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CUSTOMER: Linda Martin, Legal Asst
Rowe, Foltz & Martin
5 Piedmont Center

Atlanta, GA 30305

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DOMESTIC AMENDMENT FILING

NAME: RCK FLAGLER, INC.

EFFECTIVE DATE:

XX RESTATED & AMENDED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY

XX CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Tamara Odom

EXAMINER'S INITIALS:

398A00037590

RESTATED ARTICLES
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**RESTATED ARTICLES OF INCORPORATION
OF
RCK FLAGLER, INC.**

The undersigned President of RCK Flagler, Inc. hereby files these Restated Articles of Incorporation, which have been duly approved by the shareholders and directors of the Corporation.

ARTICLE I.

The name of the Corporation shall be:

RCK Flagler, Inc.

ARTICLE II.

The principal place of business and mailing address of this Corporation shall be:

95 Cordova Street
St. Augustine, Florida 32084

ARTICLE III.

The purpose for which the Corporation is organized, subject to the provisions of Section 607.0301 of the Florida Business Corporation Act, is solely to acquire, manage, own and hold the General Partnership interest in The Flagler Resort, Ltd., a Florida limited partnership (the "Partnership"), and to act as the general partner in the Partnership with all of the rights, powers, obligations and liabilities of general partner under the limited partnership agreement of such Partnership (the "Limited Partnership Agreement") and to take any and all actions and do any and all things necessary or appropriate to the accomplishment of same.

ARTICLE IV.

The aggregate number of shares that the Corporation shall have the authority to issue is 10,000 shares of common stock with the par value of \$1.00 per share.

No shareholder of the Corporation shall have the right of cumulative voting at any election of directors or upon any other matter.

No holder of securities of the Corporation shall be entitled as a matter of right, preemptive or otherwise, to subscribe for or purchase any securities of the Corporation now or hereafter authorized to be issued, or securities held in the treasury of the Corporation, whether issued or sold for cash or other

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consideration or as a dividend or otherwise. Any such securities may be issued or disposed of by the Board of Directors to such persons and on such terms as in its discretion it shall deem advisable.

ARTICLE V.

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of not less than One Thousand and no/100 Dollars (\$1,000.00), consisting of money, labor done or property actually received.

ARTICLE VI.

The street address of the Corporation's initial registered office is 1200 South Pine Island Road, Plantation, Florida 33324, and the name of its initial registered agent at such address is CT Corporation System.

ARTICLE VII.

The number of directors constituting the Board of Directors is two (2), including the Independent Director as set forth in Article X below, and the name and address of the persons who are to serve as directors from the date of filing of these Amended and Restated Articles until the next annual meeting of the shareholders or until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
Richard C. Kessler	6649 Westwood Boulevard, Suite 130 Orlando, Florida 32821
Edward C. Harris	58 Blackland Road Atlanta, Georgia 30342

ARTICLE VIII.

No director shall be liable to the Corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director, except that this Article does not eliminate or limit the liability of a director to the extent the director is found liable for:

- (1) a breach of the director's duty of loyalty to the Corporation or its shareholders;

- (2) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;
- (3) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- (4) an act or omission for which the liability of the director is expressly provided by an applicable statute.

Any repeal or modification of this Article by the shareholders of the Corporation shall be prospective only and shall not adversely affect any limitation on the liability of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE IX.

Any action required by the Florida Business Corporation Act to be taken at any annual or special meeting of shareholders, or any action which may be taken at any annual or special meeting of shareholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted. Any such written consents shall be executed, dated, and filed with the Corporation in the manner required by Section 607.0706 of the Florida Business Corporation Act.

ARTICLE X.

The Corporation shall at all times observe the applicable legal requirements for the recognition of the Corporation as a legal entity separate from any partners to the Partnership ("Partners") and Affiliates (as defined below), including, without limitation, as follows:

- (a) At least one (1) of the directors of the Corporation (the "Independent Director") shall be a person who: (i) is not, and has not within the past three (3) years, been (a) an officer, director, employee or ten percent (10%) stockholder of the Corporation, any Partner or any Affiliate, (b) a member of the immediate family of any such person or of any Affiliate, (c) a professional retained by the Corporation, or (d) affiliated with a company of which the corporation is a significant customer or supplier; and (ii) has not yet received, and was not a partner, member or an employee of an entity that received, in any year within five years immediately preceding or any years during such person's incumbency as a director, fees or other income from the corporation or any Affiliate of those entities in the aggregate in excess of 1% of the gross income, for any applicable year, of such person, firm or business. For purposes of this definition, "significant," with respect to any relationship between two persons shall mean any transaction,

services of transactions or relationship involving more than the lesser of (i) \$60,000 per calendar year or (ii) 1/2 of 1% of either person's annual income. In the event of the death, incapacity, resignation or removal of an Independent Director, the Board of Directors shall promptly appoint a replacement Independent Director. In addition, no Independent Director may be removed unless his or her successor has been appointed.

(b) The Corporation shall maintain its principal executive office and telephone and facsimile numbers separate from that of any Affiliate and shall conspicuously identify such office and numbers as its own. Additionally, the Corporation shall use its own separate stationary, invoices and checks which reflect its separate address, telephone number and facsimile number, as appropriate.

(c) The Corporation shall maintain its corporate records and books and accounts separate from those of any Affiliate or any other entity. The Corporation shall prepare unaudited quarterly and annual financial statements, and the Corporation's financial statements shall substantially comply with generally accepted accounting principles.

(d) The Corporation shall maintain its own separate bank accounts, payroll and correct, complete and separate books of account and shall allocate fairly and reasonably any overhead for office space that is shared with other entities.

(e) The Corporation shall hold itself out to the public (including any Affiliate's creditors) under the Corporation's own name and as a separate and distinct corporate entity and not as a department, division or otherwise of any Affiliate and shall not fail to correct any known misunderstanding regarding its separate identity. The Corporation shall maintain an arm's length relationship with its affiliates and shall not identify itself or any of its affiliates as a division or part of the other.

(f) All customary formalities regarding the corporate existence of the Corporation, including holding meetings of or obtaining the consent of its Board of Directors, as appropriate, and its stockholders and maintaining current and accurate minute books separate from those of any Affiliate, shall be observed.

(g) The Corporation shall act solely in its own corporate name and through its own duly authorized officers and agents. No Affiliate shall be appointed or act as agent of the Corporation.

(h) Investments shall be made in the name of the Corporation directly by the Corporation or on its behalf by brokers engaged and paid by the Corporation or its agents.

(i) Except as required by Daiwa Finance Corp., a New York corporation, or its successors or assigns (collectively, the "Lender"), the Corporation shall not guarantee or assume or hold itself out or permit itself to be held out as having guaranteed or assumed any liabilities or

obligations of any entity, other than the Partnership, or pledge its assets for the benefit of any other entity other than the Partnership, nor shall it make any loan, except as permitted in the Limited Partnership Agreement.

(j) The Corporation is and will be solvent and shall pay its own liabilities, indebtedness and obligations of any kind, including all administrative expenses, from its own separate assets.

(k) Assets of the Corporation shall be separately identified, maintained and segregated. The Corporation's assets shall at all times be held by or on behalf of the Corporation and if held on behalf of the Corporation by another entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by the Corporation. This restriction requires, among other things, that corporate funds shall not be commingled with those of any Affiliate and it shall maintain all accounts in its own name and with its own tax identification number, separate from those of any Affiliate.

(l) The Corporation shall not take any action if, as a result of such action, the Corporation would be required to register as an investment company under the Investment Company Act of 1940, as amended.

(m) The Corporation shall at all times be adequately capitalized to engage in the transactions contemplated at its formation, pay the salaries of its own employees and maintain a sufficient number of employees in light of its own contemplated business operations.

(n) All data and records (including computer records) used by the Corporation or any Affiliate in the collection and administration of any loan shall reflect the Corporation's ownership interest therein.

(o) None of the Corporation's funds shall be invested in securities issued by any Affiliate.

"Affiliate" means any person or entity other than the Corporation (i) which owns beneficially, directly or indirectly, more than fifty percent (50%) of the outstanding shares of the common stock or which is otherwise in control of the Corporation, (ii) of which more than fifty percent (50%) of the outstanding voting securities are owned beneficially, directly or indirectly, by any person or entity described in clause (i) above, or (iii) which is controlled by any person or entity described in clause (i) above; provided that for the purposes of this definition the term "control" and "controlled by" shall have the meanings assigned to them in Rule 405 under the Securities Act of 1933, as amended.

In the event of the death, incapacity, resignation or removal of the Independent Director, the Board of Directors shall promptly appoint a replacement Independent Director. In addition, no Independent Director may be removed unless his or her successor has been elected.

ARTICLE XI.

The Corporation shall not, without the affirmative vote of one hundred percent (100%) of the Board of Directors, including the affirmative vote of the Independent Director (and no such vote shall be effective unless at least one member of the Board of Directors is an Independent Director), institute proceedings with respect to the Corporation or the Partnership to be adjudicated bankrupt or insolvent; or consent to the voluntary or involuntary institution of bankruptcy or insolvency proceedings against it or the Partnership; or file a voluntary or involuntary petition seeking, with respect to the Corporation or the Partnership or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy; or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or the Partnership or a substantial part of its or the Partnership's property; or make any assignment for the benefit of creditors of the Corporation or the Partnership; or admit in writing its or the Partnership's inability to pay its debts generally as they become due; or take any corporate action in furtherance of any such action.

ARTICLE XII.

Additionally, the Corporation shall not, so long as any indebtedness remains outstanding by the Partnership or the Corporation to the Lender, (a) liquidate or dissolve the Corporation or the Partnership in whole or in part, (b) consolidate, merge or enter into any form of consolidation with or into any other entity, nor convey, transfer or lease substantially all of its or the Partnership's assets to any person or entity nor permit any entity to consolidate, merge or enter into any form of consolidation with or into the Corporation or the Partnership, nor convey, transfer or lease substantially all of its or the Partnership's assets to any person or entity and (c) amend or modify Articles III, X, XI, XII and XIII of these Articles of Incorporation.

ARTICLE XIII.

Notwithstanding anything to the contrary, the Corporation may not amend Articles III, X, XI, XII or XIII hereof of Article I-A of the Limited Partnership Agreement, so long as any indebtedness remains outstanding to the Lender by the Corporation or the Partnership, unless the Lender consents to such amendment in writing. Such consent of the Lender is a prerequisite to such amendment becoming effective.

Executed by the undersigned President of the Corporation on this 10th day of July, 1998.



Richard C. Kessler, President

**CERTIFICATE OF RESTATEMENT
OF
THE ARTICLES OF INCORPORATION
OF
RCK FLAGLER, INC.**

The undersigned President of RCK Flagler, Inc. hereby submits this certificate pursuant to Section 607.1007(4) of the Florida Business Corporation Act, along with its Restated Articles of Incorporation filed herewith and states that the Restated Articles of Incorporation contain amendments to the Articles of Incorporation which require shareholder approval, and, therefore, pursuant to 607.1007(4)(b) of the Florida Business Corporation Act, the undersigned further states that:

1. The name of the corporation is RCK Flagler, Inc.
2. The text of the amendments to the Articles of Incorporation is as follows.

Articles II through VIII of the Articles of Incorporation are deleted in their entirety and the following Articles are inserted in lieu thereof in the Restated Articles of Incorporation:

ARTICLE II.

The principal place of business and mailing address of this Corporation shall be:

95 Cordova Street
St. Augustine, Florida 32084

ARTICLE III.

The purpose for which the Corporation is organized, subject to the provisions of Section 607.0301 of the Florida Business Corporation Act, is solely to acquire, manage, own and hold the General Partnership interest in The Flagler Resort, Ltd., a Florida limited partnership (the "Partnership"), and to act as the general partner in the Partnership with all of the rights, powers, obligations and liabilities of general partner under the limited partnership agreement of such Partnership (the "Limited Partnership Agreement") and to take any and all actions and do any and all things necessary or appropriate to the accomplishment of same.

ARTICLE IV.

The aggregate number of shares that the Corporation shall have the authority to issue is 10,000 shares of common stock with the par value of \$1.00 per share.

No shareholder of the Corporation shall have the right of cumulative voting at any election of directors or upon any other matter.

No holder of securities of the Corporation shall be entitled as a matter of right, preemptive or otherwise, to subscribe for or purchase any securities of the Corporation now or hereafter authorized to be issued, or securities held in the treasury of the Corporation, whether issued or sold for cash or other consideration or as a dividend or otherwise. Any such securities may be issued or disposed of by the Board of Directors to such persons and on such terms as in its discretion it shall deem advisable.

ARTICLE V.

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of not less than One Thousand and no/100 Dollars (\$1,000.00), consisting of money, labor done or property actually received.

ARTICLE VI.

The street address of the Corporation's initial registered office is 1200 South Pine Island Road, Plantation, Florida 33324, and the name of its initial registered agent at such address is CT Corporation System.

ARTICLE VII.

The number of directors constituting the Board of Directors is two (2), including the Independent Director as set forth in Article X below, and the name and address of the persons who are to serve as directors from the date of the filing of these Amended and Restated Articles until the next annual meeting of the shareholders or until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
Richard C. Kessler	6649 Westwood Boulevard, Suite 130 Orlando, Florida 32821
Edward C. Harris	58 Blackland Road Atlanta, Georgia 30342

ARTICLE VIII.

No director shall be liable to the Corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director, except that this Article does not eliminate or limit the liability of a director to the extent the director is found liable for:

- (i) a breach of the director's duty of loyalty to the Corporation or its shareholders;
- (ii) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;
- (iii) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- (iv) an act or omission for which the liability of the director is expressly provided by an applicable statute.

Any repeal or modification of this Article by the shareholders of the Corporation shall be prospective only and shall not adversely affect any limitation on the liability of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE IX.

Any action required by the Florida Business Corporation Act to be taken at any annual or special meeting of shareholders, or any action which may be taken at any annual or special meeting of shareholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of shares having not less than the minimum number of votes

that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted. Any such written consents shall be executed, dated, and filed with the Corporation in the manner required by Section 607.0706 of the Florida Business Corporation Act.

ARTICLE X.

The Corporation shall at all times observe the applicable legal requirements for the recognition of the Corporation as a legal entity separate from any partners to the Partnership ("Partners") and Affiliates (as defined below), including, without limitation, as follows:

(a) At least one (1) of the directors of the Corporation (the "Independent Director") shall be a person who: (i) is not, and has not within the past three (3) years, been (a) an officer, director, employee or ten percent (10%) stockholder of the Corporation, any Partner or any Affiliate, (b) a member of the immediate family of any such person or of any Affiliate, (c) a professional retained by the Corporation, or (d) affiliated with a company of which the corporation is a significant customer or supplier; and (ii) has not yet received, and was not a partner, member or an employee of an entity that received, in any year within five years immediately preceding or any years during such person's incumbency as a director, fees or other income from the corporation or any Affiliate of those entities in the aggregate in excess of 1% of the gross income, for any applicable year, of such person, firm or business. For purposes of this definition, "significant," with respect to any relationship between two persons shall mean any transaction, services of transactions or relationship involving more than the lesser of (i) \$60,000 per calendar year or (ii) 1/2 of 1% of either person's annual income. In the event of the death, incapacity, resignation or removal of an Independent Director, the Board of Directors shall promptly appoint a replacement Independent Director. In addition, no Independent Director may be removed unless his or her successor has been appointed.

(b) The Corporation shall maintain its principal executive office and telephone and facsimile numbers separate from that of any Affiliate and shall conspicuously identify such office and numbers as its own. Additionally, the Corporation shall use its own separate stationary, invoices and checks which reflect its separate address, telephone number and facsimile number, as appropriate.

(c) The Corporation shall maintain its corporate records and books and accounts separate from those of any Affiliate or any other entity. The Corporation shall prepare unaudited quarterly and annual financial statements, and the Corporation's financial statements shall substantially comply with generally accepted

accounting principles.

(d) The Corporation shall maintain its own separate bank accounts, payroll and correct, complete and separate books of account and shall allocate fairly and reasonably any overhead for office space that is shared with other entities.

(e) The Corporation shall hold itself out to the public (including any Affiliate's creditors) under the Corporation's own name and as a separate and distinct corporate entity and not as a department, division or otherwise of any Affiliate and shall not fail to correct any known misunderstanding regarding its separate identity. The Corporation shall maintain an arm's length relationship with its affiliates and shall not identify itself or any of its affiliates as a division or part of the other.

(f) All customary formalities regarding the corporate existence of the Corporation, including holding meetings of or obtaining the consent of its Board of Directors, as appropriate, and its stockholders and maintaining current and accurate minute books separate from those of any Affiliate, shall be observed.

(g) The Corporation shall act solely in its own corporate name and through its own duly authorized officers and agents. No Affiliate shall be appointed or act as agent of the Corporation.

(h) Investments shall be made in the name of the Corporation directly by the Corporation or on its behalf by brokers engaged and paid by the Corporation or its agents.

(i) Except as required by Daiwa Finance Corp., a New York corporation, or its successors or assigns (collectively, the "Lender"), the Corporation shall not guarantee or assume or hold itself out or permit itself to be held out as having guaranteed or assumed any liabilities or obligations of any entity, other than the Partnership, or pledge its assets for the benefit of any other entity other than the Partnership, nor shall it make any loan, except as permitted in the Limited Partnership Agreement.

(j) The Corporation is and will be solvent and shall pay its own liabilities, indebtedness and obligations of any kind, including all administrative expenses, from its own separate assets.

(k) Assets of the Corporation shall be separately identified, maintained and segregated. The Corporation's assets shall at all times be held by or on behalf of the Corporation and if held on behalf of the Corporation by another entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by the Corporation. This restriction requires, among other things, that corporate funds shall not be commingled with those of any Affiliate and it shall maintain all accounts in its own name and with its own tax identification number, separate from those of any Affiliate.

(l) The Corporation shall not take any action if, as a result of such action, the Corporation would be required to register as an investment company under the Investment Company Act of 1940, as amended.

(m) The Corporation shall at all times be adequately capitalized to engage in the transactions contemplated at its formation, pay the salaries of its own employees and maintain a sufficient number of employees in light of its own contemplated business operations.

(n) All data and records (including computer records) used by the Corporation or any Affiliate in the collection and administration of any loan shall reflect the Corporation's ownership interest therein.

(o) None of the Corporation's funds shall be invested in securities issued by any Affiliate.

"Affiliate" means any person or entity other than the Corporation (i) which owns beneficially, directly or indirectly, more than fifty percent (50%) of the outstanding shares of the common stock or which is otherwise in control of the Corporation, (ii) of which more than fifty percent (50%) of the outstanding voting securities are owned beneficially, directly or indirectly, by any person or entity described in clause (i) above, or (iii) which is controlled by any person or entity described in clause (i) above; provided that for the purposes of this definition the term "control" and "controlled by" shall have the meanings assigned to them in Rule 405 under the Securities Act of 1933, as amended.

In the event of the death, incapacity, resignation or removal of the Independent Director, the Board of Directors shall promptly appoint a replacement Independent Director. In addition, no Independent Director may be removed unless his or her successor has been elected.

ARTICLE XI.

The Corporation shall not, without the affirmative vote of one hundred percent (100%) of the Board of Directors, including the affirmative vote of the Independent Director (and no such vote shall be effective unless at least one member of the Board of Directors is an Independent Director), institute proceedings with respect to the Corporation or the Partnership to be adjudicated bankrupt or insolvent; or consent to the voluntary or involuntary institution of bankruptcy or insolvency proceedings against it or the Partnership; or file a voluntary or involuntary petition seeking, with respect to the Corporation or the Partnership or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy; or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or the Partnership or a substantial part of its or the Partnership's property; or make any assignment for the benefit of creditors of the Corporation or the Partnership; or admit in writing its or the Partnership's inability to pay its debts generally as they become due; or take any corporate action in furtherance of any such action.

ARTICLE XII.

Additionally, the Corporation shall not, so long as any indebtedness remains outstanding by the Partnership or the Corporation to the Lender, (a) liquidate or dissolve the Corporation or the Partnership in whole or in part, (b) consolidate, merge or enter into any form of consolidation with or into any other entity, nor convey, transfer or lease substantially all of its or the Partnership's assets to any person or entity nor permit any entity to consolidate, merge or enter into any form of consolidation with or into the Corporation or the Partnership, nor convey, transfer or lease substantially all of its or the Partnership's assets to any person or entity and (c) amend or modify Articles III, X, XI, XII and XIII of these Articles of Incorporation.

ARTICLE XIII.

Notwithstanding anything to the contrary, the Corporation may not amend Articles III, X, XI, XII or XIII hereof of Article I-A of the Limited Partnership Agreement, so long as any indebtedness remains outstanding to the Lender by the Corporation or the Partnership, unless the Lender consents to such amendment in writing. Such consent of the Lender is a prerequisite to such amendment becoming effective.

3. All amendments contained in the Restated Articles of Incorporation were adopted and approved by the shareholders and directors of the Corporation on the date of the execution of this certificate.

4. All amendments to the Articles of Incorporation were approved by the shareholders and directors, and the number of votes cast for the amendment by the shareholders and directors was sufficient for approval.

This certificate is executed by the undersigned President of the Corporation on this 10th day of July, 1998.



Richard C. Kessler, President