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1.

Magnolia Valley Corporate General, Inc.

(CORPORATE NAME AND DOCUMENT #)

2.

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3.

(CORPORATE NAME AND DOCUMENT #)

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(CORPORATE NAME AND DOCUMENT #)

SPECIAL INSTRUCTIONS:

**ARTICLES OF INCORPORATION
OF
MAGNOLIA VALLEY CORPORATE GENERAL, INC.**

The undersigned, acting as incorporator of a corporation under the Florida Business Corporation Act, adopts the following Articles of Incorporation for such corporation.

ARTICLE I

The name of the corporation is MAGNOLIA VALLEY CORPORATE GENERAL, INC.

ARTICLE II

The street address of the initial principal office of the corporation is 147 Second Avenue South, Suite 300, St. Petersburg, FL 33701.

ARTICLE III

The period of duration of the corporation is perpetual.

ARTICLE IV

(SINGLE PURPOSE ENTITY REQUIREMENTS)

(a) Berkadia Commercial Mortgage LLC, a Delaware limited liability company, has agreed to make a loan to Carlton Arms of Magnolia Valley, LLLP, a Florida limited liability limited partnership ("**Borrower**") in the approximate original principal amount of \$30,600,000.00 (the "**Loan**").

(b) Capitalized terms used but not defined herein shall have the meanings defined in the Multifamily Loan and Security Agreement (the "**Loan Agreement**") to be executed by Borrower and to secure the Loan.

(c) Until the Loan is paid in full, the corporation (sometimes referred to herein as "**SPE Equity Owner**") will remain a Single Purpose Entity.

(d) A "**Single Purpose Entity**" means a limited liability company or corporation which, at all times since its formation and thereafter will satisfy each of the following conditions:

- (i) will not engage in any business or activity other than being the sole general partner of Borrower and owning at least 0.5% equity interest in Borrower;
- (ii) has not and will not acquire or own any assets other than its equity interest in Borrower and personal property related thereto;
- (iii) will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities;
- (iv) will not merge or consolidate with any other Person;

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- (v) will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Loan Agreement; issue additional partnership, membership or other equity interests, as applicable; or seek to accomplish any of the foregoing;
- (vi) will not, without the prior unanimous written consent of all of SPE Equity Owner's partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of managers of SPE Equity Owner, take any of the following actions: (A) file any insolvency, or reorganization case or proceeding, to institute proceedings to have SPE Equity Owner be adjudicated bankrupt or insolvent; (B) institute proceedings under any applicable insolvency law; (C) seek any relief under any law relating to relief from debts or the protection of debtors; (D) consent to the filing or institution of bankruptcy or insolvency proceedings against SPE Equity Owner; (E) file a petition seeking, or consent to, reorganization or relief with respect to SPE Equity Owner under any applicable federal or state law relating to bankruptcy or insolvency; (F) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for SPE Equity Owner or a substantial part of its property; (G) make any assignment for the benefit of creditors of SPE Equity Owner; (H) admit in writing SPE Equity Owner's inability to pay its debts generally as they become due; or (I) take action in furtherance of any of the foregoing;
- (vii) will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in Section 6.13 of the Loan Agreement;
- (viii) will not own any subsidiary or make any investment in any other Person, except for Borrower;
- (ix) will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name;
- (x) has not and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than: (A) customary unsecured trade payables incurred in the ordinary course of owning Borrower provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of \$10,000 and are paid within 60 days of the date incurred, and (B) in its capacity as general partner of Borrower;
- (xi) will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that SPE Equity Owner's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of SPE Equity Owner from such Affiliate and to indicate that

SPE Equity Owner's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (B) such assets will also be listed on SPE Equity Owner's own separate balance sheet;

- (xii) except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of SPE Equity Owner or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties;
- (xiii) will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;
- (xiv) will not assume or guaranty the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person, except for in its capacity as general partner of Borrower;
- (xv) will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Loan Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities);
- (xvi) will file its own tax returns separate from those of any other Person, except to the extent that SPE Equity Owner is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, and will pay any taxes required to be paid under applicable law;
- (xvii) will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person;
- (xviii) will 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 and will pay its debts and liabilities from its own assets as the same become due;
- (xix) will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name;
- (xx) will pay its own liabilities (including salaries of its own employees) from its own funds;
- (xxi) will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable;

(xxii) except as contemplated or permitted by the property management agreement with respect to the Property Manager, will not permit any Affiliate or constituent party independent access to its bank accounts;

(xxiii) will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds;

(xxiv) will conduct its business so that the assumptions made with respect to Borrower in the nonconsolidation opinion provided to Lender will be true and correct in all respects.

(e) The provisions of this Article IV will govern and supersede any other provision of these Articles of Incorporation to the contrary.

ARTICLE V

All corporate powers shall be exercised by and the business and affairs of the corporation managed by the Directors of the corporation.

ARTICLE VI

The aggregate number of shares that the corporation shall have the authority to issue is one hundred (100) shares of Capital Stock.

ARTICLE VII

The street address in Florida of the initial registered office of the corporation is 147 Second Avenue South, Suite 300, St. Petersburg, FL 33701; and the name of the initial Registered Agent at such address is Mark T. Mahaffey.

ARTICLE VIII

The name and address of the incorporator is as follows:

Mark T. Mahaffey, 147 Second Avenue South, Suite 300, St. Petersburg, FL 33701.

ARTICLE IX

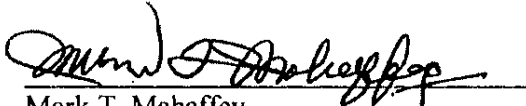
The shareholders shall have the power to adopt, amend, alter, change or repeal the Articles of Incorporation when proposed and approved at a stockholders' meeting, with not less than a two-thirds vote of the common stock.

ARTICLE X

This corporation shall commence existence on the date of subscription and acknowledgment of these Article of Incorporation, so long as said Articles of Incorporation are filed with the Department of State, State of Florida, within (5) days, exclusive of legal holidays, after subscription and acknowledgment thereof, and are subsequently approved by the Department of State, State of Florida, and all filing fees and taxes have been paid. Otherwise,

the date of corporation existence shall begin when the Articles of Incorporation have been filed with the Department of State, State of Florida, and are approved by it, and all filing fees and taxes have been paid.


IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of Incorporation this 16th day of June, 2014.

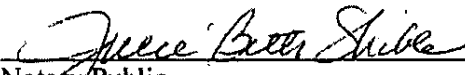

Mark T. Mahaffey

STATE OF FLORIDA
COUNTY OF PINELLAS

Before me, a Notary Public authorized to take acknowledgments in the State and County set forth above, personally appeared Mark T. Mahaffey, as subscriber of Magnolia Valley Corporate General, Inc., known to me personally or produced _____ to be the person who executed the foregoing Articles of Incorporation, and who acknowledged before me that he executed those Articles of Incorporation.


IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Pinellas County, Florida said County and State, this 16th day of June, 2014.

NOTARY PUBLIC-STATE OF FLORIDA
 Julie Beth Shible
Commission # EE078023
Expires: APR. 21, 2015
BONDED THRU ANTI-COLLUSION CO., INC


Notary Public
Print Name: Julie Beth Shible
My Commission Expires: April 21, 2015

ACCEPTANCE OF REGISTERED AGENT

Having been named to accept service of process for the above-stated corporation, at the place designated in these Articles, I hereby accept to act in this capacity, and agree to comply with the provisions of said Act relative to keeping open said office.


Mark T. Mahaffey