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NAME: OLEN RESIDENTIAL REALTY ENCUMBRANCE I CORP.

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TALLAHASSEE, FLORIDA

**ARTICLES OF INCORPORATION
OF**

OLEN RESIDENTIAL REALTY ENCUMBRANCE I CORP.

The undersigned incorporator does hereby make, subscribe, file and acknowledge these Articles of Incorporation for the purpose of organizing a corporation under the Florida Business Corporation Act.

ARTICLE I

NAME OF CORPORATION

The name of this Corporation shall be:

Olen Residential Realty Encumbrance I Corp.

ARTICLE II

PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office and the mailing address of this Corporation is 1062 Coral Ridge Dr., Coral Springs, Florida, 33071.

ARTICLE III

SOLE PURPOSE

This Corporation is hereby established as a single purpose corporation, the sole purpose of which is to own and operate the following real property known as: (i) Club Mira Lago, 1060 Coral Ridge Drive, Coral Springs, Florida 33071; and (ii) Sanctuary Cove Apartments, 700 Sanctuary Cove Drive, Village of North Palm Beach, Florida 33410, and to perform all functions incidental to such ownership and operation. Until such time as all obligations secured by that certain

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Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing entered into between Salomon Brothers Realty Corp. as Lender, and Olen Residential Realty Encumbrance I Corp. as Borrower (the "Mortgage"), have been discharged, the Corporation at all times shall cause there to be at least one duly appointed member of the Board of Directors (the "Independent Director") of the Corporation who may not have been at any time during the preceding two (2) years: (a) a controlling stockholder of, or an officer or employee of, the Corporation, or any of its subsidiaries or affiliates, (b) a customer of or supplier to the Corporation or any of its subsidiaries or affiliates, (c) a person or other entity controlling any such controlling stockholder, supplier or customer, or (d) a member of the immediate family of any such controlling stockholder, officer, employee, supplier or customer or of any other director of the Corporation. As used herein, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise; provided that, a director of a corporation shall not be deemed to control such Corporation solely by virtue of his authority as director. Independent Director shall not at any time while serving as a director of the Corporation: (i) be the legal or beneficial owner of either a majority of the outstanding voting power of the capital stock of the Corporation or any of its affiliates, or any successor thereto, or (ii) act as a trustee-in-bankruptcy for any of the Corporation's affiliates or any successor.

Notwithstanding any other provisions of this Articles of Incorporation or any provision of law that otherwise so empowers the Corporation, for so long as the note secured by the Mortgage ("Note") is outstanding, the Corporation shall not, without (i) the unanimous written consent of the

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members of the Board (including the Independent Director), (ii) the consent of the shareholders of the Corporation required by law, and (iii) and with respect to clauses (e) and (f) only, the prior written consent of the holders of a majority in interest of principal amount of the Note, do any of the following:

- (a) engage in any business or activity other than as set forth herein; or
- (b) institute any proceeding to be adjudicated as bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or answer or consent seeking reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the filing of any such petition or to the appointment of a receiver, rehabilitator, conservator, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any action in furtherance of the foregoing; or
- (c) dissolve or liquidate, in whole or in part; or
- (d) (1) consent to any proceeding of the type referred to in paragraph (b) of this subsection relating to the Corporation, (2) consent to the taking of any other action referred to in paragraph (b) of this subsection relating to the Corporation, or (3) consent to the dissolution or liquidation of the Corporation; or
- (e) incur, assume or guarantee any debt except as provided in the Loan Agreement referred to in the Mortgage; or
- (f) amend this subsection.

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ARTICLE IV**AUTHORIZED SHARES**

The total authorized capital stock of this Corporation shall consist of 10,000 shares of Common Stock, par value \$.01 per share.

ARTICLE V**ADDRESS OF REGISTERED OFFICE IN THIS STATE**

The street address of the initial registered office of this Corporation in the State of Florida is 1062 Coral Ridge Dr., Coral Springs, Florida, 33071 and the initial registered agent of this Corporation at that address shall be Igor Olenicoff.

ARTICLE VI**INCORPORATOR**

The name and street address of the person signing these Articles of Incorporation is:

Igor Olenicoff
7 Corp. Plaza
Newport Beach, CA 92660

IN WITNESS WHEREOF, I have hereunto subscribed my hand and seal this 11 day of September, 1997.



Igor Olenicoff, Incorporator

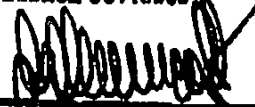
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THE UNDERSIGNED, named as the registered agent in Article V of these Articles of Incorporation, hereby accepts the appointment as such registered agent, and acknowledges that he is familiar with, and accepts the obligations imposed upon registered agents under, the Florida Business Corporation Act, including specifically Section 607.0505



Igor Olenchoff, Registered Agent

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