

L150000 88530

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP

☐ WAIT

☐ MAIL

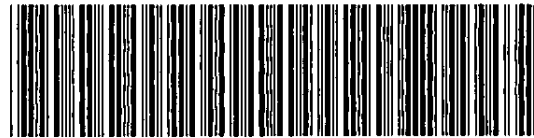
(Business Entity Name)

(Document Number)

Certified Copies \_\_\_\_\_ Certificates of Status \_\_\_\_\_

Special Instructions to Filing Officer:

Office Use Only



500272966105

RECEIVED  
DEPARTMENT OF  
DIVISION OF CORPORATIONS  
13 MAY 18 PM 1:47  
NOT RECORDED  
TO APPROVED FOR  
SUFFICIENT FOR FILING

FILED  
2015 MAY 18 AM 10:14  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

MAY 20 2015  
J. HARRIS

CORPORATION SERVICE COMPANY  
1201 Hays Street  
Tallahassee, FL 32301  
Phone: 850-558-1500

ACCOUNT NO. : I20000000195

REFERENCE : 632821 3487A

AUTHORIZATION :

COST LIMIT : \$ 160



ORDER DATE : May 18, 2015

ORDER TIME : 1:05 PM

ORDER NO. : 632821-005

CUSTOMER NO: 3487A

DOMESTIC FILING

NAME: WATKINS SANFORD, LLC

EFFECTIVE DATE:

\_\_\_\_\_ ARTICLES OF INCORPORATION  
\_\_\_\_\_ CERTIFICATE OF LIMITED PARTNERSHIP  
XX \_\_\_\_\_ ARTICLES OF ORGANIZATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX \_\_\_\_\_ CERTIFIED COPY  
\_\_\_\_\_ PLAIN STAMPED COPY  
XX \_\_\_\_\_ CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Harry B. Davis - EXT. 62926

EXAMINER'S INITIALS: \_\_\_\_\_



FLORIDA DEPARTMENT OF STATE  
Division of Corporations

RECEIVED  
DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS  
15 MAY 19 PM 2:26  
NOT INTENDED  
TO ADVANCE THE  
SUFFICIENCY OF FILING

May 19, 2015

CSC  
HARRY B. DAVIS

**RESUBMIT**

Please give original  
submission date as file date.

SUBJECT: WATKINS SANFORD, LLC  
Ref. Number: W15000035226

We have received your document for WATKINS SANFORD, LLC and your check(s) totaling \$. However, the enclosed document has not been filed and is being returned for the following correction(s):

The registered agent must sign accepting the designation.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6051.

Jenna D Harris  
Regulatory Specialist II

Letter Number: 815A00010435

2015 MAY 18 AM 10:14  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**ARTICLES OF ORGANIZATION  
OF  
WATKINS SANFORD, LLC**

The undersigned authorized representative of a member, for the purpose of forming a limited liability company under the Florida Limited Liability Act, Florida Statutes Chapter 605 (the "Act"), hereby makes, acknowledges and files the following Articles of Organization:

**ARTICLE I - NAME**

The name of the limited liability company shall be WATKINS SANFORD, LLC (the "Company").

**ARTICLE II - ADDRESS**

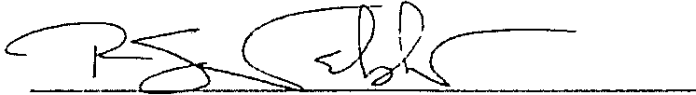
The street address of the principal office of the Company is c/o Watkins Investments, LLC, 751 Champagne Road, Incline Village, Nevada 89451 and the mailing address is P.O. Box 50116, Sparks, Nevada 89435.

**ARTICLE III - INITIAL REGISTERED AGENT/OFFICE**

The Company's registered office and its initial registered agent shall be:

Richard S. Webb, IV, Esq.  
Icard, Merrill, Cullis, Timm, Furen & Ginsburg, P.A.  
2033 Main Street, #600  
Sarasota, Florida 34237

*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 as provided for in Chapter 605, F.S.*



Registered Agent's Signature

**ARTICLE IV - DEFINITIONS**

See Exhibit A attached hereto and made a part hereof.

**ARTICLE V - PURPOSE**

Notwithstanding anything to the contrary in these Articles or in any other document governing the formation, management or operation of the Company, the Company shall comply with the following single purpose entity requirements ("Single Purpose Entity Requirements") in order to maintain its status as a corporate entity and to avoid any confusion or potential consolidation with any Affiliate.

2013 MAY 18 AM 10:14  
SECRETARY OF STATE  
ATLANTA, GEORGIA

FILED

A. Limited Purpose. The sole purpose conducted or promoted by the Company during the term of the Loan is to engage only in the following activities:

- (i) To acquire, own, hold, lease, operate, manage, maintain, develop and improve, the real property known as Lot 1, BEST BUY ON RINEHART ROAD, Plat Book 66, Pages 49-50, Public Records of Seminole County, Florida and located at 1501 Rinehart Road, City of Sanford, State of Florida ("Property");
- (ii) To enter into and perform its obligations under the Loan Documents;
- (iii) To sell, transfer, service, convey, dispose of, pledge, assign, borrow money against, finance, refinance or otherwise deal with the Property to the extent permitted under the Loan Documents; and
- (iv) To engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Florida that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above mentioned purposes.

B. Limitations on Indebtedness, Actions. Notwithstanding anything to the contrary in these Articles or in any other document governing the formation, management or operation of the Company until such time as the Obligations are paid and performed in full, the Company shall be subject to the limitations set forth in Exhibit B attached hereto and made a part hereof.

#### ARTICLE VI - DURATION AND DISSOLUTION

The Company shall continue in existence perpetually, unless the Company is earlier dissolved and its affairs wound-up in accordance with the provisions of these Articles of Organization, Chapter 605 of the Florida Statutes, or under the Operating Agreement and/or Regulations of the Company. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such member shall have all the rights of such member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Company interest shall be subject to all of the restrictions as may be set forth in the Company's Operating Agreement to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

## ARTICLE VII - MANAGEMENT AND POWERS

The business and affairs of the Company shall be managed by one or more Managers elected by more than fifty percent (50%) in interest of the Members. All such powers of the Company shall be exercised only by or under the authority of such Manager(s), except as otherwise provided by law, Chapter 605 of the Florida Statutes, these Articles of Organization, the Operating Agreement and/or the Regulations of the Company. The following is the name and address of the duly elected Manager, to serve until its successor shall have been duly elected and qualified:

Watkins Investments, LLC,  
a Nevada limited liability company

751 Champagne Road  
Incline Village, Nevada 89451

The Company, and the Members, or any Manager on behalf of the Company, may enter into and perform their obligations under the Loan Documents and all documents, agreements, certificates, or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any Member, Manager or other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Members or any Manager to enter into other agreements on behalf of the Company.

## ARTICLE VIII - INDEMNIFICATION

The Company shall indemnify the Manager and Members to the fullest extent permitted or required by the Act, as amended from time to time. The Company may also indemnify its employees and other representatives or agents up to the fullest extent permitted under the Chapter 605 of the Florida Statutes or other applicable law; provided however, so long as any obligation with respect to the Loan is outstanding, no indemnity payment from funds of the Company (as distinct from funds from other sources, such as insurance) of any indemnity under this Section shall be payable from amounts allocable to any other Person pursuant to the Loan Documents. Notwithstanding the foregoing provisions, any indemnification set forth herein shall be fully subordinate to the Loan and, to the fullest extent permitted by law, shall not constitute a claim against Company in the event that the Company's cash flow is insufficient to pay its Obligations.

## ARTICLE IX - COMPANY PROPERTY; PARTITION; NATURE OF INTEREST

- A. All property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in any Company property in its individual name or right, and each Member's limited liability company interest shall be personal property for all purposes.

- B. To the fullest extent permitted by law, each Member and any additional member admitted to the Company hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Members shall not have any interest in any specific assets of the Company, and the Members shall not have the status of a creditor with respect to any distribution pursuant to this Agreement. The interest of the Members in the Company is personal property.

ARTICLE X - EFFECT OF BANKRUPTCY,  
DEATH OR INCOMPETENCY OF A MEMBER

- A. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, personal representative, executor, administrator, committee, guardian or conservator of such Member shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any interest in the Company shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.
- B. Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company or that causes the Member to cease to be a Member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company, and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining Member of the Company or the Member in the Company.
- C. Notwithstanding any other provision of this Agreement, each Member, and any additional Member waive any right it might have to agree in writing to dissolve the Company upon the bankruptcy, death, dissolution, liquidation or termination of the Member or additional Member, or the occurrence of an event that causes the Member or additional Member to cease to be a Member of the Company.

[end of page - signatures on following page]

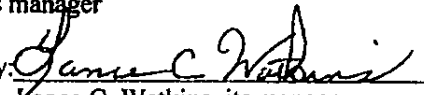
[signature page to Articles of Organization - Watkins Sanford, LLC]

IN WITNESS WHEREOF, the undersigned has made, subscribed and affirmed these Articles of Organization under the penalties of perjury as the duly authorized member or representative of a member of the Company that the facts stated herein are true, on this 15 day of May, 2015.

WATKINS SANFORD, LLC,

a Florida limited liability company

By: Watkins Investments, LLC,  
a Nevada limited liability company,  
its manager

By:   
Lance C. Watkins, its manager

2015 MAY 18 AM 10:14  
SECRETARY OF STATE  
TALLAHASSEE FLORIDA

FILED



## **EXHIBIT A**

### **Definitions**

#### **A. Definitions**

When used in this Agreement, the following terms not otherwise defined herein have the following meanings:

**"Affiliate"** means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person or any Person who has a direct familial relationship, by blood, marriage or otherwise with the Company or any Affiliate of the Company.

**"Agreement"** means the Operating Agreement of the Company, together with the exhibits attached thereto, as amended, restated or supplemented or otherwise modified from time to time.

**"Company"** means WATKINS SANFORD, LLC, a Florida limited liability company.

**"Control"** (including the terms **"Controlling"** and **"Controlled"**) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

**"Lender"** means Starwood Mortgage Capital LLC, a Delaware limited liability company, together with its successors and assigns.

**"Loan"** means that certain first lien mortgage loan on the Property in the original principal amount of \$6,000,000 made by Lender to Company.

**"Loan Documents"** shall mean: Loan Agreement; Promissory Note; Mortgage and Security Agreement; Assignment of Leases and Rents; Guaranty of Recourse Obligations, Environmental Indemnity Agreement, Certificate and Agreement Regarding Property Management, and Cash Management Agreement and any other documents, agreements and instruments now or hereafter evidencing, securing or delivered to Lender in connection with the Loan.

**"Manager"** shall mean a Person(s) elected by Members of Company to manage Company.

**"Members"** means Watkins Investments Limited Partnership, a Nevada limited partnership and Watkins Investments, LLC, a Nevada limited liability company, as the initial members of the Company, and includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company.

"Obligations" shall mean the indebtedness, liabilities and obligations of the Company under or in connection with the Loan Documents.

"Person" means any individual, corporation, partnership, joint venture, joint stock association, business or other trust, unincorporated organization, governmental authority or any other form of entity.

"Property" means that certain parcel of real estate including improvements thereon and known as Lot 1, BEST BUY ON RINEHART ROAD, Plat Book 66, Pages 49-50, Public Records of Seminole County, Florida and located at 1501 Rinehart Road, City of Sanford, State of Florida.

"Rating Agency" or "Rating Agencies" shall mean each of Standard & Poor's Ratings Services, Moody's Investor Service, Inc., Fitch, Inc. and DBRS, Inc., or any successor thereto or any other nationally-recognized statistical rating agency which has been approved by Lender.

FILED  
2015 MAY 18 AM 10:14  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**EXHIBIT "B"**

**Watkins Sanford, LLC  
Special Purpose Entity Limitations**

As set forth in Article V(B) of these Articles of Organization, the Company shall be subject to the following limitations until such time as the Obligations are paid and performed in full:

(a) Company (i) has been, is, and will be organized solely for the purpose of acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Property, entering into the Loan Documents with the Lender, refinancing the Property in connection with a permitted repayment of the Loan, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing, and (ii) has not owned, does not own, and will not own any asset or property other than (A) the Property, and (B) incidental personal property necessary for the ownership or operation of the Property.

(b) Company has not engaged and will not engage in any business other than the ownership, management and operation of the Property and Company will conduct and operate its business as presently conducted and operated.

(c) Company has not and will not enter into any contract or agreement with any Affiliate of Company, any constituent party of Company or any Affiliate of any constituent party, except upon terms and conditions that are intrinsically fair, commercially reasonable, and no less favorable to it than would be available on an arms length basis with third parties other than any such party.

(d) Company has not incurred and will not incur any indebtedness other than (i) the Obligations, and (ii) 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 Loan at any one time; provided that any indebtedness incurred pursuant to subclause (ii) shall be (A) outstanding not more than sixty (60) days, and (B) incurred in the ordinary course of business. No indebtedness other than the Loan may be secured (senior, subordinate or pari passu) by the Property.

(e) Company has not made and will not 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) Company has been, is, and will remain solvent and Company has paid and will pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall become due, provided there are sufficient funds from the operation of the Property to do so.

(g) Company has done or caused to be done, and will do, all things necessary to observe organizational formalities and preserve its existence, and Company has not and will not, (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 Loan, 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.

(h) Company has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any other Person. Company's assets will not be listed as assets on the financial statement of any other Person, provided, however, that Company's 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 Company and such Affiliates and to indicate that Company's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person, and (ii) such assets shall be listed on Company's own separate balance sheet. Company will file its own tax returns (to the extent Company is required to file any such tax returns) and will not file a consolidated federal income tax return with any other Person. Company has maintained and shall maintain its books, records, resolutions and agreements as official records.

(i) Company has been, will be, and at all times has held and will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate of Company or any constituent party of Company), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, shall not identify itself or any of its Affiliates as a division or department or part of the other and shall maintain and utilize separate stationery, invoices and checks bearing its own name.

(j) Company has maintained and intends to 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, provided there are sufficient funds from the operation of the property to do so.

(k) Neither Company nor any constituent party of Company has sought or will seek or effect the liquidation, dissolution, winding up, consolidation, asset sale or merger, in whole or in part, of Company.

(l) Company has not and will not commingle the funds and other assets of Company with those of any Affiliate or constituent party or any other Person, and has held and will hold all of its assets in its own name.

(m) Company has and will 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.

(n) Company has not and will not assume or guarantee or become obligated for the debts of any other Person 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.

(o) Intentionally Omitted.

(p) Intentionally Omitted.

(q) Intentionally Omitted.

(r) Intentionally Omitted.

(s) Unless a single member Delaware limited liability company acceptable to Lender in its sole discretion, Company shall always have at least two members.

(t) Company has not permitted and will not permit any Affiliate or constituent party independent access to its bank accounts.

(u) Company has paid and shall pay its own liabilities and expenses, including the salaries of its own employees (if any) from its own funds, and has maintained and shall maintain a sufficient number of employees (if any) in light of its contemplated business operations.

(v) Company has compensated and shall 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.

(w) Company has not, and 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 Company's properties, (iii) make any assignment for the benefit of Company's creditors, or (iv) take any action that might cause Company to become insolvent.

(x) Company has maintained and will maintain an arm's length relationship with its Affiliates.

(y) Company has allocated and will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including shared office space.

(z) Except in connection with the Loan, Company has not pledged and will not pledge its assets for the benefit of any other Person.

(aa) Company has and will have no obligation to indemnify its officers, directors, members or partners, as the case may be, or has such an obligation that is fully subordinated to the Obligations and will not constitute a claim against it if cash flow in excess of the amount required to pay the Obligations is insufficient to pay such obligation.

(bb) if such Company is (i) a limited liability company, has articles of organization, a certificate of formation and/or an operating agreement, as applicable, (ii) a limited partnership, has a limited partnership agreement, or (iii) a corporation, has a certificate of incorporation or articles that, in each case, provide that such entity will not: (A) dissolve, merge, liquidate, consolidate; (B) sell, transfer, dispose, or encumber (except with respect to the Loan Documents) all or substantially all of its assets or acquire all or substantially all of the assets of any Person; or (C) engage in any other business activity, or amend its organizational documents with respect to the matters set forth in this Exhibit B without the consent of the Lender.

(cc) Company will consider the interests of Company's creditors in connection with all limited liability company actions.

(dd) Company has not, does not, and will not have any of its obligations guaranteed by any Affiliate other than pursuant to the Loan Documents in connection with the Loan.

[Rider A to Exhibit B on next page]

2015 MAY 18 AM 10:14  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

[Rider A to Exhibit B]

For purposes of this Exhibit B:

**"Affiliate"** shall mean, as to any Person, any other Person that (i) owns directly or indirectly ten percent (10%) or more of all equity interests in such Person, and/or (ii) is in control of, is controlled by or is under common ownership or control with such Person, and/or (iii) is a director or officer of such Person or of an Affiliate of such Person, and/or (iv) is the spouse, issue or parent of such Person or of an Affiliate of such Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of such Person, whether through ownership of voting securities, by contract or otherwise.

**"Person"** shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

**"Rating Agencies"** shall mean, prior to the final Securitization of the Loan, each of S&P, Moody's, Fitch, Realpoint LLC and DBRS, Inc. or any other nationally-recognized statistical rating agency which has been designated by Lender and, after the final Securitization of the Loan, shall mean any of the foregoing that have rated any of the Securities.

**"Rating Agency Confirmation"** shall mean a written affirmation from each of the Rating Agencies that the credit rating of the Securities by such Rating Agency immediately prior to the occurrence of the event with respect to which such Rating Agency Confirmation is sought will not be qualified, downgraded or withdrawn as a result of the occurrence of such event, which affirmation may be granted or withheld in such Rating Agency's sole and absolute discretion. For the purposes of this Agreement and the other Loan Documents, if any Rating Agency shall waive, decline or refuse to review or otherwise engage any request for a Rating Agency Confirmation hereunder or under the other Loan Documents (hereinafter a **"RA Consent"**), such RA Consent shall be deemed to eliminate, for such request only, the condition that a Rating Agency Confirmation by such Rating Agency (only) be obtained for purposes of this Agreement or the other Loan Documents, as applicable; provided, however, if Lender does not have a separate and independent approval right with respect to such event set forth herein or in the other Loan Documents, as applicable, then the term "Rating Agency Confirmation" shall be deemed instead to require the approval of Lender based on its good faith determination of whether the applicable Rating Agency would issue a Rating Agency Confirmation for the applicable event. For purposes of clarity, any such waiver, declination or refusal to review or otherwise engage in any request for a Rating Agency Confirmation hereunder or under the other Loan Documents shall not be deemed a waiver, declination or refusal to review or otherwise engage in any subsequent request for a Rating Agency Confirmation hereunder or under the other Loan Documents, and the condition for Rating Agency Confirmation pursuant to this Agreement and the other Loan Documents for any subsequent request shall apply regardless of any previous waiver, declination or refusal to review or otherwise engage in such prior request.