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FLORIDA PROFIT/NON PROFIT CORPORATION
JOHN E. SYLVESTER, INC.

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ARTICLES OF INCORPORATION
OF
JOHN E. SYLVESTER, INC.

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLE I

The name of the Corporation is JOHN E. SYLVESTER, INC. (the "Corporation").

ARTICLE II

A. The purposes for which the Corporation is organized are limited solely to: (a) being the sole managing member of a single purpose limited liability company known as Hills Apartment Communities, LLC, a Florida limited liability company (the "Borrower LLC"), that owns certain property (the "Property") pursuant to the terms and conditions of the operating agreement of the Borrower LLC (the "Borrower LLC Operating Agreement"), (b) acting as, and exercising all of the authority of, the sole managing member of the Borrower LLC, and (c) transacting any and all lawful business for which a corporation may be organized under the laws of the State of Florida that is incident, reasonable and appropriate to accomplish the foregoing. For as long as the Loan Documents (as hereinafter defined) remain outstanding, the Corporation shall continue to act as the sole managing member of the Borrower LLC.

B. Notwithstanding any other provision in these Articles of Organization (the "Articles") and any provision of law that otherwise so empowers the Corporation, until such time as all obligations (the "Debt") of the Borrower LLC represented by the note payable (the "Note") to Archetype Mortgage Funding I LLC (the "Lender," which term includes its transferees, successors and assigns) secured by one or more mortgages (collectively, the "Instruments") on the Property and by other related loan documents, in each case in favor of Lender (collectively, with the Instruments, the "Loan Documents"), shall be discharged and the lien of the Instruments and the other Loan Documents shall be released from the Property:

1. The Corporation shall not do any of the following for itself or cause the Borrower LLC to do any of the following, without the affirmative vote of 100% of the members of its Board of Directors, which Board of Directors is required to consider the interests of creditors of the Corporation and of the Borrower LLC when conducting such vote:

- (a) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute;
- (b) seek or consent to the appointment of a receiver, liquidator or any similar official;
- (c) take any action that might cause such entity to become insolvent;
- (d) make an assignment for the benefit of creditors;

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(e) take any action in furtherance of the foregoing subparagraphs (a) through (d);

2. The Corporation shall not do any of the following for itself and shall not cause the Borrower LLC to do any of the following:

(a) acquire or own any asset or property other than (i) in the case of the Borrower LLC, (a) the Property, and (b) incidental personal property necessary for the ownership or operation of the Property and (ii) in the case of the Corporation, the managing membership interest in the Borrower LLC;

(b) permit the Borrower LLC to engage in any business other than the ownership, management and operation of the Property;

(c) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation) other than (i) in the case of the Borrower LLC, (a) the Debt and (b) unsecured trade payables and operational debt not evidenced by a note and in an aggregate amount not exceeding one percent (1%) of the original principal amount of the Note at any one time; provided that any indebtedness incurred pursuant to subclause (b) shall be (x) not more than sixty (60) days past due and (y) incurred in the ordinary course of business; no indebtedness other than the Debt may be secured (subordinate or *pari passu*) by the Property and (ii) in the case of the Corporation, unsecured trade payables incurred in the ordinary course of business related to the ownership of an interest in the Borrower LLC that (A) do not exceed at any one time \$10,000.00, and (B) are paid within thirty (30) days after the date incurred;

(d) enter into any contract or agreement with any affiliate, any constituent party or any affiliate of any constituent party, except upon terms and conditions that are *intrinsically fair and substantially similar* to those that would be available on an arms-length basis with third parties other than any such party;

(e) make any loans or advances to any third party (including any affiliate or constituent party), and has not and shall not acquire obligations or securities of its affiliates;

(f) seek or effect the liquidation, dissolution, winding up, consolidation, asset sale, or merger, in whole or in part, of the Borrower LLC or the Corporation;

(g) commingle the funds and other assets with those of any affiliate or constituent party or any other person or entity;

(h) assume or guarantee or become obligated for the debts of any other person or entity and does not and will not hold itself out to be responsible for or have its credit available to satisfy the debts or obligations of any other person or entity;

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(i) permit any affiliate or constituent party independent access to its bank accounts;

(j) except in connection with the Debt or any prior mortgage financing that has been fully paid and discharged in full prior to the date hereof, pledge its assets for the benefit of any other person or entity;

(k) without the unanimous consent of all of its directors or members, as applicable, will not (i) file a bankruptcy, insolvency or reorganization petition or otherwise institute insolvency proceedings or otherwise seek any relief under any laws relating to the relief from debts or the protection of debtors generally, (ii) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for such entity or for all or any portion of the Borrower LLC's properties, (iii) make any assignment for the benefit of the Borrower LLC's creditors, or (iv) take any action that might cause the Borrower LLC to become insolvent;

(l) (i) terminate or fail to comply with the provisions of its organizational documents, or (ii) unless (A) Lender has consented and (B) following a securitization of the Debt, the applicable rating agencies have issued a rating agency confirmation in connection therewith, amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation and bylaws, operating agreement, trust or other organizational documents;

(m) list its assets on the financial statement of any other person or entity, provided, however, that its assets may be included in a consolidated financial statement of its affiliates provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of it and such affiliates and to indicate that its assets and credit are not available to satisfy the debts and other obligations of such affiliates or any other person or entity, and (ii) such assets shall be listed on its own separate balance sheet;

(n) identify itself or any of its affiliates as a division or part of any other entity; or

(o) withdraw as the managing member of the Borrower LLC or hold less than a 0.5% interest in the Borrower LLC.

C. Notwithstanding any other provision of these Articles or any provision of law to the contrary, no obligation of the Corporation to indemnify its directors and/or officers shall constitute a claim against the Corporation until such time as all obligations of the Borrower LLC under the Note are discharged and any lien of the Instruments and the other Loan Documents are released from the Property.

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D. Notwithstanding any other provision in these Articles and any provision of law that otherwise so empowers the Corporation, until such time as all obligations of the Borrower LLC under the Loan Documents shall be discharged and the lien of the Instruments and the other Loan Documents shall be released from the Property, the Corporation shall at all times, on its own behalf and acting as the manager of the Borrower LLC, shall cause the Borrower LLC to:

- (a) remain solvent and to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall become due;
- (b) do all things necessary to observe organizational formalities and preserve its existence;
- (c) maintain all of its books, records, financial statements and bank accounts separate from those of its affiliates and any other person or entity;
- (d) hold itself out to the public as, a legal entity separate and distinct from any other entity (including any affiliate of the Borrower LLC or any constituent party of the Borrower LLC), correct any known misunderstanding regarding its status as a separate entity, conduct business in its own name and maintain and utilize separate stationery, invoices and checks bearing its own name;
- (e) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;
- (f) maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or constituent party or any other person or entity;
- (g) conduct its business so that the assumptions made with respect to the Borrower LLC and the Corporation in any non-consolidation opinion delivered to Lender shall be true and correct in all respects;
- (h) pay the salaries of its own employees (if any) from its own funds and maintain a sufficient number of employees (if any) in light of its contemplated business operations;
- (i) compensate each of its consultants and agents from its funds for services provided to it and pay from its own assets all obligations of any kind incurred;
- (j) maintain an arm's-length relationship with its affiliates;
- (k) allocate fairly and reasonably shared expenses, including shared office space;

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- (l) consider the interests of the Borrower LLC's and the Corporation's creditors in connection with all limited liability company or corporate actions;
- (m) cause any obligation of the Borrower LLC or the Corporation to indemnify its officers, directors or members, as the case may be, to be fully subordinated to the Debt and not constitute a claim against it if cash flow in excess of the amount required to pay the Debt is insufficient to pay such obligation;
- (n) conduct and operate its business as presently conducted and operated;
- (o) hold all of its assets in its own name;
- (p) file its own tax returns (to the extent it is required to file any such tax returns) and will not file a consolidated federal income tax return with any other person or entity; and
- (q) maintain its books, records, resolutions and agreements as official records

E. This Corporation has been formed for the express reason that the same was required by the Lender and would not have been created in absence of such Lender's requirements. The provisions of this Article II are intended for the express benefit of the Lender, who shall have full standing to challenge any violation of such provisions.

F. To the fullest extent permitted by law, the directors shall consider only the interests of the Borrower LLC, including the Lender and its other creditors, and not the interests of any member of the Borrower LLC, any shareholder of the Corporation, or any other direct or indirect beneficial owner of the Borrower LLC, in acting or otherwise voting on the matters referred to Article II, Section B.1. hereof.

ARTICLE III

The number of shares that the Corporation shall have authority to issue shall be 1,000 shares.

ARTICLE IV

The street address of this corporation's principal office is 2355 West Michigan Ave., #O-2, Pensacola, Florida 32526. The mailing address of this corporation's principal office is P.O. Box 37247, Pensacola, Florida 32526.

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ARTICLE V

The initial registered office shall be located at 25 West Government Street, Pensacola, Florida 32502, and the initial registered agent shall be Stephen R. Moorhead, who is a resident of Florida, and whose business address is the same as the address of the initial registered office.

ARTICLE VI

The number of Directors constituting the Board of Directors shall be established by the Corporation's Bylaws, or in the absence of a bylaw establishing the number of Directors, the number of Directors shall be three.

ARTICLE VII

When the Note has been paid in full and all obligations of the Corporation under the Instruments have been satisfied, the Corporation may amend these Articles without notice to or consent from the Lender or any rating agency.

ARTICLE VIII

Notwithstanding anything to the contrary in these Articles, until the Note has been paid in full and all obligations of the Borrower LLC under the Loan Documents have been satisfied in full, the Corporation shall not amend the provisions specified in Articles II, VI or VII of this Certificate nor shall the Corporation permit the Borrower LLC to amend the corresponding provisions specified in the Borrower LLC's operating agreement without the consent of the Lender, its successors or assigns, or, after the securitization of the Debt only if the Company receives (i) confirmation from each of the applicable rating agencies that such amendment would not result in the qualification, withdrawal or downgrade of any securities rating and (ii) approval of such amendment by the Lender, its successor or assigns.

ARTICLE IX

The name and address of the incorporator is John E. Sylvester, Jr., 2355 Michigan Ave. O-225, Pensacola, Florida 32526.

IN WITNESS WHEREOF, the undersigned incorporator has executed these articles of incorporation this 30th day of November, 2011.



John E. Sylvester, Jr.
Incorporator

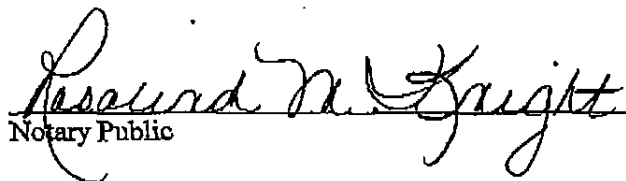
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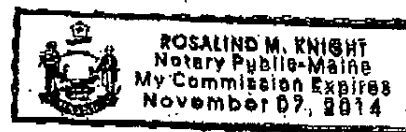
STATE OF MAINE
COUNTY OF CUMBERLAND

Before me the undersigned authority in and for the said State and County personally appeared John E. Sylvester, Jr., to me well known to be the person described in and who freely and voluntarily subscribed the foregoing articles of incorporation for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal in the State and County aforesaid this 30 day of November, 2011.


Notary Public

☒ Personally Known
OR
☐ Produced Identification
Type of Identification Produced _____



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ACCEPTANCE OF APPOINTMENT AS REGISTERED AGENT

I, Stephen R. Moorhead, hereby accept the appointment as registered agent for JOHN E. SYLVESTER, INC., as set forth in its articles of incorporation being filed simultaneously herewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 2 day of December, 2011.


STEPHEN R. MOORHEAD

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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