

FROM MAHONEY ADAMS & CRISER 100227 17:00 NO. 3517 212

P97000000784

2/26/97

FLORIDA DIVISION OF CORPORATIONS
PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

4:24 PM

FILED
15+

((H97000003405 2)))

TO: DIVISION OF CORPORATIONS

FAX #: (904)922-4000

FROM: MAHONEY ADAMS & CRISER, P.A.

ACCT#: 076226003514

CONTACT: CORINNE P MCCLURE

PHONE: (904)354-1100

FAX #: (904)798-2661

NAME: BARNETT REAL ESTATE MANAGEMENT, INC.

AUDIT NUMBER.....H97000003405

DOC TYPE.....BASIC AMENDMENT

CERT. OF STATUS..0

PAGES..... 213

CERT. COPIES.....0

DEL.METHOD.. FAX

EST.CHARGE.. \$35.00

* NOTE: PLEASE PRINT THIS PAGE AND USE IT AS A COVER SHEET. TYPE THE FAX
AUDIT NUMBER ON THE TOP AND BOTTOM OF ALL PAGES OF THE
DOCUMENT

** ENTER 'M' FOR MENU. **

MAC No. 16240.589

2/26

Original
File

FILED
97 FEB 26 PM 5:05
TALLAHASSEE, FLORIDA

H97000003405

ARTICLES OF AMENDMENT
DESIGNATING THE,
PREFERENCES, RIGHTS AND LIMITATIONS OF

8% NONVOTING PREFERRED STOCK
\$1000 PAR VALUE
of
BARNETT REAL ESTATE MANAGEMENT, INC.

FILED
97 FEB 26 PM 5:05
TALLAHASSEE, FLORIDA

Pursuant to Section 607.0602 of the
Florida Business Corporation Act

Barnett Real Estate Management, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), HEREBY CERTIFIES that the following amendments were duly adopted by the Board of Directors of the Corporation on January 15, 1997, pursuant to authority conferred upon the Board of Directors by the provisions of the Articles of Incorporation of the Corporation.

1. Designation. The designation of the series of preferred stock created by this amendment shall be 8% Nonvoting Preferred Stock, \$1000 par value, of Barnett Real Estate Management, Inc. (the "Corporation") (hereinafter referred to as "Nonvoting Preferred Stock"), and the number of shares constituting such series shall be 1000, which number may be increased or decreased (but not below the number of shares then outstanding) from time to time by the Board of Directors of the Corporation (the "Board"). The Nonvoting Preferred Stock shall rank prior to the common stock of the Corporation, \$1000 par value (the "Common Stock"), with respect to the payment of dividends and the distribution of assets.

2. Dividend Rights.

(a) The holders of shares of Nonvoting Preferred Stock shall be entitled to receive, when and as declared by the Board, out of funds legally available therefor, preferential cash dividends, accruing from the date of issuance, at the annual rate of 8% of the par value of \$1000 per share, and no more, payable annually on December 31 of each year (each of such annual periods being hereinafter referred to as a "dividend period"). Dividends on the Nonvoting Preferred Stock shall first become payable on December 31, 1997.

Prepared By:
G. Alan Howard, Esq.
Mahoney Adams & Criser, P.A.
P.O. Box 4099
Jacksonville, Florida 32201
904-354-1100
Florida Bar No. 629091

H97000003405

H97000003405

(b) The Corporation shall not (i) declare or pay or set apart for payment any dividends or distributions on any stock ranking as to dividends junior to the Nonvoting Preferred Stock (other than dividends paid in shares of such junior stock) or (ii) make any purchase or redemption of, or any sinking fund payment for the purchase or redemption of, any stock ranking as to dividends junior to the Nonvoting Preferred Stock (other than a purchase or redemption made by issue or delivery of such junior stock) unless all dividends payable on all outstanding shares of Nonvoting Preferred Stock shall have been paid in full or declared and a sufficient sum set apart for payment thereof; provided, however, that any moneys theretofore deposited in any sinking fund with respect to any preferred stock of the Corporation in compliance with the provisions of such sinking fund may thereafter be applied to the purchase or redemption of such preferred stock in accordance with the terms of such sinking fund regardless of whether at the time of such application all dividends payable on all outstanding shares of Nonvoting Preferred Stock shall have been paid in full or declared and a sufficient sum set apart for payment thereof.

(c) All dividends declared on shares of Nonvoting Preferred Stock and any other class of preferred stock or series thereof ranking on a parity as to dividends with the Nonvoting Preferred Stock shall be declared pro-rata, so that the amounts of dividends declared per share on the Nonvoting Preferred Stock and such other preferred stock for the same dividend period, or for the dividend period of the Nonvoting Preferred Stock ending within the dividend period of such other stock, shall, in all cases, bear to each other the same ratio that accrued dividends per share on the shares of Nonvoting Preferred Stock and such other stock bear to each other.

3. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the holders of Nonvoting Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders an amount equal to \$1000 per share plus an amount equal to any accrued and unpaid dividends thereon to and including the date of such distribution, and no more, before any distribution shall be made to the holders of any class of stock of the Corporation ranking junior to the Nonvoting Preferred Stock as to the distribution of assets.

(b) In the event the assets of the Corporation available for distribution to shareholders upon any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full the amounts payable with respect to the Nonvoting Preferred Stock and any other shares of preferred stock of the Corporation ranking on a parity with the Nonvoting Preferred Stock as to the distribution of assets, the holders of Nonvoting Preferred Stock and the holders of such other preferred stock shall share ratably in any distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled.

(c) The merger or consolidation of the Corporation into or with any other corporation, the merger or consolidation of any other corporation into or with the Corporation or the sale of the assets of the Corporation substantially as an entirety shall not be deemed a

H97000003405

liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Paragraph 3.

4. Redemption. The shares of Nonvoting Preferred Stock are redeemable at the option of the Corporation.

5. Conversion Rights. The holders of shares of Nonvoting Preferred Stock shall not have any rights to convert or exchange such shares into shares of any other affiliated corporation.

6. Voting Rights. The Nonvoting Preferred Stock shall not have any voting powers, either general or special.

7. Reacquired Shares. Shares of Nonvoting Preferred Stock purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

8. No Sinking Fund. Shares of Nonvoting Preferred Stock are not subject to the operation of a sinking fund.

IN WITNESS WHEREOF, BARNETT REAL ESTATE MANAGEMENT, INC., has caused this Certificate to be signed by Kimberly B. Blalock, its Secretary, effective as of 12:01 a.m., the 26th day of February, 1997.

BARNETT REAL ESTATE MANAGEMENT, INC.

By: 
Kimberly B. Blalock, Secretary

D:\CH\BARNETT\Cert\Doc.BLS

FROM MAHONEY ADAMS & CRISER, P.A. IS H97000003490 2 07 : 10 : 17:07/ 35147 13 17/18

P97000000784

2/27/97

FLORIDA DIVISION OF CORPORATIONS
PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

3:17 PM

FILM
2nd

((H97000003490 4))

TO: DIVISION OF CORPORATIONS

FAX #: (904)922-4000

FROM: MAHONEY ADAMS & CRISER, P.A.

ACCT#: 076226003514

CONTACT: CORINNE P MCCLURE

PHONE: (904)354-1100

FAX #: (904)798-2661

NAME: BARNETT REAL ESTATE MANAGEMENT, INC.

AUDIT NUMBER.....H97000003490

DOC TYPE.....BASIC AMENDMENT

CERT. OF STATUS..0

PAGES..... 15

CERT. COPIES.....0

DEL.METHOD.. FAX

EST.CHARGE.. \$35.00

NOTE: PLEASE PRINT THIS PAGE AND USE IT AS A COVER SHEET. TYPE THE FAX
AUDIT NUMBER ON THE TOP AND BOTTOM OF ALL PAGES OF THE
DOCUMENT

** ENTER 'M' FOR MENU. **

MAC No. 16240.589

FILED
97 FEB 26 PM 5:05
TALLAHASSEE, FLORIDA

Corinne P. McClure
Funder

9
1997

H97000003490

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
BARNETT REAL ESTATE MANAGEMENT, INC.

The above corporation (the "Corporation") existing pursuant to the Florida Business Corporation Law, desiring to give notice of corporate action effectuating the restatement of its Amended and Restated Articles of Incorporation, sets forth the following facts:

1. The name of the Corporation is BARNETT REAL ESTATE MANAGEMENT, INC.

2. The Articles of Incorporation of Barnett Real Estate Management, Inc. filed with the Secretary of State of the State of Florida, effective December 12, 1996, are hereby amended and restated in their entirety pursuant to the direction of the Board of Directors of the Corporation:

FIRST
NAME

The name of the Corporation is Barnett Real Estate Management, Inc. (the "Corporation").

SECOND
REGISTERED OFFICE AND AGENT

The address of its registered office in the State of Florida is 50 North Laura Street in the City of Jacksonville, County of Duval. The name of its registered agent at such address is Louis J. Sipka.

Prepared by G. Alan Howard, Esq.
Mahoney Adams & Criser, P.A.
P. O. Box 4099
Jacksonville, FL 32201
(904) 354-1100
Florida Bar No. 0629091

FILED
97 FEB 26 PM 5:05
TALLAHASSEE, FLORIDA

H97000003490

H97000003490

2

THIRD
PURPOSE

The Corporation intends to qualify as a real estate investment trust ("REIT") as defined in Section 856 of the Code (as defined in Section 8.1 hereof). Consistent with that intention, the purpose of the Corporation is to engage in the acquisition, ownership, management and disposition of real estate related assets and other assets in the manner contemplated by these Articles of Incorporation and, in connection therewith, to engage in all lawful acts or activities for which corporations may be organized under the Florida Business Corporation Act of the State of Florida ("FBCA") as the same exists or may hereafter be amended. In no event shall the Corporation be authorized or enabled to engage in any activity which would not be permitted to be undertaken by a subsidiary of a national banking association.

FOURTH
[RESERVED]

FIFTH
CAPITAL STOCK

5.1 Authorized Capital

The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 21,001,000 shares of which (a) 1,000,000 shares shall be shares of voting preferred stock with a par value of \$1,000 per share (hereinafter called the "Preferred Stock"), (b) 1,000 shares of which shall be shares of non-voting preferred stock with a par value of \$1,000 per share (the "Non-Voting Preferred Stock") and (c) 20,000,000 shares shall be shares of common stock with a par value of \$1,000 per share (hereinafter called the "Common Stock").

Any amendment to these Articles of Incorporation which shall increase or decrease the authorized capital stock of the Corporation may be adopted by the affirmative vote of the holders of capital stock representing not less than a majority of the voting power represented by the outstanding shares of capital stock of the Corporation entitled to vote, subject to the voting rights of holders of Preferred Stock of the Corporation which may be designated from time to time by the Board of Directors of the Corporation.

H97000003490

H97000003490

3

5.2 Common Stock

The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of the Common Stock shall be governed by the following provisions:

(a) **Identical Rights.** Except as otherwise provided herein, all shares of Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

(b) **Voting Rights.** Except as otherwise required by law or as otherwise provided herein, on all matters submitted to the Corporation's stockholders generally, the holders of Common Stock shall be entitled to one vote per share.

(c) **Dividends.** When and as dividends or other distributions are declared, whether payable in cash, in property or in securities of the Corporation, the holders of shares of Common Stock shall be entitled to share equally, share for share, in such dividends or other distributions, provided that if dividends or other distributions are declared which are payable in shares of Common Stock, such dividends or other distributions shall be declared payable at the same rate for all holders of Common Stock and the dividends payable in shares of Common Stock will be payable to holders of Common Stock. Notwithstanding the foregoing, so long as any shares of Preferred Stock or Non-Voting Preferred Stock ranking senior to the Common Stock as to dividends are outstanding, no dividends or distributions (including redemptions) may be paid on the Common Stock unless all dividends on such Preferred Stock or Non-Voting Preferred Stock shall have been paid.

During the Initial Term (as defined in the Corporation's Resolution providing for the issuance of the Preferred Stock), the Company will not, unless approved by the vote of the holders of at least 66 2/3% of the outstanding shares of Preferred Stock, make any distribution with respect to shares of Common Stock which, if such proposed distribution were included, would result in total distributions by the Company to all of its stockholders for the taxable year exceeding 105% of the Company's "REIT taxable income" as such term is defined in Section 857(b)(2) of the Code, excluding, however, from the calculation of such amount the deduction for dividends paid under Section 857(b)(2)(B) of the Code, but including any net capital gain for such taxable year, unless the Corporation is, and upon the consummation of such distribution will be, in compliance with the Equity Value Requirement (as defined in such Resolution).

(d) **Conversion.** The holders of shares of Common Stock shall not have any rights to convert such shares into shares of any other class or series of capital stock of the Corporation.

H97000003490

H97000003490

4

(e) Redemption. Holders of Common Stock have no redemption or preemptive rights and are not liable for calls or assessments.

(f) Liquidation Rights. In the event of any voluntary or involuntary dissolution, liquidation or winding up of the Corporation, subject to the prior payment in full of all liabilities of the Corporation and any liquidation preference of shares of Preferred Stock and Non-Voting Preferred Stock of the Corporation, the holders of shares of Common Stock shall be entitled to share, equally and ratably among all holders of Common Stock, in all remaining assets after payment of such liabilities and preferences. Neither the sale of all or substantially all the property or business of the Corporation, nor the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purpose of this paragraph (f).

5.3 Preferred Stock

The Board of Directors is expressly authorized to provide for the issuance of all or any shares of Preferred Stock and Non-Voting Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers full or limited, or no voting powers, and such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series and as may be permitted by the FBCA, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions.

SIXTH MANAGEMENT OF CORPORATION

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

H97000003490

H97000003490

5

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.

(3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.

(4) The holders of a class or series of Preferred Stock may from time to time be entitled to elect one or more directors in the manner prescribed in the Resolution authorizing the issuance of such class or series of Preferred Stock.

(5) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to the FBCA or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(6) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the FBCA, these Articles of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SEVENTH
MEETINGS OF STOCKHOLDERS

Meetings of stockholders may be held within or without the State of Florida, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the FBCA) outside the State of Florida at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

H97000003490

H97000003490

6

EIGHTH
RESTRICTION OF TRANSFER,
ACQUISITION AND REDEMPTION OF SHARES

8.1 Definitions

The following terms shall have the following meanings for purposes of these Articles of Incorporation:

"Beneficial Ownership" means ownership of shares of any class or series of Common Stock, Preferred Stock or Non-Voting Preferred Stock by a Person who would be treated as an owner of such shares under Section 542(a)(2) of the Code either directly or constructively through the application of Section 544 of the Code as modified by Sections 856(h)(1)(B) and 856(h)(3)(A) of the Code. The terms "Beneficial Owner," "Beneficially Own" and "Own Beneficially" shall have correlative meanings.

"Beneficiary" means, with respect to the Trust, one or more organizations named by the Corporation as beneficiary or beneficiaries of the Trust in accordance with Section 8.11(a). Each such Beneficiary shall be an organization described in Section 501(c)(3) of the Code, that is not an "individual" within the meaning of Section 542 of the Code, contributions to which must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

"Board of Directors" means the Board of Directors of the Corporation.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto. Reference to any provision of the Code shall mean such provision as in effect from time to time, as the same may be amended, and any successor thereto, as interpreted by any applicable regulations or other administrative pronouncements as in effect from time to time.

"Excess Shares" has the meaning set forth in Section 8.3.

"Market Price", with respect to the Common Stock, Preferred Stock and Non-Voting Preferred Stock, on any date of determination means the price per share as determined in good faith by the Board of Directors (or any duly authorized committee thereof).

"Non-Transfer Event" means any event other than a purported Transfer that would cause (i) the Corporation to become "closely held" within the meaning of Section 856(h) of the Code, and/or (ii) the Corporation to otherwise fail to qualify as a REIT, in each case including, but not limited to, the granting of any option or

H97000003490

H97000003490

7

entering into any agreement for the sale, transfer or other disposition of shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock or the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock.

"Permitted Transferee" means any Person designated as a Permitted Transferee in accordance with the provisions of Section 8.11(e) hereof.

"Person" means (a) an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company, limited liability company or other entity and (b) also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

"Prohibited Owner" means, with respect to any purported Transfer or Non-Transfer Event, any Person who, except for the provisions of Section 8.3, would Beneficially own shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock.

"REIT" means a Real Estate Investment Trust as defined in Section 856 of the Code.

"Restriction Termination Date" means the first day after the Initial Term on which the Board of Directors determine that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

"Transfer" means any sale, transfer, gift, assignment, devise or other disposition of any shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock (including (i) the granting of any option (including, but not limited to, an option to acquire an option or any series of such options) or entering into any agreement for the sale, transfer or other disposition of Common Stock, Preferred Stock or Non-Voting Preferred Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Common Stock, Preferred Stock or Non-Voting Preferred Stock or the exercise of such rights), whether voluntary or involuntary, whether of record or beneficially, and whether by operation of law or otherwise (including, but not limited to, any transfer of an interest in other entities which results in a change in the Beneficial Ownership of shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock). The terms "Transfers" and "Transferred" shall have correlative meanings.

H97000003490

"Trust" means the trust created pursuant to Section 8.11.

"Trustee" means any Person or entity unaffiliated with both the Corporation and any Prohibited Owner who is designated by the Corporation to act as trustee of the Trust, and any successor trustee appointed by the Corporation.

8.2 Restriction on Ownership and Transfers

(a) Notwithstanding any other provision herein, from and after the date hereof and prior to the Restriction Termination Date, any Transfer that, if effective, would result in the outstanding stock being Beneficially Owned by less than 100 Persons (determined without reference to any rules of attribution) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of stock.

(b) Notwithstanding any other provision herein, from and after the date hereof and prior to the Restriction Termination Date, any Transfer that, if effective, would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code shall be void ab initio as to the Transfer of that number of shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock that would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code; and the intended transferee shall acquire no rights in such shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock, as the case may be.

(c) Notwithstanding any other provision herein, from and after the date hereof and prior to the Restriction Termination Date, any Transfer that, if effective, would cause the Corporation to fail to qualify as a REIT shall be void ab initio as to the Transfer of that number of shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock, as the case may be, in excess of the number that could have been Transferred without such result; and the intended transferee shall acquire no rights in such shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock, as the case may be.

(d) A Transfer of a share of Common Stock, Preferred Stock or Non-Voting Preferred Stock which is null and void under paragraph (a), (b) or (c) of this Section 8.2 shall not adversely affect the validity of the Transfer of any other share of Common Stock, Preferred Stock or Non-Voting Preferred Stock in the same or any other related transaction.

8.3 Transfer in Trust

If, notwithstanding the other provisions contained in this Article EIGHTH, at any time prior to the Restriction Termination Date, there is a purported Transfer or Non-Transfer Event that, if effective, would cause the Corporation to become "closely held" within the meaning of Section 856(h) of the Code or to otherwise fail to qualify as a REIT,

H97000003490

H97000003490

then (i) the Prohibited Owner shall acquire no right or interest (or, in the case of a Non-Transfer Event, shall cease to own any right or interest) in such number of shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock, the ownership of which by such purported transferee or record holder would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code or to otherwise fail to qualify as a REIT and (ii) such number of shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock (rounded up to the nearest whole share) shall be designated as Excess Shares and, in accordance with the provisions of Section 8.11, be transferred automatically and by operation of law to the Trust for the benefit of the Beneficiary. Such transfer to a Trust and the designation of shares as Excess Shares shall be effective as of the close of business on the business day prior to the date of the Transfer or Non-Transfer Event, as the case may be.

8.4 Remedies for Breach

If the Board of Directors or a committee thereof shall at any time determine in good faith that a Non-Transfer Event has occurred, a Transfer has taken place in violation of Section 8.2 or a Person intends to acquire or has attempted to acquire or may acquire Beneficial Ownership of any shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock in violation of Section 8.2 (whether or not such violation is intended), the Board of Directors shall be empowered to take any action it deems advisable to refuse to give effect to or to prevent such Transfer or Non-Transfer Event, including, but not limited to, refusing to give effect to such Transfer or Non-Transfer Event on the books of the Corporation or instituting proceedings to enjoin or rescind such Transfer or acquisition.

8.5 Notice of Restricted Transfer

Any Person who acquires or attempts to acquire shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock in violation of Section 8.2, or any Person who owned shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock that were transferred to a Trust pursuant to the provisions of Section 8.3, shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or Non-Transfer Event, as the case may be, on the Corporation's status as a REIT. Failure to give such notice shall not in any way limit the rights and remedies of the Board of Directors provided herein.

8.6 Owners Required to Provide Information

From and after the date hereof and prior to the Restriction Termination Date:

- (a) Every Beneficial Owner of one-half of 1% or more of any class or series of Preferred Stock, Non-Voting Preferred Stock or Common Stock of the Corporation outstanding shall, within 30 days after December 31 of each year, give

H97000003490

H97000003490

10

written notice to the Corporation stating the name and address of such Beneficial Owner, the number of shares of such class or series of stock Beneficially Owned by such Beneficial Owner, a full description of how shares are held and a statement identifying the actual or constructive owners of such shares. Each such Beneficial Owner shall, upon demand by the Corporation, disclose to the Corporation in writing such additional information with respect to its Beneficial Ownership of such class or series of stock as the Corporation, in its sole discretion, deems appropriate or necessary, to comply with the provisions of the Code regarding the qualification of the Corporation as a REIT.

(b) At the request of the Corporation, any Person who is a Beneficial Owner of *Common Stock, Preferred Stock or Non-Voting Preferred Stock* and any Person (including the shareholder of record) who is holding *Common Stock, Preferred Stock or Non-Voting Preferred Stock* for a Beneficial Owner, and any proposed transferee of shares, shall provide (i) such information as the Corporation, in its sole discretion, may request from time to time in order (A) to determine the Corporation's status as a REIT or (B) to ensure compliance with the requirements of any taxing authority or other governmental agency and (ii) a statement or affidavit to the Corporation setting forth the number of shares of each class or series of stock Beneficially Owned by such shareholder or proposed transferee and any related Persons specified, which statement or affidavit shall be in the form prescribed by the Corporation for that purpose.

8.7 Remedies Not Limited

Nothing contained in this Article EIGHTH shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its shareholders in the preservation of the Corporation's status as a REIT.

8.8 Ambiguity

In the case of an ambiguity in the application of any of the provisions of Article EIGHTH, including any definition contained in Section 8.1, the Board of Directors shall have the power to determine the application of such provisions with respect to any situation based on its reasonable belief, understanding or knowledge of the circumstances.

H97000003490

H97000003490

11

8.9 Legend

Each certificate for Common Stock, Preferred Stock and Non-Voting Preferred Stock shall bear the following legend:

"The shares of stock represented by this certificate are subject to restrictions on transfer for the purpose of the Corporation's maintenance of its status as a Real Estate Investment Trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). No Person may Beneficially Own shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock that would result in the Corporation being "closely held" under Section 856(h) of the Code or otherwise to fail to qualify as a REIT. Any Person who attempts to Beneficially Own shares of Common Stock, Preferred Stock or Non-Voting Preferred Stock in excess of the applicable limitation must immediately notify the Corporation in writing. No Person may transfer shares of stock if such transfer would result in the outstanding stock being Beneficially Owned by less than 100 Persons (determined without reference to any rules of attribution). If the restrictions on transfer are violated, the shares of stock represented hereby will be transferred automatically and by operation of law to a Trust and shall be designated Excess Shares. Any terms not defined in this legend shall have the meanings ascribed to such terms in the Articles of Incorporation, a copy of which, including the restrictions on transfer, will be sent without charge to each stockholder who so requests."

8.10 Severability

If any provision of this Article EIGHTH or any application of any such provision is determined to be void, invalid or unenforceable by any Federal or state court having jurisdiction over the issues, the validity and enforceability of the remaining provisions of these Articles of Incorporation (including without limitation this Article EIGHTH) shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

8.11 Excess Shares

(a) **Ownership in Trust.** Upon any purported Transfer, Non-Transfer Event or purported change in Beneficial Ownership that results in shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock being designated Excess Shares pursuant to Section 8.3, such Excess Shares shall be transferred to a Trust for the exclusive benefit of the Beneficiary. The Corporation shall name a Beneficiary that is an organization described in Section 501(c)(3) of the Code, that is not an "individual" within the meaning of Section 542 of the Code, if one does not already exist, within five (5) days after the discovery of any Transfer to the Trust. Excess Shares shall remain issued and outstanding stock of the Corporation and shall be entitled to the same rights and privileges on identical terms and

H97000003490

12

conditions as all other issued and outstanding shares of the same class and series. When transferred to the Permitted Transferee in accordance with the provisions of Section 8.11(e), such Excess Shares shall cease to be designated as Excess Shares.

(b) Dividend Rights. The Trustee, as record holder of the Excess Shares, shall be entitled to receive all dividends and distributions as may be declared by the Board of Directors of the Corporation on such shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock designated Excess Shares and shall hold such dividends or distributions in trust for the benefit of the Beneficiary. The Prohibited Owner with respect to Excess Shares shall repay to the Trustee the amount of any dividends or distributions received by it that (i) are attributable to any shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock designated Excess Shares and (ii) the record date of which is on or after the date that such shares became Excess Shares. The Corporation shall take all measures that it determines reasonably necessary to recover the amount of any such dividend or distribution paid to a Prohibited Owner, including, if necessary, withholding any portion of future dividends or distributions payable on shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock Beneficially Owned by the Person who, but for the provisions of Section 8.3 of this Article EIGHTH, would Beneficially Own the Excess Shares; and, as soon as reasonably practicable following the Corporation's receipt or withholding thereof, shall pay over to the Trustee for the benefit of the Beneficiary the dividends so received or withheld, as the case may be.

(c) Rights Upon Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, the Trustee of Excess Shares shall be entitled to receive, ratably with each other holder of Preferred Stock, Non-Voting Preferred Stock or Common Stock of the same class or series, that portion of the assets of the Corporation available for distribution to the holders of such class and series. The Trustee shall distribute to the Prohibited Owner the amounts received upon such liquidation, dissolution, or winding up, or distribution; provided, however, that no Prohibited Owner shall be entitled to receive any amounts in excess of the price per share such Prohibited Owner paid for Preferred Stock, Non-Voting Preferred Stock or Common Stock in any purported Transfer that resulted in the Excess Shares or, in the case of a Non-Transfer Event or a Transfer in which the Prohibited Owner did not give value for such shares (e.g., through a gift or devise), a price per share equal to the Market Price on the date of any purported Transfer or Non-Transfer Event that resulted in the Excess Shares. Any remaining amount in the Trust shall be distributed ratably to the Beneficiary of the Trust.

(d) Voting Rights. The Trustee shall be entitled to vote all Excess Shares. Any vote by a Prohibited Owner as a holder of shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock prior to the discovery by the Corporation that such shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock are Excess Shares shall, subject to applicable law and only to the extent that no Person other than the Prohibited

H97000003490

H97000003490

13

Owner is materially and adversely affected, be rescinded and shall be void ab initio with respect to such Excess Shares and the Prohibited Owner shall be deemed to have given, as of the close of business on the business day prior to the date of the purported Transfer or Non-Transfer Event that results in the transfer to the Trust of the shares of stock under Section 8.3 of this Article EIGHTH, an irrevocable proxy to the Trustee to vote the Excess Shares in the manner in which the Trustee, in its sole and absolute discretion, desires.

(e) Designation of Permitted Transferee. The Trustee shall have the exclusive and absolute right to designate a Permitted Transferee of any and all Excess Shares. As soon as reasonably practicable, in an orderly fashion so as not to materially adversely affect the Market Price of the Excess Shares, the Trustee shall designate any Person as Permitted Transferee; provided, however, that (i) the Permitted Transferee so designated purchases for valuable consideration (whether in a public or private sale) the Excess Shares and (ii) the Permitted Transferee so designated may acquire such Excess Shares without such acquisition resulting in a transfer to a Trust and the redesignation of such shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock so acquired as Excess Shares under Section 8.3. Upon the designation by the Trustee of a Permitted Transferee in accordance with the provisions of this paragraph, the Trustee shall (i) cause to be transferred to the Permitted Transferee that number of Excess Shares acquired by the Permitted Transferee; (ii) cause to be recorded on the books of the Corporation that the Permitted Transferee is the holder of record of such number of shares of Preferred Stock, Non-Voting Preferred Stock or Common Stock; and (iii) distribute to the Beneficiary any and all amounts held with respect to the Excess Shares after making that payment to the Prohibited Owner pursuant to Section 8.11(f).

(f) Compensation to Record Holder of Shares that Become Excess Shares. Any Prohibited Owner shall be entitled (following discovery of the Excess Shares and subsequent designation of the Permitted Transferee in accordance with Section 8.11(e)) to receive from the Trustee the lesser of (i) in the case of (a) a purported Transfer in which the Prohibited Owner gave value for shares of stock and which Transfer resulted in the transfer of the shares to the Trust, the price per share, if any, such Prohibited Owner paid for such shares, or in the case of (b) a Non-Transfer Event or Transfer in which the Prohibited Owner did not give value for such shares (e.g., if the shares were received through a gift or devise) and which Non-Transfer Event or Transfer, as the case may be, resulted in the transfer of shares to the Trust, the price per share equal to the Market Price on the date of such Non-Transfer Event or Transfer, and (ii) the price per share received by the Trustee of the Trust from the sale or other disposition of such Excess Shares in accordance with Section 8.11(e). Any amounts received by the Trustee in respect of such Excess Shares in excess of such amounts to be paid the Prohibited Owner pursuant to this Section 8.11(f) shall be distributed to the Beneficiary in accordance with the provisions of Section 8.11(e). Each Beneficiary and Prohibited Owner waives any and all claims that they may have against the Trustee and the Corporation arising out of the disposition of Excess Shares, except for claims arising out of

H97000003490

14

the gross negligence or willful misconduct of, or any failure to make payments in accordance with this Section 8.11 by, such Trustee or the Corporation.

(g) Purchase Right in Excess Shares. Excess Shares shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that created such Excess Shares (or, in the case of a devise or gift, the Market Price on the date of such devise or gift) and (ii) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation shall have the right to accept such offer for a period of ninety days after the later of (i) the date of the Transfer which resulted in such Excess Shares and (ii) the date the Board of Directors determines in good faith that a Transfer resulting in Excess Shares has occurred.

NINTH AMENDMENTS

The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

3. The foregoing restatement contains amendments requiring shareholder approval and was adopted by (a) all of the members of the Board of Directors, and (b) the holders of outstanding Common Stock of the Corporation entitled to cast a majority of the votes of the sole voting group which would be entitled to vote on and adopt the amendments at a meeting at which all voting groups and shareholders entitled to vote thereon were present and voted. The holders of the Common Stock of the Corporation constitute the only voting group of the shareholders entitled to vote on the amendment. At a Special Meeting of the Shareholders and Board of Directors held on February 25, 1997, Resolutions approving the foregoing amendments were adopted by all of the Directors and the sole shareholder of the Common Stock of the Corporation.

4. The duly adopted Second Amended and Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments to them.

H97000003490

H97000003490

15

IN WITNESS WHEREOF, the undersigned President of the aforesaid Corporation has executed these Amended and Restated Articles of Incorporation this 26th day of February, 1997.

BARNETT REAL ESTATE MANAGEMENT, INC.

By 

David R. Smith, Jr., Vice President

By 

Kim Blalock, Secretary

o:\ch\bbi\reit\articles.a&r

H97000003490

P97000000784

FROM MAHONEY ADAMS & CRISER

(MON) 03.10.97 18:27/ST. 18:22 FAX 351472 553 P 1/8

CPLUS.SCR

March 10, 1997

Page 1

3/10/97

FLORIDA DIVISION OF CORPORATIONS
PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

4:33 PM

FILMIST

((H97000004098 4)))

TO: DIVISION OF CORPORATIONS

FAX #: (904)922-4000

FROM: MAHONEY ADAMS & CRISER, P.A.
CONTACT: CORINNE P MCCLURE
PHONE: (904)354-1100

ACCT#: 076226003514

FAX #: (904)798-2661

NAME: BARNETT REAL ESTATE MANAGEMENT, INC.
AUDIT NUMBER.....H97000004098
DOC TYPE.....BASIC AMENDMENT
CERT. OF STATUS..0
CERT. COPIES.....1

PAGES..... 1
DEL.METHOD.. FAX
EST.CHARGE.. \$87.50

NOTE: PLEASE PRINT THIS PAGE AND USE IT AS A COVER SHEET. TYPE THE FAX
AUDIT NUMBER ON THE TOP AND BOTTOM OF ALL PAGES OF THE DOCUMENT

RECEIVED

97 MAR 11 AM 7:57

SECTION OF CORPORATIONS

FILED
97 MAR 11 PM 8:50
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

in person
Linda

FROM MAHONEY ADAMS & CRISER

(MON) 03. 10' 97 18:27/ST. 18:22/NO. 3514725453 P 2/8

H97000004098

ARTICLES OF CORRECTION
OF BARNETT REAL ESTATE MANAGEMENT, INC.
CORRECTING THE ARTICLES OF AMENDMENT
DESIGNATING THE PREFERENCES, RIGHTS AND LIMITATIONS
OF 8% NONVOTING PREFERRED STOCK OF
BARNETT REAL ESTATE MANAGEMENT, INC.

Barnett Real Estate Management, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), pursuant to Section 607.0124 of the Florida Business Corporation Act, hereby corrects the following provisions of the Articles of Amendment Designating the Preferences, Rights and Limitation of 8% Nonvoting Preferred Stock of the Corporation filed on February 26, 1997 (the "Certificate of Designation"), underlining the corrected provisions to show changes.

1. Section 4 of the Certificate of Designation incorrectly stated the redemption rights of the 8% Nonvoting Preferred Stock, and is correctly stated as follows:

4. Redemption. The shares of Nonvoting Preferred Stock are not redeemable at the option of the Corporation.

IN WITNESS WHEREOF, BARNETT REAL ESTATE MANAGEMENT, INC., has caused these Articles of Correction to be signed by Kimberly B. Blalock, its Secretary, effective as of the 10th day of March, 1997.

BARNETT REAL ESTATE MANAGEMENT, INC.

By: Kimberly B. Blalock
Kimberly B. Blalock, Secretary

Prepared By:
G. Alan Howard, Esq.
Mahoney Adams & Criser, P.A.
P.O. Box 4099
Jacksonville, Florida 32201
904-354-1100
Florida Bar No. 629091

FILED
97 MAR 11 AM 9 50
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

H97000004098

FROM MAHONEY ADAMS & CRISER

(MON) 03.10.97 18:28/ST. 18:22 FAX 051475453 P 7/8

PCPLUS.SCR

3/10/97

FLORIDA DIVISION OF CORPORATIONS
PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

4:42 PM

FILM 2nd

((H97000004101 6))

TO: DIVISION OF CORPORATIONS

FAX #: (904)922-4000

FROM: MAHONEY ADAMS & CRISER, P.A.

ACCT#: 076226003514

CONTACT: CORINNE P MCCLURE

PHONE: (904)354-1100

FAX #: (904)798-2661

NAME: BARNETT REAL ESTATE MANAGEMENT, INC.

AUDIT NUMBER.....H97000004101

DOC TYPE.....BASIC AMENDMENT

CERT. OF STATUS...0

PAGES..... 1

CERT. COPIES.....1

DEL.METHOD.. FAX

EST.CHARGE.. \$87.50

NOTE: PLEASE PRINT THIS PAGE AND USE IT AS A COVER SHEET. TYPE THE FAX
AUDIT NUMBER ON THE TOP AND BOTTOM OF ALL PAGES OF THE DOCUMENT

RECEIVED

97 MAR 11 AM 7:57

FLORIDA DIVISION OF CORPORATIONS

FILED
97 MAR 11 AM 9:53
SEATTLE
TALLAHASSEE, FLORIDA

*Corporation
Florida*

H97000004101

ARTICLES OF CORRECTION
OF BARNETT REAL ESTATE MANAGEMENT, INC.
CORRECTING THE AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
BARNETT REAL ESTATE MANAGEMENT, INC.

FILED

97 MAR 11 AM 9:53

STATE
FLORIDA

Barnett Real Estate Management, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), pursuant to Section 607.0124 of the Florida Business Corporation Act, hereby corrects the following provisions of the Amended and Restated Articles of Incorporation of the Corporation filed on February 26, 1997 (the "Articles"), underlining the corrected provisions to show changes.

1. The last paragraph of Section 5.2 of the Articles incorrectly stated certain conditions to distributions to holders of common stock, and is correctly stated as follows:

During the Initial Term (as defined in the Corporation's Resolution providing for the issuance of the Preferred Stock), the Company will not, unless approved by the vote of the holders of at least 66 2/3% of the outstanding shares of Preferred Stock, make any distribution with respect to shares of Common Stock which, if such proposed distribution were included, would result in total distributions by the Company to all of its stockholders for the taxable year exceeding 105% of the Company's "REIT taxable income" as such term is defined in Section 857(b)(2) of the Code, excluding, however, from the calculation of such amount the deduction for dividends paid under Section 857(b)(2)(B) of the Code, but including any net capital gain for such taxable year, unless the Corporation is, and upon the consummation of such distribution will be, in compliance with the Cash Flow Limitation, Capital Limitation and Equity Value Requirement Limitation (as such terms are defined in such Resolution).

IN WITNESS WHEREOF, BARNETT REAL ESTATE MANAGEMENT, INC., has caused these Articles of Correction to be signed by Kimberly B. Blalock, its Secretary, effective as of the 10th day of March, 1997.

BARNETT REAL ESTATE MANAGEMENT, INC.

By: Kimberly B. Blalock
Kimberly B. Blalock, Secretary

Prepared By:
G. Alan Howard, Esq.
Mahoney Adams & Criser, P.A.
P.O. Box 4099
Jacksonville, Florida 32201
904-354-1100
Florida Bar No. 629091

H97000004101

FROM MAHONEY ADAMS

CRIS

(MON) 03. 10' 97 18:27/ST. 18:22/NO. 351423456P 3/8

p97000000784

PCPLUS.SCR

3/10/97

FLORIDA DIVISION OF CORPORATIONS
PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

4:40 PM

FILM 3RD

((H97000004100 8)))

TO: DIVISION OF CORPORATIONS

FAX #: (904) 922-4000

FROM: MAHONEY ADAMS & CRISER, P.A.
CONTACT: CORINNE F MCCLURE
PHONE: (904) 354-1100

ACCT#: 076226003514

FAX #: (904) 798-2661

NAME: BARNETT REAL ESTATE MANAGEMENT, INC.

AUDIT NUMBER.....H97000004100

DOC TYPE.....BASIC AMENDMENT

CERT. OF STATUS..0

PAGES..... 3

CERT. COPIES.....1

DEL.METHOD.. FAX

EST.CHARGE.. \$87.50

NOTE: PLEASE PRINT THIS PAGE AND USE IT AS A COVER SHEET. TYPE THE FAX
AUDIT NUMBER ON THE TOP AND BOTTOM OF ALL PAGES OF THE DOCUMENT

RECEIVED

97 MAR 11 AM 7:57

DIVISION OF CORPORATIONS

*Registration
Fide*

FILED
97 MAR 11 PM 9 53
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF CORRECTION
OF BARNETT REAL ESTATE MANAGEMENT, INC.
CORRECTING THE ARTICLES OF AMENDMENT
DESIGNATING THE PREFERENCES, RIGHTS AND LIMITATIONS
OF STEP-DOWN PREFERRED STOCK OF
BARNETT REAL ESTATE MANAGEMENT, INC.

Barnett Real Estate Management, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), pursuant to Section 607.0124 of the Florida Business Corporation Act, hereby corrects the following provisions of the Articles of Amendment Designating the Preferences, Rights and Limitation of Step-Down Preferred Stock of the Corporation filed on February 26, 1997 (the "Certificate of Designation"), underlining the corrected provisions to show changes.

1. The last sentence of Section 7(e) on page 8 of the Certificate of Designation incorrectly stated certain voting rights, and is correctly stated as follows:

By the affirmative vote of holders of at least 66 2/3 of the outstanding shares of this Class, the holders of the shares of this Class may cause the independent manager to be replaced if (i) the independent manager shall be in material default under the Management Agreement, (ii) the Corporation shall fail to satisfy the Equity Value Limitation, the Cash Flow Limitation and or the Capital Limitation or (iii) at any time the Dividends on the Step-Down Preferred Stock are in arrears and the holders of the shares of this Class have received less than the Initial Rate or the Step-Down Rate, as applicable, in each of six consecutive quarterly periods.

2. The definition of "Tax Event" in Section 9 on page 12-13 of the Certificate of Designation incorrectly stated a certain date and is stated correctly as follows:

"Tax Event" shall mean the receipt by the Corporation of an opinion of a nationally recognized tax counsel to the Corporation which is experienced in such matters ("Tax

Prepared By:
G. Alan Howard, Esq.
Mahoney Adams & Criser, P.A.
P.O. Box 4099
Jacksonville, Florida 32201
904-354-1100
Florida Bar No. 629091

Counsel"), to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) or any proposed amendment to, clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) ("Administrative Action") or (iii) any amendment to, clarification of, or change in the position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority, taxing authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, change or Administrative Action is effective or such pronouncement or decision is announced on or after the date of the initial issuance of the shares of this Class February 25, 1997, there is a substantially increased likelihood (determined, in the case of any proposed amendment to, clarification of, or change in the laws affecting taxation, as if any such proposal were enacted into law) (as compared to immediately prior to the initial issuance of the shares of this Class February 25, 1997) that (a) dividends paid or to be paid by the Corporation with respect to the shares of Common Stock and/or this Class are not, or will not be, fully deductible by the Corporation for United States federal income tax purposes, (b) the Corporation is, or will be, subject to more than a de minimis amount of taxes (including, without limitation, income taxes), duties or other governmental charges and assessments.

FROM MAHONEY ADAMS & CRISER

(MON) 03. 10' 97 18:28/ST. 18:22/NO. 3514725453 P 6/8

H97000004100

IN WITNESS WHEREOF, BARNETT REAL ESTATE MANAGEMENT, INC., has caused these Articles of Correction to be signed by Kimberly B. Blalock, its Secretary, effective as of the 10th day of March, 1997.

BARNETT REAL ESTATE MANAGEMENT, INC.

By: Kimberly B. Blalock
Kimberly B. Blalock, Secretary

H97000004100

FROM: MAHONEY ADAMS & CRISER

THURSDAY 2/27/97 7:27 PM ST. 17 4/NO. 147202

P97000000784

2/27/97

FLORIDA DIVISION OF CORPORATIONS
PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

3:33 PM

FILM
3rd

((H97000003496 1)))

TO: DIVISION OF CORPORATIONS

FAX #: (904)922-4000

FROM: MAHONEY ADAMS & CRISER, P.A.
CONTACT: CORINNE P MCCLURE
PHONE: (904)354-1100

ACCT#: 076226003514

FAX #: (904)798-2661

NAME: BARNETT REAL ESTATE MANAGEMENT, INC.
AUDIT NUMBER.....H97000003496
DOC TYPE.....BASIC AMENDMENT
CERT. OF STATUS..0 PAGES..... 14
CERT. COPIES.....0 DEL.METHOD.. FAX
EST.CHARGE.. \$35.00

NOTE: PLEASE PRINT THIS PAGE AND USE IT AS A COVER SHEET. TYPE THE FAX
AUDIT NUMBER ON THE TOP AND BOTTOM OF ALL PAGES OF THE
DOCUMENT

** ENTER 'M' FOR MENU. **

MAC No. 16240.589

28

FILED
97 FEB 26 PM 5:06
TALLAHASSEE, FLORIDA

ARTICLES OF AMENDMENT
DESIGNATING THE
PREFERENCES, RIGHTS AND LIMITATIONS
OF THE BOARD OF DIRECTORS
OF
STEP-DOWN PREFERRED STOCK
OF
BARNETT REAL ESTATE MANAGEMENT, INC.

H97000003496

FILED
97 FEB 26 PM 5:05
TALLAHASSEE, FLORIDA

Pursuant to Section 607.0602 of the Florida Business Corporation Act of the State of Florida

Barnett Real Estate Management, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), HEREBY CERTIFIES that the following resolution was duly adopted by the Board of Directors of the Corporation on February 25, 1997, pursuant to authority conferred upon the Board of Directors by the provisions of the Amended and Restated Articles of Incorporation of the Corporation which authorizes the issuance of up to 1,000,000 voting shares of preferred stock, \$1,000.00 par value per share:

RESOLVED that the issue of 1,000,000 shares of Step-Down Preferred Stock, \$1,000.00 par value per share (the "Step-Down Preferred Stock"), of the Corporation is hereby authorized and the designation, preferences, relative, participating, optional and other special rights, and qualifications, or restrictions of all shares of Step-Down Preferred Stock, in addition to those set forth in the Amended and Restated Articles of Incorporation of the Corporation, are hereby fixed as follows:

1. Designation. The designation of this Class shall be Step-Down Preferred Stock (referred to as this "Class"), and the number of shares constituting this Class shall be 1,000,000. Shares of this Class shall have a liquidation preference of \$1,000 per share. Shares of this Class shall rank *pari passu* as to payment of dividends and amounts upon liquidation, dissolution or winding up of the Corporation and shall be treated as provided in Section 6(b) hereof with the Non-Voting Preferred Stock of the Corporation authorized by resolution of the Board of Directors dated January 15, 1997, as amended by resolution of the Board of Directors duly adopted on February 25, 1997 and approved by the shareholders of the Corporation entitled to vote hereon.

Prepared By:
G. Alan Howard, Esq.
Mahoney Adams & Criser, P.A.
P.O. Box 4099
Jacksonville, Florida 32201
904-354-1100
Florida Bar No. 629091

H97000003496

H97000003496

2. Dividends. (a) Each holder of shares of this Class shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available therefor, cumulative cash dividends, for each quarterly dividend period (each a "Dividend Period"), in an amount equal to \$138.18 per share per annum (the "Initial Rate") divided by four (representing an annual dividend yield of 13.818 %) during the Initial Term (as defined in Section 9 hereof), and thereafter in an amount equal to \$10 per share per annum (the "Step-Down Rate") divided by four (representing an annual dividend yield of 1.00 %). Dividends shall be cumulative from the date of original issue and shall be payable, when and as declared by the Board of Directors or by a duly authorized committee thereof, on February 28, May 30, August 30 and November 30 of each year, commencing on February 28, 1997 (provided, however, that if such day is not a Business Day (as defined in Section 9 hereof) such payment shall be made on the next succeeding Business Day). Each such dividend shall be paid to the holders of record of shares of this Class as they appear on the stock register of the Corporation on such record date, not exceeding 45 days preceding the payment date thereof, as shall be fixed by the Board of Directors of the Corporation or by a duly authorized committee thereof. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors of the Corporation or by a duly authorized committee thereof.

(b) Dividends payable on this Class for any period greater or less than a full Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in the period.

(c) So long as any shares of this Class are outstanding, no dividends (other than dividends or distributions paid in shares of, or options, warrants or rights to subscribe for or purchase shares of Common Stock or other capital stock of the Corporation ranking junior to this Class as to dividends and upon liquidation) shall be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock or upon any other capital stock of the Corporation ranking junior to or on a parity with this Class as to dividends or amounts upon liquidation, nor shall any Common Stock or any other capital stock of the Corporation ranking junior to or on a parity with this Class as to dividends or amounts upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for stock of the Corporation ranking junior to this Class as to dividends and amounts upon

H97000003496

H97000003496

3

liquidation) unless, in each case, full cumulative dividends on all outstanding shares of this Class shall have been paid or declared and set aside for payment for all past Dividend Periods.

(d) When dividends are not paid in full (or a sum sufficient for such full payment is not set aside), as aforesaid in paragraph (c) above, upon the shares of this Class and any other capital stock of the Corporation ranking on a parity as to dividends with this Class, all dividends declared upon shares of this Class and any other capital stock of the Corporation ranking on a parity as to dividends with this Class shall be declared pro rata so that the amount of dividends declared per share on this Class and such other capital stock of the Corporation ranking on a parity as to dividends with this Class shall in all cases bear to each other the same ratio that accrued and unpaid dividends per share on the shares of this Class and such other capital stock of the Corporation bear to each other. Holders of shares of this Class shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends, as herein provided, on this Class. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on this Class which may be in arrears.

3. Redemption. (a) The shares of this Class are not redeemable at the option of the Corporation, except upon the occurrence of a Tax Event (as defined in Section 9 hereof).

(b) The Corporation may, commencing 15 days and ending 120 days after the occurrence of a Tax Event, redeem the shares of this Class, in whole, but not in part, at a redemption price equal to the Tax Event Redemption Price (as defined in Section 9 hereof) (a "Tax Event Redemption").

(c) In the event the Corporation shall redeem shares of this Class, notice of such redemption shall be given by first class mail, postage prepaid, and mailed not less than 15 or more than 60 days prior to the date set for redemption, to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (i) the redemption date; (ii) that all of the shares of this Class are being redeemed pursuant to a Tax Event Redemption; (iii) the redemption price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(d) Notice having been mailed as provided in paragraph (c), from and after the redemption date (unless the Corporation shall default in providing money for the payment of the redemption price), dividends on the shares of

H97000003496

H97000003496

4

this Class so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the redemption price) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation or a duly authorized committee thereof shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the Tax Event Redemption Price.

(e) Any shares of this Class which shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued shares of Step-Down Preferred Stock, without designation as to class or series until such shares are once more designated as part of a particular series by the Board of Directors of the Corporation or a duly authorized committee thereof.

4. Conversion. The holders of shares of this Class shall not have any rights to convert or exchange such shares into shares of any other class or series of capital stock of the Corporation or any affiliated corporation.

5. Liquidation Rights. (a) Upon the voluntary or involuntary dissolution, liquidation or winding up of the Corporation, the holders of the shares of this Class shall be entitled to receive and to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment or distribution shall be made on the Common Stock or on any other class of stock ranking junior to this Class upon liquidation, the amount of \$1,000 per share.

(b) After the payment to the holders of the shares of this Class of the full preferential amounts provided for in this Section 5, the holders of this Class as such shall have no right or claim to any of the remaining assets of the Corporation.

(c) If, upon any voluntary or involuntary dissolution, liquidation, or winding up of the Corporation, the amounts payable with respect to the par value of the shares of this Class and any other class or series of shares of stock of the Corporation ranking as to any such distribution on a parity with the shares of this Class are not paid in full, the holders of the shares of this Class and of such other class or series of shares will share ratably in any such distribution of assets of the Corporation in proportion to the full respective liquidating distributions to which they are entitled.

H97000003496

H97000003496

5

(d) Neither the sale of all or substantially all the property or business of the Corporation, nor the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary.

6. Ranking. For purposes of this resolution, any capital stock of any class or classes of the Corporation shall be deemed to rank:

(a) prior to the shares of this Class, either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of this Class;

(b) on a parity with shares of this Class, either as to dividends or upon liquidation, whether or not the dividend rates or amounts, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of this Class, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of this Class; and

(c) junior to shares of this Class, either as to dividends or upon liquidation, if such class shall be Common Stock or if the holders of shares of this Class shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of such class or classes.

7. Voting Rights. (a) The shares of this Class shall have a .5 vote per share on all matters submitted to the Corporation's stockholders generally and shall vote together on such matters as a single class with holders of shares of Common Stock, except in those circumstances specified in Sections 7(b), 7(c), 7(d), 7(e) and 7(f) below.

(b) Whenever the dividends on the shares of this Class have been in arrears and the holders of the shares of this Class have received less than the Initial Rate or the Step-Down Rate, as applicable, in each of six consecutive Dividend Periods, the holders of the shares of this Class, voting separately as a class, shall have the right to elect a majority of the directors constituting the Board of Directors of the Corporation (a "Right of Election"). Within one

H97000003496

H97000003496

6

business day of the accrual of such Right of Election, two of the members of the Corporation's Board of Directors (or such other number that constitutes a majority of the Board of Directors at such time), shall resign from the Board of Directors (the "Resigning Directors") and the holders of the shares of this Class, voting as a separate class to the exclusion of the holders of Common Stock, shall elect such number of directors (the "Preferred Directors") to replace each of the Resigning Directors. Such election shall occur by written consent, at a special meeting of the holders of the stock of this Class called for that purpose (if such Right of Election exists more than 90 days prior to the next annual meeting of stockholders), or at the next annual meeting of stockholders. The term of such Preferred Directors shall continue until there are no dividends in arrears upon the shares of this Class. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of at least 66-2/3% of the outstanding shares of this Class, at a meeting of the Corporation's stockholders, or of the holders of shares of this Class, called for that purpose. So long as a Right of Election shall exist, (i) except as provided in the following clause (ii), any vacancy in the office of a Preferred Director shall be filled by a person appointed by the remaining Preferred Director(s) pursuant to an instrument in writing signed by the remaining Preferred Director(s) and filed with the Corporation and (ii) in the case of the removal of any Preferred Director, the vacancy shall be filled by the vote of the holders of at least 66-2/3% of the outstanding shares of this Class, at the same meeting at which such removal shall be voted. Each director appointed or elected as aforesaid shall be deemed, for all purposes hereof, to be a Preferred Director. Upon termination of the term of the Preferred Directors as provided above, the stockholders of the Corporation shall elect the directors constituting the Board of Directors in the manner set forth in the Corporation's By-Laws.

(c) During the Initial Term, without the consent of the holders of at least 66-2/3% of the votes entitled to be cast by the holders of the total number of shares of this Class then outstanding, the Corporation may not: (i) make any distribution with respect to shares of Common Stock which, if such proposed distribution were included, would result in total distributions by the Corporation to all of its stockholders for the taxable year exceeding 105% of the Corporation's "REIT taxable income" as such term is defined in Section 857(b)(2) of the Code (as defined in Section 9 hereof), excluding, however, from the calculation of such amount the deduction for dividends paid under Section 857(b)(2)(B) of the Code, but including any net capital gain for such taxable year, unless the Corporation is, and upon the consummation of such distribution will be, in compliance with the Equity Value Limitation, the Cash Flow Limitation and the Capital Limitation; (ii) acquire any assets other than real estate assets (within the meaning of Section 856(c)(6)(3) of the Code), cash and cash items (including receivables) and Government securities (within

H97000003496

H97000003496

7

the meaning of Section 856(c)(5)(A) of the Code) if such acquisition would result in the Corporation owning assets, other than real estate assets, cash or cash items (including receivables) and Government securities with a value of greater than 5% of the total value of the Corporation's assets; (iii) revoke its status as a REIT under the Code; (iv) sell, exchange or otherwise dispose of any asset, including any real estate asset (as defined in Section 856(c)(6)(3) of the Code) if such sale, exchange or disposition would cause the Corporation to fail to satisfy the requirement set forth in Section 856(c)(4) of the Code; (v) sell all or substantially all of the property or business of the Corporation, or merge or consolidate the Corporation into or with any other corporation or merge or consolidate any other corporation into or with the Corporation; (vi) liquidate, dissolve or wind-up the Corporation; or (vii) alter or amend any material provisions of the Corporation's Amended and Restated Articles of Incorporation (including this Resolution).

The foregoing matters in this Section 7(c) shall, during the Initial Term, also require the consent of the holders of at least a majority of the votes entitled to be cast by holders of the shares of Common Stock then outstanding, voting separately as a class and, after the Initial Term, will require the consent of the holders of at least a majority of the votes entitled to be cast by holders of the shares of Common Stock then outstanding and this Class then outstanding, voting together as a single class; provided, however, that the affirmative vote or consent of the holders of at least 66-2/3% of the outstanding shares of this Class, voting separately as a class, shall be necessary to sell all or substantially all of the property or business of the Company, or merge or consolidate the Company into or with any other corporation or merge or consolidate any other corporation into or with the Company, if such sale, merger or consolidation would result in consideration being paid to the holders of the shares of this Class that is less than (i) the sum of the present value of all future dividend payments due on the shares of this Class (rounded to the nearest cent per share), discounted on a quarterly basis at the "Class Vote Discount Rate" to the dividend payment date immediately preceding the date of such sale, merger or consolidation, plus (ii) any accrued but unpaid dividends up to and including the date of such sale, merger or consolidation. "Class Vote Discount Rate" shall mean 2.47% per quarter (which equates to a semi-annual equivalent rate per annum of 10%).

(d) Without the consent of the holders of at least 66-2/3% of the votes entitled to be cast by the holders of the total number of shares of this Class then outstanding, the Corporation may not: (i) create any additional class or series of stock of the Corporation, unless the Corporation is, and upon issuance of all such authorized additional classes or series of preferred stock will be, in compliance with the Equity Value Limitation, the Cash Flow Limitation and the Capital Limitation; (ii) create, incur, assume or directly or

H97000003496

H97000003496

8

indirectly guarantee or in any other manner become directly or indirectly liable for any Indebtedness (as defined below) of the Corporation unless the Corporation is, and upon consummation of the proposed transaction will be, in compliance with the Equity Value Limitation, the Cash Flow Limitation and the Capital Limitation; or (iii) alter or amend the provisions of the Corporation's Amended and Restated Articles of Incorporation (including this Certificate of Designation) so as to affect adversely the voting powers, preferences or special rights of the holders of shares of this Class; provided, however, that any sale of all or substantially all of the property or business of the Corporation, any merger or consolidation of the Corporation into or with any other corporation or merger or consolidation of any other corporation into or with the Corporation, or the liquidation, dissolution or winding-up of the Corporation, shall not be deemed to be such an alteration or amendment. The affirmative vote or consent of the holders of at least a majority of the votes entitled to be cast by holders of the shares of Common Stock then outstanding, voting separately as a class, will also be required for any such actions.

(e) If at any time the Corporation is not in compliance with the Equity Value Limitation, the Cash Flow Limitation and the Capital Limitation, any servicer of loans or participations therein held by the Corporation may be replaced upon the affirmative vote of holders of at least 66⅔% of the outstanding shares of this Class. The independent manager and any successor manager may be replaced by the Corporation provided that the replacement manager shall be a U.S. bank or trust company (i) which regularly provides the services to be provided by the independent manager under the Management Agreement, (ii) which has all necessary licenses and approvals to perform the obligations of the independent manager under the Management Agreement in the jurisdictions in which the properties securing the mortgage loans are located, and (iii) which has a net worth of \$500,000,000 or more and has a credit rating from Standard & Poors or Moody's Investors Service (or any successor to either entity) of "A" or better. In all other circumstances the replacement of the independent manager by the Corporation shall require the affirmative vote of holders of at least 66⅔% of the outstanding shares of this Class. By the affirmative vote of holders of at least 66⅔% of the outstanding shares of this Class, the holders of the shares of this Class may cause the independent manager to be replaced if (i) the independent manager shall be in material default under the Management Agreement, (ii) the Corporation shall fail to satisfy the Equity Value Limitation, the Cash Flow Limitation and the Capital Limitation or (iii) at any time the dividends on the Step-Down Preferred Stock are in arrears and the holders of the shares of this Class have received less than the Initial Rate or the Step-Down Rate, as applicable, in each of six consecutive quarterly dividend periods.

H97000003496

H97000003496

9

(f) Any amendment or modification of Article IV of the Management Agreement (as defined herein) shall require the vote of holders of at least 66-2/3% of the outstanding shares of this Class if such amendment or modification would materially adversely affect such shares of this Class.

Solely for purposes of the voting rights as described in this Section 7 and Section 8 hereof, any share of this Class registered in the name of the Corporation or any of its Affiliates (as defined under Rule 405 of the Securities Act of 1933, as amended) shall be deemed not to be outstanding and the vote evidenced thereby shall not be taken into account in determining whether the requisite vote necessary to take such action or effect any such consent has been obtained.

"Equity Value Limitation" shall mean a limitation that the Corporation, at the time of the determination, have an excess of assets over liabilities, including any Indebtedness and any preferred stock of the Corporation which is *pari passu* with or senior to the Step-Down Preferred Stock, of not less than 175% of the gross proceeds from the initial offering of the Step-Down Preferred Stock (the "Offering").

"Cash Flow Limitation" shall mean a limitation that, for each quarterly period during the Initial Term, the aggregate sum of scheduled payments receivable on the assets of the Issuer during such quarterly period in excess of the aggregate sum of scheduled payments payable on the liabilities of the Issuer (including any Indebtedness and any preferred stock of the Issuer which is *pari passu* with or senior to the Step-Down Preferred Stock) shall be at least 110% of the amount of dividends payable on the Step-Down Preferred Stock during such quarterly period.

"Capital Limitation" shall mean a limitation that, at the time of determination, the ratio of (i) the equity capital of the Issuer which would have been treated as Tier 1 Capital (specified by the Office of Comptroller of Currency) ("Tier 1 Capital") had the Issuer been a national banking association to (ii) the Issuer's average total assets for the immediately preceding calendar quarter shall be equal to or greater than the ratio of (i) the Bank's Tier 1 Capital to (ii) the Bank's total assets for the immediately preceding calendar quarter.

"Indebtedness" shall mean, with respect to the Corporation, without duplication, and whether or not contingent, (i) all indebtedness of the Corporation for borrowed money or which is evidenced by a note, bond, debenture or similar instrument, (ii) all obligations in respect of letters of credit or bankers' acceptances issued or created for the account of the Corporation, (iii) all liabilities of others of the kind described in the preceding

H97000003496

H97000003496

10

clause (i) secured by any mortgage, lien, pledge, charge, security interest or encumbrance of any kind on any property owned by the Corporation even though the Corporation has not assumed or become liable for the payment of such liabilities, (iv) to the extent not otherwise included, any guarantee by the Corporation of any indebtedness of any other individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government or any agency or political subdivision thereof, or other obligations described in clauses (i) through (iii) above, and (v) any "acquisition indebtedness" or indebtedness which would give rise to unrelated trade or business income within the meaning of Section 514 of the Code.

8. Amendments.

Any amendment of Section 7 of this Resolution or this Section 8 shall require the consent of holders entitled to cast a majority of the votes of Common Stock and 66-2/3% of the votes of this Class, in each case voting separately as a class. All other amendments to the Corporation's Amended and Restated Articles of Incorporation shall require the consent of holders entitled to cast at least a majority of the votes of Common Stock and Step-Down Preferred Stock voting as a single Class.

9. Definitions. For purposes of this Class, the following terms shall have the meanings indicated:

"Board of Directors" shall mean the Board of Directors of the Corporation.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks are authorized to be closed in New York, New York.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto. Reference to any provision of the Code shall mean such provision as in effect from time to time, as the same may be amended, and any successor thereto, as interpreted by any applicable regulations or other administrative pronouncements as in effect from time to time.

"Common Stock" shall mean the common stock of the Corporation, par value \$1,000.00 per share, or any successor class of common equity into which such class may hereafter be converted.

H97000003496

H97000003496

11

"Dividend Periods" shall have the meaning set forth in Section 2 hereof.

"Initial Rate" shall have the meaning set forth in Section 2 hereof.

"Initial Term" shall mean the period from the date the shares of this Class are issued to November 30, 2006.

"Management Agreement" shall mean the management agreement between the Company and Bank of New York, as it may be amended, supplemented or modified.

"REIT" shall mean a real estate investment trust within the meaning of Section 856 of the Code.

"Redemption Discount Rate" means a rate equal to (A) if such Tax Event Redemption occurs within 1 year from the date of original issue, the yield on the 7.25% U.S. Treasury Security due August 15, 2004, based on the bid price for such Reference Security as of 4:00 P.M. (New York City time) on the second Business Day prior to any date of redemption and 150 basis points or (B) if such Tax Event Redemption occurs after 1 year from the date of consummation of the Offering, the sum of (x) the yield to maturity, determined immediately prior to such redemption, of the "7 Year CMT" and (y)(i) 145 basis points if such Tax Event Redemption occurs within the second or third year after the date of consummation of the Offering, or (ii) 140 basis points if such Tax Event Redemption occurs within the fourth year after the date of consummation of the Offering or thereafter.

"7 Year CMT" means, with respect to any date of redemption, (in the following order of priority):

- (i) "the yield on 7 year United States Treasury Securities at constant maturity" available on the second Business Day prior to any date of redemption, as estimated from the United States Department of the Treasury's daily yield curve, as published in the Federal Reserve statistical release H.15(519) the "H.15" (or any successor or similar publication selected by the Calculation Agent (as hereinafter described) published by the Board of Governors of the Federal Reserve Bank or affiliated entity) for the date of redemption opposite the caption "Treasury Constant Maturities, 7-year."

H97000003496

H97000003496

12

(ii) if 7 Year CMT, or any successor thereto, as described in clause (i) is not publicly available by the date of redemption, then 7 Year CMT will be a yield to maturity for direct non-callable fixed rate obligations of the United States ("Treasury Notes") most recently issued with a remaining term to maturity closest to 7 years based on the yield (which yield is based on bid prices) for such issue of Treasury Notes for the date of redemption, as published by the Federal Reserve Bank of New York in its daily statistical release entitled "Composite 3:30 P.M. Quotations for U.S. Government Securities" (or any successor or similar publication selected by the Calculation Agent published by the Federal Reserve System, the Federal Reserve Bank of New York, or any other Federal Reserve Bank or affiliated entity).

(iii) if 7 Year CMT as described in clause (ii) is not available on the date of such calculation pertaining to such date of redemption, 7 Year CMT will be calculated by the Calculation Agent and will be a yield to maturity (expressed as a bond equivalent and as a decimal on the basis of a year of 365 days and applied on a daily basis) based on the arithmetic mean of the secondary market bid prices as of approximately 3:00 P.M. (New York City time) on the date of redemption of three leading primary United States government securities dealers in The City of New York (from five such dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest), for Treasury Notes most recently issued with a remaining term to maturity closest to 7 years. If three or four (and not five) of such dealers are quoting as described in this Clause (iii), then 7 Year CMT will be based on the arithmetic mean of the bid price obtained and neither the highest nor the lowest of such quotations will be eliminated. The Calculation Agent will be appointed by the Corporation when its services are required.

"Step-Down Rate" shall have the meaning set forth in Section 2 hereof.

"Tax Event" shall mean the receipt by the Corporation of an opinion of a nationally recognized tax counsel to the Corporation which is experienced in such matters ("Tax Counsel"), to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) or any proposed amendment to,

H97000003496

H97000003496

13

clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) ("Administrative Action") or (iii) any amendment to, clarification of, or change in the position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority, taxing authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, change or Administrative Action is effective or such pronouncement or decision is announced on or after the date of the initial issuance of the shares of this Class, there is a substantially increased likelihood (determined, in the case of any proposed amendment to, clarification of, or change in the laws affecting taxation, as if any such proposal were enacted into law) (as compared to immediately prior to the initial issuance of the shares of this Class) that (a) dividends paid or to be paid by the Corporation with respect to the shares of Common Stock and/or this Class are not, or will not be, fully deductible by the Corporation for United States federal income tax purposes, (b) the Corporation is, or will be, subject to more than a de minimis amount of taxes (including, without limitation, income taxes), duties or other governmental charges and assessments.

"Tax Event Redemption Price" shall mean (i) the sum of the present value of all future dividend payments due on the shares of this Class (rounded to the nearest cent per share), discounted on a quarterly basis at the Redemption Discount Rate to the dividend payment date immediately preceding the redemption date, plus (ii) any accrued but unpaid dividends up to and including the redemption date.

(Signatures on following page)

H97000003496

H97000003496

14

IN WITNESS WHEREOF, BARNETT REAL ESTATE MANAGEMENT, INC., has caused this Certificate to be signed by Kimberly B. Blalock, its Secretary, effective as of 12:01 a.m., the 26th day of February, 1997.

BARNETT REAL ESTATE MANAGEMENT, INC.

By: Kimberly B. Blalock
Kimberly B. Blalock, Secretary

O:\CHERRYBARNETT\Design\Cor

H97000003496

FOR OFFICIAL USE

TO :
DEPARTMENT OF STATE

DATE

NUMBER

01/27/97 7/2507

P 97

0000000984

STATE OF FLORIDA
OFFICE OF STATE TREASURER
TALLAHASSEE FLORIDA

FUND	AMOUNT	REASON RETURNED	KEY #	*	*
GENERAL REVENUE	0.00	INSUFFICIENT FUNDS	1	*	*
TRUST	698.75	ACCOUNT CLOSED	2	*	2 *
OTHER		UNCOLLECTED FUNDS	3	*	*
TOTAL	698.75	OTHER	4	*	*

CROSS REF	DISTRIBUTION SAMAS CODE	REASON	AMOUNT
12	45-20-2-130001-45300000-00-000100-00	1	78.75
12	45-20-2-130001-45300000-00-000100-00	2	122.50
12	45-20-2-130001-45300000-00-000100-00	1	122.50
12	45-20-2-130001-45300000-00-000100-00	1	375.00

GRAND TOTAL:

\$ 698.75

Process Date: 01/14/97

The above named fund(s) has been reduced by the amount of
this check(s) under authority of Section 215.34, F.S.

State Treasurer



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

February 5, 1997

Afrocheck, Inc.
Tyesa Canady
2317 N. Congress Avenue, #34
Boynton Beach, FL 33426

SUBJECT: AFROCHECK, INC.
Ref. Number: P97000000984

Debit Memo #: 72507-A

This is to inform you that your check #0460 dated December 28, 1996 in the amount of \$78.75 and submitted for AFROCHECK, INC. has been returned to us by your bank because of Nonsufficient Funds.

We request that you remit a cashier's check or money order in amount of \$93.75 made payable to the Department of State. This amount will cover the unpaid check and the service fee required by law under section 215.34, Florida Statutes.

When sending the cashiers check or money order, please indicate the debit memo number and that it is a replacement for the returned check mentioned above.

Please note: The documents filed in this office with the returned check will be cancelled unless a replacement check is received within 30 days from the date of this letter. Send the replacement check to:

Division of Corporations
Attn: Melinda Lilliston
P.O. Box 6327
Tallahassee, FL 32314

If you have any questions concerning the returned check, please call
(904) 487-6900.

Sincerely,
Melinda Lilliston
Administrative Assistant I
Division of Corporations

Letter number: 397A00006157

cc: Afrocheck, Inc.
10875 SW 154 Terrace
Miami, Florida 33157



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

March 14, 1997

Afrocheck, Inc.
Tyesa Canady
2317 N. Congress Avenue, #34
Boynton Beach, FL 33426

SUBJECT: AFROCHECK, INC.
Ref. Number: P97000000984

Debit Memo #: 72507-A

Due to your failure to respond to our previous letter advising you of the returned check #0460, the Articles of Incorporation for AFROCHECK, INC. have been cancelled and are considered not filed as of March 13, 1997.

The name of your corporation is now available for use.

If you have any questions concerning the returned check, please call (904) 487-6900.

Sincerely
Melinda Lilliston
Administrative Assistant I
Division of Corporations

Letter number: 497A00013102