

PO20000027751

CT CORPORATION

CORPORATION(S) NAME

1) The Glades Apartments Operating Company

~~2) The Glades Apartments Limited Partnership~~

2002 MAR 13 PM 2:54
SECRETARY OF STATE
TALLAHASSEE FLORIDA

FILED

FILE FIRST
(ON TOP @)

☒ (X) Profit
☐ () Nonprofit
☐ () Foreign

☐ () Amendment
☐ () Dissolution/Withdrawal
☐ () Reinstatement

☐ () Merger
☐ () Mark

☐ () Limited Partnership
☐ () LLC

☐ () Annual Report
☐ () Name Registration
☐ () Fictitious Name

☐ () Other
☐ () Change of RA
☐ () UCC
☐ () CUS

☐ () Certified Copy

☐ () Photocopies

☐ () Call When Ready
☒ (x) Walk In
☐ () Mail Out

☐ () Call If Problem
☐ () Will Wait

☐ () After 4:30
☒ (x) Pick Up

Name _____
Availability _____
Document _____
Examiner _____
Updater _____
Verifier _____
W.P. Verifier _____

3/13/02

Order#: 5193186

Ref#: _____

Amount: \$ _____

FILE FIRST

700005099927--8
-03/13/02--01043--020
*****70.00 *****70.00

ARTICLES OF INCORPORATION

OF

THE GLADES APARTMENTS OPERATING COMPANY

FILED
2002 MAR 13 PM 2:55
SECRETARY OF STATE
TALLAHASSEE FLORIDA

The undersigned, desiring to form a corporation under the laws of the State of Florida for the purposes hereinafter set forth, under and in conformity with Section 607.0202 of the Florida Business Corporation Act (the "Act"), does hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I

NAME

The name of the Corporation is The Glades Apartments Operating Company (the "Corporation").

ARTICLE II

DURATION

The period of the Corporation's duration is perpetual.

ARTICLE III

PURPOSES

The Corporation is to be operated for profit. The nature of the business of the Corporation and the objects or purposes to be transacted, prompted or carried on by it are as follows:

To engage solely in the following activities:

- (a) owning the sole general partnership interest of The Glades Apartments Limited Partnership (the "Partnership") and causing the Partnership to assume obligations of Diversified Real Estate Limited Partnership (the "Seller") related to the \$9,890,000 Multi-Family Revenue Refunding Bonds Series 1992 (The Cove Project) (the "Bonds") issued by the Duval County Housing Finance Authority (the "Issuer") in connection with the acquisition and financing of that certain multifamily housing project located at 7524 Southside Blvd., Jacksonville, Duval County, Florida 32256 known as The Glades Apartments (the "Project"); and
- (b) any lawful act or activity for which corporations may be organized under the Act, but only so long as the same are necessary, appropriate, suitable or convenient to accomplish the objects or purposes specified in subparagraph (a) of this Article III.

ARTICLE IV

AUTHORIZED SHARES

The aggregate number of shares which the Corporation shall have the authority to issue is 10,000 shares of Common Stock, par value of \$0.01 per share and a total value of \$100.00.

ARTICLE V

PREEMPTIVE RIGHTS

No holder of shares of the Corporation shall, as such holder, have any right to purchase or subscribe for any part of the unissued shares of the Corporation of any class, now or hereafter authorized, or of any bond, debenture, obligation or instrument which the Corporation may issue or sell that shall be convertible into or exchangeable for or entitle the holders thereof to purchase or subscribe for any shares of the Corporation of any class, now or hereafter authorized, other than such right, if any, as the Board of Directors of the Corporation in its discretion may determine.

ARTICLE VI

INITIAL PRINCIPAL OFFICE

The street address of the initial principal office of the Corporation is 1004 Farnam Street, Suite 400, Omaha, Nebraska 68102.

ARTICLE VII

INITIAL REGISTERED OFFICE AND INITIAL REGISTERED AGENT

The street address of the initial registered office of the Corporation is 1200 South Pine Island Road, Plantation, Duval County, Florida 33324 and the name of its initial registered agent at such address is CT Corporation System.

ARTICLE VIII

NAME AND ADDRESS OF INCORPORATOR

The name and address of the Incorporator is: Eric R. Arneson, Kutak Rock LLP, 1650 Farnam Street, Omaha, Nebraska 68102.

ARTICLE IX

RESTRICTIONS ON OPERATIONS

So long as the Bonds are outstanding, the Corporation shall have not less than one Independent Director. An Independent Director shall be a duly appointed member of the board of directors of the Corporation who shall not have been, at the time of such appointment or at any time in the preceding five years, (a) a direct or indirect legal or beneficial owner of the Corporation or any of its affiliates, (b) a creditor, supplier, employee, officer, director, manager or contractor of the Corporation or any of its affiliates, or (c) a person who controls the Corporation or its affiliates. As used herein, the term "affiliate" means any person controlling, under common control with, or controlled by the person in question, and the term "control" means the possession, directly or indirectly, of the power to direct or the cause the direction of the management and policies of a person, whether through ownership or voting securities, by contract or otherwise. If the Independent Director resigns, dies or becomes incapacitated, or such position is otherwise vacant, no action requiring the unanimous affirmative vote of the board of directors shall be taken until a successor Independent Director is elected and qualified and approves such action. In the event of the death, incapacity, or resignation of the Independent Director, or a vacancy for any other reason, a successor, Independent Director shall be appointed by the remaining directors.

So long as the Bonds remain outstanding, the Corporation shall not incur nor permit the Partnership to incur any indebtedness, except, (a) indebtedness represented by an invoice, statement of account, check, work request, purchase order or other similar document representing expenses relating to activities of the Corporation or the Partnership undertaken in accordance with Article III of these Articles of Incorporation or (b) indebtedness which will not result in a reduction qualification or withdrawal of the rating on the Bonds as evidenced in writing from Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and assigns (the "Rating Agency").

So long as the Bonds remain outstanding, the Corporation shall not transfer to any person or entity any assets of the Corporation or of the Partnership except pursuant to the Loan Agreement dated as of September 1, 1992 by and between the Issuer and American Savings of Florida, F.S.B. (predecessor in interest to First Union National Bank of Florida, the "Lender"), as assumed by the Seller pursuant to the Assumption Agreement (the "Assumption") dated as of November 21, 1996 among the Seller, Jacksonville Cove I Associates, Ltd., the Lender, the Issuer and Suntrust Bank, Central Florida, National Association (the "Trustee"), the Mortgage (as defined in the Assumption), the Assignment of Rents (as defined in the Assumption), the Regulatory Agreement (as defined in the Assumption) and the Monitoring Agreement (as defined in the Assumption), which shall be assumed by the Partnership (the "Loan Agreement"), except that the Corporation, as general partner of the Partnership, may transfer assets in the ordinary course of its business undertaken in accordance with Article III of these Articles of Incorporation and may declare and pay cash dividends to its stockholders in accordance with the Act to the extent that unencumbered funds are available therefor.

So long as the Bonds remain outstanding, the Corporation shall not take any action to dissolve or liquidate the Corporation or the Partnership.

So long as the Bonds are outstanding, the Corporation, will not amend, alter, change or repeal any provision contained in these Articles of Incorporation without written evidence from the Rating Agency that such action will not cause the rating on the Bonds to be qualified, withdrawn or reduced and the unanimous affirmative vote of the directors of the Corporation (including the Independent Director), and, in addition to the foregoing, the unanimous vote of the stockholders of the Corporation entitled to vote shall be required to amend, alter, change or repeal any provision contained in Article IX of these Articles of Incorporation. All rights conferred upon stockholders herein are granted subject to the reservation contained in this Article IX.

So long as the Bonds remain outstanding:

- (a) the fiduciary duty of the directors of the Corporation shall not include a duty to:
 - (i) institute proceedings to have the Corporation or the Partnership adjudicated a bankrupt or insolvent;
 - (ii) consent to the institution of bankruptcy or insolvency proceedings against the Corporation or the Partnership;
 - (iii) file a petition or consent to a petition seeking reorganization or relief on behalf of the Corporation or the Partnership under any applicable federal or state law relating to bankruptcy;
 - (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or any similar official) of the Corporation or the Partnership or a substantial portion of their property;
 - (v) make any assignment for the benefit of the Corporation's or the Partnership's creditors;
 - (vi) cause the Corporation or the Partnership to admit in writing its inability to pay its debts generally as they become due; or
 - (vii) take any action, or cause the Corporation or the Partnership to take any action, in furtherance of any of the foregoing (any of the above foregoing actions, a "Bankruptcy Action"); and
- (b) the Corporation shall not take any Bankruptcy Action without the unanimous affirmative vote of the board of directors (including the Independent Director). The Independent Director shall take into account the interests of the Corporation and the Partnership and creditors of the Corporation and the Partnership (including holders of the Bonds) when voting on any Bankruptcy Action. No director or officer of the Corporation shall be liable to the Corporation or any stockholder on account of such director's or officer's good faith reliance on the provisions of this paragraph, and neither the Corporation nor any stockholder of the

Corporation shall have any claim for breach of fiduciary duty or otherwise against any director or officer for failing to take any Bankruptcy Action;

- (c) the Corporation shall not consolidate, merge or enter into any form of combination with or into any other entity, nor convey, transfer or lease its assets substantially as an entirety to any entity, nor permit any entity to consolidate, merge or enter into any form of combination with or into the Corporation nor convey, transfer or lease its assets substantially as an entirety to any person unless:

(i) such action is approved by the unanimous affirmative vote of the board of directors (including the Independent Director);

(ii) the entity (if other than the Corporation) formed or surviving such consolidation or merger, or that acquires by conveyance or transfer the properties and assets of the Corporation substantially as an entirety, shall be organized and existing under the laws of the United States of America or any State thereof or the District of Columbia, and shall expressly assume in form satisfactory to Rating Agency the performance of every covenant on the part of the Corporation to be performed or observed pursuant to the Loan Agreement;

(iii) immediately after giving effect to such transaction, no default or event of default under the Loan Agreement shall have occurred and be continuing; and

(iv) the Corporation shall have delivered to the Rating Agency the Trustee, an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance or transfer comply with the Loan Agreement; provided, however, that the Corporation shall provide prior written notice of any consolidation, merger, conveyance or transfer to the Rating Agency, and shall receive prior written confirmation from the Rating Agency that such consolidation, merger, conveyance or transfer shall not result in a reduction, qualification or withdrawal of the rating assigned to the Bonds;

(d) the Corporation, as general partner, shall not authorize the Partnership to enter into any amendment of any document evidencing or securing the Bonds without the unanimous affirmative vote of the board of directors;

(e) the Corporation shall not commingle its funds and other assets with those of any other individual, corporation, estate, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof and shall hold its funds and other assets in its own name;

(f) the Corporation shall not assume, guarantee or become obligated for the debts of any other entity or hold itself out as being liable for the debts of any other party;

(g) the Corporation shall not form, or cause to be formed, any subsidiaries nor acquire any interest as a general or limited partner in any partnership;

(h) the Corporation shall act solely in its corporate name and through its duly authorized officers or agents in the conduct of its business, shall conduct its business so as not to mislead others as to the identity of the entity with which they are concerned and shall not fail to correct any known misunderstanding regarding the separate identity of the Corporation;

(i) the Corporation shall maintain corporate records and books of account and shall not commingle its corporate records and books of account with the corporate records and books of account of any other corporation;

(j) the Corporation shall not own any assets other than those related to, or in furtherance of, its purposes set forth in Article III herein;

(k) the Corporation shall not engage in any other business activity other than as permitted by Article III herein;

(l) the Corporation shall not cause or allow the Board of Directors of the Corporation to take any action requiring the unanimous affirmative vote of 100% of the members of the Board of Directors unless an Independent Director shall have participated in such vote;

(m) the Corporation shall pay its own liabilities out of its own funds;

(n) the Corporation shall observe all corporate formalities;

(o) the Corporation shall maintain an arms-length relationship with its affiliates;

(p) the Corporation shall not acquire obligations or securities of its shareholders;

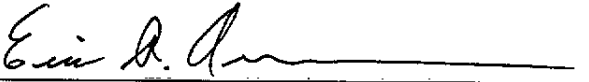
(q) the Corporation will allocate fairly and reasonably any overhead for any shared expenses, including without limitation, shared office space;

(r) the Corporation shall hold and identify itself or a separate and distinct entity under its own name and not as a division or part of any other person or entity and will not identify its shareholders as a division of it;

(s) the Corporation shall not make loans to any person or entity; and

(t) the Corporation shall not enter into or be a party to any transaction with its shareholders or its affiliates except in the ordinary course of its business and on terms which are intrinsically fair and are no less favorable to it than would be obtained in a comparable arms-length transaction with an unrelated third party.

DATED this 11th day of March, 2002.


Eric R. Arneson, Incorporator

ACCEPTANCE FOR APPOINTMENT OF AGENT

FOR

The Glades Apartments Operating Company

FILED

2002 MAR 13 PM 2:55

**SECRETARY OF STATE
TALLAHASSEE FLORIDA**

Having been named as registered agent to accept service of process for the above stated corporation at the place designated in this certificate, c/o CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324, I am familiar with and accept the appointment as registered agent and agree to act in this capacity.

By: 

Date: 3/1/02

**Christine M. Eastwine
Assistant Secretary**