

Division of Corporations
P0300008747

Florida Department of State
Division of Corporations
Public Access System

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H03000249238 4))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:
Division of Corporations
Fax Number : (850)205-0381

From:
Account Name : BELOFF & SCHWARTZ
Account Number : I20010000064
Phone : (305)673-1101
Fax Number : (305)673-5505

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

03 AUG -8 AM 10:39

FILED

FLORIDA PROFIT CORPORATION OR P.A.

SOUTH BEACH RESORT MANAGEMENT, INC.

Certificate of Status	1
Certified Copy	1
Page Count	067
Estimated Charge	\$87.50

TSB/10/03
8/7/03

**ARTICLES OF INCORPORATION OF
SOUTH BEACH RESORT MANAGEMENT, INC.**

FILED
03 AUG - 8 AM 8:39
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned hereby files these articles of Incorporation of **SOUTH BEACH RESORT MANAGEMENT, INC.**, a Florida corporation under the laws of the State of Florida.

**ARTICLE I
Name and Principal Office**

The name of this Corporation shall be **SOUTH BEACH RESORT MANAGEMENT, INC.**
The principal place of business and mailing address of this Corporation shall be 1458 Ocean Drive, Miami Beach, Florida 33139.

**ARTICLE II
Purpose and Nature of Business**

The sole purpose for which the Corporation is formed is to act as the Managing Member of **SOUTH BEACH RESORT DEVELOPMENT LLC**, a Florida limited liability company (the "Company"), and to engage in any activity and to exercise any powers permitted to corporations under the laws of the State of Florida that are incident, necessary, and appropriate to accomplish the foregoing purpose.

**ARTICLE III
Stock**

The authorized capital stock of this Corporation shall consist of 10,000 shares of Common Stock with a par value of One Dollar (\$1.00) per share. The stock of the Corporation shall be issued for such consideration as may be determined by the Board of Directors but not less than par value.

**ARTICLE IV
Powers**

Notwithstanding any other provision of these Articles of Incorporation and any provision of law that so empowers the Corporation, as long as the Mortgage and Security Agreement (the

"Mortgage"), that the Company intends to execute and deliver to Mellon United National Bank (the "Lender"), which Mortgage shall encumber the company's property in Miami Beach, Florida, and commonly known as "the Regent South Beach" (the "Project"), remains outstanding, the corporation shall not, without the Lender's prior written consent, do any of the following:

- (i) engage in any business or activity other than the business described in Article II herof and activities incidental thereto;
- (ii) acquire or own any substantial assets other than an ownership interest in the Project;
- (iii) merge into or consolidate with any person or entity;
- (iv) dissolve, terminate, or liquidate in whole or in part;
- (v) transfer, sell or otherwise dispose of all or substantially all of its assets;
- (vi) change its legal structure;
- (vii) fail to preserve its existence as an entity duly organized, validly existing, and in good standing under the laws of the State of Florida;
- (viii) amend or modify these Articles of Incorporation or in its capacity as Managing Member of Company, consent to the amending of the Company's Operating Agreement;
- (ix) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than trade payables and usual and customary expenses incurred in the ordinary course of its business of serving as the Company's Managing Member;
- (x) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any laws or statutes relating to insolvency, bankruptcy, liquidation, or reorganization, or, make an assignment for the benefit of creditors; or
- (xi) withdraw or resign as general partner of the Company.

ARTICLE V
Incorporator

The name and street address of the Incorporators of this Corporation is as follows:

RONALD S. MOLKO
1458 Ocean Drive
Miami Beach, Florida 33139

GENE GRABARNICK
1458 Ocean Drive
Miami Beach, Florida 33139

ARTICLE VI
Term of Corporate Existence

This Corporation shall exist perpetually or until it is dissolved according to the provisions of Florida law.

ARTICLE VII
Address of Registered Office and Registered Agent

The street address of the initial Registered Office of this Corporation in the State of Florida shall be 1458 Ocean Drive, Miami Beach, Florida 33139. The name of the initial Registered Agent of the Corporation at the above address shall be RONALD S. MOLKO. The Board of Directors may from time to time change the Registered Office to any other address in the State of Florida or change the Registered Agent.

ARTICLE VIII
Separateness Covenants

So long as the Mortgage from the Company to the Lender remains outstanding, the Corporation agrees that it will:

- (i) maintain its books, records and accounts separate from any other person or entity;
- (ii) not co-mingle its assets with the assets of any other person or entity, and shall maintain arm's length with affiliate;
- (iii) conduct its own business in its own name;
- (iv) maintain separate financial statements;
- (v) pay its own liabilities out of its own funds;

- (vi) observe all corporate formalities including, but not limited to, maintaining minutes and other usual and customary corporate records;
- (vii) pay the salaries of its own employees and maintain a sufficient number of employees to transact its business operations;
- (viii) not guarantee or become obligated for the debts of any other person or entity nor hold out its credit as being available to satisfy the obligations of others;
- (ix) not acquire obligations or securities of its shareholders;
- (x) allocate fairly and reasonably any overhead for shared office space;
- (xi) use separate stationary, invoices and checks for its own business;
- (xii) not pledge its assets for the benefit of any other entity or make any loans or advances to any entity;
- (xiii) hold itself out as a separate entity and, if necessary correct any known misunderstanding regarding its separate entity; and
- (xiv) maintain adequate capital in light of its contemplated business operation.

ARTICLE IX
Initial Board of Directors

The Corporation shall have at least one (1) and no more than three (3) directors. The names and street addresses of the members of the initial Board of Directors of this Corporation who shall hold office until the first annual meeting of the shareholders, and thereafter until any successors are elected, are as follows:

<u>Name</u>	<u>Address</u>
Ronald S. Molko	1458 Ocean Drive, Miami Beach, FL 33139
Gene Grabarnick	1458 Ocean Drive, Miami Beach, FL 33139

The Board of Directors shall consider the interests of its creditors in making corporate decisions.

**ARTICLE X
Officers**

The Corporation shall have a President, a Secretary, and a Treasurer and may have additional and assistant officers including, without limitation thereto, one or more Vice Presidents, Assistant Secretaries, and Assistant Treasurers. A person may hold more than one office. The names and addresses of the initial officers are as follows:

<u>Name/Office</u>	<u>Address</u>
Ronald S. Molko, President	1458 Ocean Drive, Miami Beach, FL 33139
Gene Grabarnick, Secretary/Treasurer	1458 Ocean Drive, Miami Beach, FL 33139

**ARTICLE XI
Amendment**

For as long as the Mortgage is outstanding, these Articles of Incorporation shall not be amended unless such amendment(s) has been unanimously approved by the Corporation's Board of Directors and unless such amendment(s) has been approved by the Lender.

**ARTICLE XII
Indemnification**


The Corporation may indemnify any director or officer made a party or threatened to be made a party to any pending or completed action, suit or proceeding:

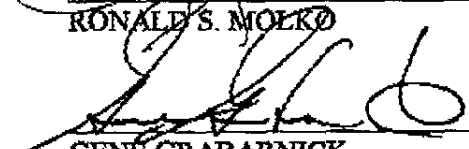
(i) whether civil, criminal, administrative, or investigative (other than an action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor), brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity as director, officer, employee or agent of the Corporation;

(ii) against judgments, fines, amounts paid in settlement and expenses, including attorneys' fees, actually and reasonably incurred as a result of such action, suit or proceeding or any appeal thereof, if such person acted in good faith in the reasonable belief that such action was in or not opposed to the best interests of the corporation, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful.

The foregoing rights of indemnification shall not be deemed to limit in any way the power of the Corporation to indemnify its officers, directors, agents and employees under any applicable law.

IN WITNESS WHEREOF, the undersigned, have duly adopted and executed these Articles of Incorporation on this the 6 day of Aug., 2003.



RONALD S. MOLKØ


GENE GRABARNICK

MIA1 #916687 v1

(((HO3000249238 4)))

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



RONALD S. MOLKO, Registered Agent
1458 Ocean Drive
Miami Beach, Florida 33139

FILED
03 AUG -8 AM 10:39
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

(((HO3000249238 4)))