC
________________ deposes and says:

~~1) the above named limited liability company has at least two members~~

2) the total amount of cash contributed by the member(s) is $ 1,221,855.34

3) if any, the agreed value of property other than cash contributed by member(s) is $ 45,581,962.13. A description of the property is attached and made a part hereto.

4) the total amount of cash or property anticipated to be contributed by member(s) is $ 46,803,817.47 This total includes amounts from 2 and 3 above.

GRAY HOLDINGS, LLC

Signature of a member or authorized representative of a member.
(In accordance with section 608.408(3), Florida Statutes, the execution of this affidavit constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)

Filing Fee: $ 52.50 for Affidavit

CERTIFICATE OF DESIGNATION OF REGISTERED AGENT/REGISTERED OFFICE

PURSUANT TO THE PROVISIONS OF SECTION 608.415 or 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY, ORGANIZED UNDER THE LAWS OF THE STATE OF FLORIDA, SUBMITS THE FOLLOWING STATEMENT IN DESIGNATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STATE OF FLORIDA.

1. The name of the limited liability company is: GRAY HOLDINGS, LLC

2. The name and address of the registered agent and office is:

Corporation Service Company
(Name)
1201 Hays Street
(P.O. Box not acceptable)
Tallahassee, Florida 32301
(City/State/Zip)

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TALLAHASSEE, FLORIDA

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

By: Karen B. Rozar
(Signature)

7/2/98
(Date)

Karen B. Rozar, As Its Agent

Filing Fee: $ 35 for Designation of Registered Agent

EXHIBIT A

Name	Address	Title
Charles F. Duff	10 Lockhart Circle Fredericksburg, VA 22401	Manager
Bruce B. Gray	Riverfront Plaza, East Tower 951 E. Byrd Street, Suite 910 Richmond, VA 23219	Manager
Elmon T. Gray	Riverfront Plaza, East Tower 951 E. Byrd Street, Suite 910 Richmond, VA 23219	Manager
Garland Gray II	Riverfront Plaza, East Tower 951 E. Byrd Street, Suite 910 Richmond, VA 23219	Manager
Horace A. Gray, III	Riverfront Plaza, East Tower 951 E. Byrd Street, Suite 910 Richmond, VA 23219	Manager
Lawrence L. Gray	Wheat First Union 901 East Byrd Street Richmond, VA 23219	Manager
Wallace Stettinius	206 Dryden Lane Richmond, VA 23229	Manager
W. Gray Stettinius	105 Adingham Court Richmond, VA 23229	Manager
Thomas H. Tullidge	P. O. Box 1408 Tappahannock, VA 22560	Manager
Thomas H. Tullidge, Jr.	Wheat First Union 901 East Byrd Street Richmond, VA 23219	Manager

Gray Portfolios
Combining Balance Sheet (Final)
Gray Portfolios, All Colonnade Portfolio, COST
For the Twelve Months Ending December 31, 1997

	VA Summit of Roanoke (Apartments)	VA Cigna Building (Office)	VA Pelican Watch (Apartments)	VA Woodlake Village (Apartments)	VA Bayside Industrial Center (Warehouse)	NC Port Elizabeth Shopping Center (Retail)	NC Northcliffe (Apartments)	GA Calibre Vinings (Apartments)	FL Foxes East (Apartments)	NC Hunters Glen (Apartments)	FL Monterey Lakes (Apartments)	VA Winchester Building (Office)	GA Holcomb's Pond (Apartments)	GA Wood Pointe (Apartments)	All Properties TOTAL
Assets															
Investments in real estate															
Land	$422,512.50		$1,191,569.38	$842,372.43	$450,944.01	$1,332,697.49	$1,038,466.17	$1,372,181.77		$1,313,175.53	$2,728,024.28	$1,871,142.88	$1,729,274.04	$1,000,502.21	$15,302,164.89
Land improvements	55,278.15		96,451.00	16,165.33	8,605.00	3,106,966.57	687,539.08	826,102.57		763,773.52	806,160.37	8,373.79	1,543,043.43	154,738.10	8,873,186.91
Buildings	8,769,112.90		6,840,760.09	5,272,634.46	2,457,264.39	7,641,043.45	6,984,013.53	6,771,037.25		5,987,181.31	11,118,583.06	6,343,774.81	9,801,307.41	6,184,520.83	83,341,239.49
Furniture, fixtures and equipment	295,741.67		144,803.16	267,560.39	3,353.57		313,034.25	253,561.27		108,495.91	328,669.52	17,231.59	1,761,164.95	1,088,135.19	4,581,959.47
Lease costs					135,725.95	12,958.15						313,314.66			463,081.46
Tenant improvements					275,582.36	5,000.00						856,182.08			1,167,564.44
Total investment in real estate	9,552,725.22		8,273,603.63	6,398,732.41	3,532,478.28	12,098,865.86	9,023,053.03	9,223,832.86		8,172,826.27	14,981,437.23	8,440,903.71	14,834,791.83	9,235,896.33	113,749,196.84
Less: accumulated depreciation	(1,570,819.16)		(1,197,445.21)	(963,896.95)	(491,484.58)	(2,299,842.78)	(1,303,221.71)	(1,171,902.38)		(716,076.89)	(1,581,100.50)	(993,231.84)	(1,145,130.53)	(674,324.02)	(14,108,476.53)
Investment in real estate, NBV	7,961,904.06		7,076,158.42	5,434,835.46	3,040,993.70	9,799,023.08	7,719,831.32	8,051,980.48		7,456,749.38	13,400,336.73	7,447,671.87	13,689,661.30	8,541,572.31	99,640,720.31
Cash	30,500.06		46,924.03	38,446.81	32,133.74	71,219.30	414,134.80	133,993.32		31,460.34	300,134.61	60,161.70	29,295.86	32,810.97	1,221,855.34
Prepaids	3,544.43		2,815.16	2,458.17	408.13	2,122.40	2,095.27	2,872.47		1,676.63	6,717.64	3,728.38	7,707.74	8,052.60	43,563.02
Accounts receivable - other	1,249.42		10,091.35	9,006.89	823.95	86,057.81	11,409.77			0.00	2,148.40	2,509.18	2,032.26	3,297.00	78,923.84
Escrows	36,568.12	1,851,785.02	0.00	6,038.00		8,404.63	0.00			10,846.42	40,855.00		251,161.40	200,649.11	2,406,377.50
Loan costs	60,084.30			64,581.52		110,113.81	27,794.10				20,334.21		311,023.65	205,016.27	791,327.86
Tenant security cash	28,450.00		43,372.49	33,700.00		8,301.37	37,920.00			57,655.00	61,131.73	33,457.19	45,875.89	24,720.00	374,783.67
Total assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Liabilities and E/C/FB															
Liabilities															
Accounts payable	$163,419.07		$26,441.80	$27,801.13	$12,921.62	$9,244.13	$24,550.31	$26,179.05		$4,846.29	$45,314.29	$130,938.03	$57,899.19	$33,018.60	$563,793.73
Accrued expenses	43,992.80		0.00	25,215.19	12,457.59	1,306.16	29,864.96	6,475.69		6,983.88	59,859.42	6,012.25	203,132.68	88,447.57	483,260.19
Prepaid rent	28,119.93		896.53	3,771.79	29,438.35	39,760.00	670.00	0.00		18,318.95	14,871.03	14,857.42	5,580.80	3,525.00	160,007.20
Tenant security liability	28,650.00		43,372.49	33,700.00		10,491.46	37,920.00			57,655.00	41,020.41	27,277.05	45,875.89	24,720.00	370,610.70
Mortgages payable	5,659,195.65			4,215,814.95	2,133,449.28	7,820,776.95	3,708,938.34				9,029,556.38		14,600,000.00	9,000,000.00	56,175,781.55
Bank notes payable															
Total liabilities	5,923,377.47		70,710.82	4,306,430.06	2,188,266.84	7,889,578.70	3,801,143.61	32,654.74		89,004.12	9,190,621.53	179,104.75	14,912,488.26	9,149,711.37	57,753,535.67
Equity/Capital/Fund Balance															
1031 Investments	9,090,398.39		7,984,570.21	6,019,362.72	605,339.96	12,021,811.16	8,231,151.16	7,965,213.87	207,898.25	5,964,426.23	2,948,016.75	140,000.00			61,358,248.72
Additional investments											13,349.25	1,215.67			14,564.92
Intercompany transfers	(5,566,157.77)	1,851,785.02	(517,983.10)	(4,521,012.29)	285,000.00	(8,719,811.00)	(1,502,522.66)	225,000.00	(2,364,202.20)	(987,240.16)	1,832,062.54	7,455,900.20	159,000.00	112,261.86	(12,307,899.56)
Prior year net income	(1,185,512.29)		(99,504.45)	(66,471.25)	(155,534.04)	(774,199.85)	(434,759.08)	130,246.94	(353.71)	2,610,427.99	(53,463.47)	(73,885.32)	(312,970.09)	(162,878.55)	(610,439.11)
Current net income	125,420.59		461,567.98	238,424.81	45,936.76	(21,837.03)	(44,857.77)	245,730.72	2,791,437.46	607,009.59	(74,756.47)	565,193.02	(421,459.93)	(63,676.47)	4,674,313.51
Distributions/Drawings to owners	(265,000.00)		(670,000.00)	(395,000.00)	(95,000.00)	(340,000.00)	(1,836,971.00)	(410,000.00)	(635,000.00)	(725,000.00)	(45,000.00)	(700,000.00)			(6,316,971.00)
Total equity/capital/fund balance	2,199,148.92	1,851,785.02	7,108,650.64	1,275,103.59	685,200.48	2,145,963.30	4,412,040.65	8,156,191.53		7,459,423.45	4,420,028.60	7,368,423.57	(575,429.94)	(113,513.11)	46,803,817.48
Total liabilities and E/C/FB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

104,557,353.14 Total Assets
(1,221,855.34) Cash
103,335,497.87 Assets other than cash
(57,753,535.67) Liabilities
45,581,962.13 Net Assets other than cash

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Commonwealth of Virginia

State Corporation Commission

I Certify the Following from the Records of the Commission:

a Virginia Limited Liability Company certificate was filed in this office on November 12, 1997 by GRAY HOLDINGS, LLC.

a certificate of cancellation has not been filed in this office by GRAY HOLDINGS, LLC.

Nothing more is hereby certified.

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE CORPORATION COMMISSION
VIRGINIA
SIC SEMPER TYRANNIS
1903

Signed and Sealed at Richmond on this Date: June 29, 1998

William J. Bridge

William J. Bridge, Clerk of the Commission

CIS20505