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BASIC AMENDMENT

DI LIDO BEACH HOTEL CORPORATION

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AMEND
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**ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
DI LIDO BEACH HOTEL CORPORATION**

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SECRETARY OF STATE
ALLAHASSEE, FLORIDA
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FILED

Pursuant to the provisions of Section 607.1006 of the Florida Business Corporation Act (the "Act"), the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the Corporation is DI LIDO BEACH HOTEL CORPORATION (the "Corporation").

2. The following Amendment to the Articles of Incorporation was adopted by the directors and the Shareholders of the Corporation, the number of votes cast being sufficient for approval, on January 3, 2003 in the manner prescribed by Section 607.1003 of the Act:

(a) Article III is hereby deleted in its entirety and replaced with the following in lieu thereof:

ARTICLE III

PURPOSE OF CORPORATION

The Corporation's business and purpose shall consist solely of the following:

(i) Acquiring, owning, holding, leasing, operating, and managing the real property, hotel and improvements located in the City of Miami Beach, Miami-Dade County, Florida and more particularly described as that certain "Hotel Unit" created pursuant to the Declaration of Di Lido Condominium dated September 10, 1999 and recorded in Official Records Book 18783, Page 497 of the Public Records of Miami-Dade County, Florida, (the "Property");

(ii) Entering into and performing its obligations under the First Mortgage (as herein after defined);

(iii) Selling, exchanging, transferring, refinancing the Property to the extent permitted under the First Mortgage (as herein after defined); and

(iv) Engaging in such other lawful activities permitted to corporations by the Florida Business Corporation Act as are incidental, necessary or appropriate to the foregoing.

(b) The following Articles are hereby added to the Articles of Incorporation of the Corporation after Article VIII:

ARTICLE IX

INDEPENDENT DIRECTOR/CERTAIN PROHIBITED ACTIVITIES

(a) At all times at which the directors of the Corporation shall take, or shall be required to take, any action in such capacity and until such time as all obligations secured by a mortgage lien in favor of Deutsche Banc Mortgage Capital, L.L.C., its successors or assigns (the "First Mortgage") on the Property have been paid in full, there shall be at least one Independent Director. An "Independent

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Director" shall be an individual who is not at the time of initial appointment and has not been at any time during the preceding five (5) years: (a) a stockholder, director (with the exception of serving as the Independent Director of the Corporation), officer, employee, partner, member, attorney or counsel of the Corporation or any affiliate; (b) a creditor, customer, supplier or other person who derives any of its purchases or revenues from its activities with the Corporation or any affiliate; (c) a person or other entity controlling or under common control with any such stockholder, partner, member, creditor, customer, supplier or other person; or (d) a member of the immediate family of any such stockholder, director, officer, employee, partner, member, creditor, customer, supplier or other person. (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 cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.) A natural person who satisfies the foregoing definition other than subparagraph (b) shall not be disqualified from serving as an Independent Director of the Corporation if such individual is an independent director provided by a nationally-recognized company that provides professional independent directors and that also provides other corporate services in the ordinary course of its business. A natural person who otherwise satisfies the foregoing definition except for being the independent director of a "special purpose entity" affiliated with the Corporation that does not own a direct or indirect equity interest in the Corporation or any co-borrower shall not be disqualified from serving as an Independent Director of the Corporation if such individual is at the time of initial appointment, or at any time while serving as a Independent Director of the Corporation, an Independent Director of a "special purpose entity" affiliated with the Corporation (other than any entity that owns a direct or indirect equity interest in the Corporation or any co-borrower) if such individual is an independent director provided by a nationally-recognized company that provides professional independent directors. For purposes of this paragraph, a "special purpose entity" is an entity, whose organizational documents contain restrictions on its activities substantially similar to those set forth in the Corporation's organizational documents.

(b) With the consent of the initial stockholder of the Corporation, which consent the initial stockholder believes to be in the best interest of the initial stockholder and the Corporation, no Independent Director shall, with regard to any action to be taken under or in connection with this Article IX, owe a fiduciary duty or other obligation to the initial stockholder nor to any successor stockholders (except as may specifically be required by the statutory law of any applicable jurisdiction), and every stockholder, including each successor stockholder, shall consent to the foregoing by virtue of such stockholder's purchase of shares of capital stock of the Corporation, no further act or deed of any stockholder being required to evidence such consent. Instead, such directors' fiduciary duty and other obligations with regard to such action under or in connection with this Article IX shall be owed to the Corporation (including its creditors). In addition, no Independent Director may be removed unless his or her successor has been elected.

(c) Notwithstanding any other provision of these Articles or by-laws and any provision of law that otherwise empowers the Corporation and so long as any obligations secured by the First Mortgage remain outstanding and not discharged in full, the Corporation shall not do any of the following:

- (i) engage in any business or activity other than those set forth in Article III;
- (ii) incur, assume, or guaranty any indebtedness, except for indebtedness permitted under the Loan (as hereinafter defined);
- (iii) seek the dissolution or winding up, in whole or in part, of the Corporation;

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- (iv) cause the Corporation to merge into or consolidate with any person or entity or dissolve, terminate or liquidate, in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure;
- (v) without the unanimous consent of the board of directors, including its Independent Director, file a voluntary petition or otherwise initiate proceedings to have the Corporation adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Corporation, or file a petition seeking or consenting to reorganization or relief of the Corporation as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Corporation; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Corporation or of all or any substantial part of the properties and assets of the Corporation, or make any general assignment for the benefit of creditors of the Corporation, or admit in writing the inability of the Corporation to pay its debts generally as they become due or declare or effect a moratorium on the Corporation debt or take any action in furtherance of any such action; or
- (vi) amend Articles I, III, IX, X or XI of these Articles of Incorporation without first obtaining approval of the mortgagee holding the First Mortgage on the Corporation's fee interest in the Property, or, after the securitization of the Loan (as hereinafter defined) secured by the First Mortgage, until the Corporation 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 mortgagee holding the First Mortgage.

In addition to the foregoing, no transfer of any direct or indirect ownership interest in the Corporation may be made such that the transferee owns, in the aggregate with the ownership interests of its affiliates and family members in the Corporation, more than a 49% interest in the Corporation, unless such transfer is conditioned upon the delivery of an acceptable non-consolidation opinion to the holder of the First Mortgage and to any applicable rating agency concerning, as applicable, the Corporation, the new transferee and/or their respective owners.

ARTICLE X

SEPARATENESS/OPERATIONS MATTERS

For so long as the First Mortgage exists on any portion of the Property, in order to preserve and ensure its separate and distinct corporate identity, in addition to the other provisions set forth in these Articles, the Corporation shall conduct its affairs in accordance with the following provisions:

(a) It will not amend, modify or otherwise change these Articles of Incorporation, its by-laws or other formation agreement or document in any material term or manner, or in a manner which adversely affects its existence as a single purpose entity, nor will any partner, limited or general, member or shareholder thereof, as applicable, amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization or other formation agreement or document, as applicable, in a manner which adversely affects the Corporation's existence as a single purpose entity;

(b) It will not liquidate or dissolve (or suffer any liquidation or dissolution), or enter into any transaction of merger or consolidation, or acquire by purchase or otherwise all or substantially all or any

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part of the business or assets of, or any stock or other evidence of beneficial ownership of, or make any investment in, any entity;

(c) Except pursuant to that certain Amended and Restated Limited Partnership Agreement of Di Lido Beach Resort, Ltd. dated as of August 30, 2002 ("Tenant's Partnership Agreement"), it will not guarantee, pledge its assets for the benefit of, or otherwise become liable on or in connection with, any obligation of any other person or entity and no prior guaranty or pledge remains outstanding;

(d) It will not own any asset other than Property, and incidental personal property necessary for the operation of the Property;

(e) It will not engage, either directly or indirectly, in any business other than the ownership, management and operation of the Property;

(f) It will not enter into any contract or agreement with any shareholder, principal, or affiliate of the Corporation, as applicable, or any affiliate of any shareholder or principal of the Corporation (each, a "Related Party" and collectively the "Related Parties"), except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with unrelated third parties, and with the exception of that certain Ground Lease between the Corporation and Di Lido Beach Resort, Ltd. dated September 10, 1999 and amended by that First Amendment to Ground Lease dated July 26, 2001 ("Ground Lease") and the Tenant's Partnership Agreement;

(g) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (i) the \$27,000,000.00 loan given by Deutsche Bank Mortgage Capital, LLC to the Corporation which is secured by the First Mortgage (the "Loan") and (ii) trade payables or accrued expenses incurred in the ordinary course of the business of operating the Property due not more than sixty (60) days past the date incurred, and no debt other than the Loan will be secured (senior, subordinate or *pari passu*) by the Property;

(h) It will not make any loans or advances to any third party (including any Related Party);

(i) It will be solvent and pay its debts from its assets as the same shall become due;

(j) It will do all things necessary to preserve its existence, and will observe all formalities applicable to it;

(k) It will conduct and operate its business in its own name and as presently conducted and operated;

(l) It will maintain financial statements, books and records and bank accounts separate from those of its affiliates, including, without limitation, its shareholders, as applicable;

(m) It will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including, without limitation, any Related Party);

(n) It 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;

(o) If the Corporation ever commences any business other than the receipt of rent under the Ground Lease, it will establish and maintain an office through which its business will be conducted

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separate and apart from those of its affiliates or, if it shares office space with its affiliates, shall allocate fairly and reasonably any overhead and expense for shared office space;

(p) It will not commingle the funds and other assets of the Corporation with those of any Related Party or any other person;

(q) It will maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any Related Party or any other person;

(r) Except pursuant to the Tenant's Partnership Agreement, it will not hold itself out to be responsible for the debts or obligations of any other person;

(s) It will pay any liabilities including salaries of its employees, out of its own funds and not funds of any Related Party;

(t) It will use stationery, invoices, and checks separate from any Related Party;

(u) It will at all times during which any portion of the Loan remains outstanding, not take any action requiring the affirmative vote of an Independent Director unless at least one Independent Director as set forth in these Articles votes in favor of such action.

ARTICLE XI

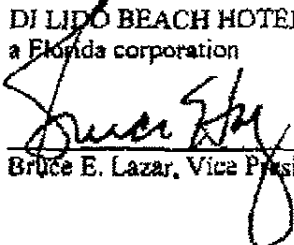
SUBORDINATION OF INDEMNIFICATION PROVISIONS

Notwithstanding any provision hereof to the contrary, any indemnification claim against the Corporation arising under these Articles, the By-Laws or the laws of the state of organization of the Corporation shall be fully subordinate to any obligations of the Corporation with respect to the Property, including without limitation, any obligations arising under the First Mortgage, and shall not constitute a claim against the Corporation in the event that cash flow necessary to pay holders of such obligations is insufficient to pay such obligations.

3. Except as hereby amended, the Articles of Incorporation of the Corporation shall remain the same.

IN WITNESS WHEREOF, the undersigned being the Vice President of the Corporation has executed these Articles of Amendment to Articles of Incorporation of DI LIDO BEACH HOTEL CORPORATION this 13th day of January, 2003.

DI LIDO BEACH HOTEL CORPORATION,
a Florida corporation


Bruce E. Lazar, Vice President

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