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** TX CONFIRMATION REPORT **

AS OF MAR 26 '98 16:13 PAGE. 1

COMMAND #098

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FLORIDA DIVISION OF CORPORATIONS
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TO: DIVISION OF CORPORATIONS

FAX #: (850) 922-4

FROM: PROSKAUER ROSE GOETZ & MENDELSON
CONTACT: KATHY RASLER
PHONE: (561) 995-4751

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FAX #: (561) 241-7

NAME: SOUTH BEACH OCEAN PARCEL G.P., INC.
AUDIT NUMBER.....H98000005876

DOC TYPE.....FLORIDA PROFIT CORPORATION OR P.A.

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K.E.R



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

March 27, 1998

PROSKAUER ROSE GOETZ & MENDELSON

SUBJECT: SOUTH BEACH OCEAN PARCEL G.P., INC.
REF: W98000006799

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Tracy Augsburger
Document Specialist

FAX Aud. #: H98000005876
Letter Number: 198A00016422

**ARTICLES OF INCORPORATION
OF
SOUTH BEACH OCEAN PARCEL G.P., INC.**

**Article I
Name**

The name of the corporation is SOUTH BEACH OCEAN PARCEL G.P., INC.

**Article II
Duration**

The corporation shall have perpetual existence.

**Article III
Purpose**

The purpose for which the Corporation is organized is to own and hold a general partner interest in and act as a general partner of South Beach Ocean Parcel, Ltd., a Florida limited partnership (the "Partnership") and to engage in any lawful act or activity for which corporations may be organized under the Florida Business Corporation Act that is incident, necessary and appropriate to the foregoing.

**Article IV
Address**

The principal place of business of the corporation shall be:

c/o Continuum Company, LLC
667 Madison Avenue
New York, NY 10021

George A. Pincus, Esq.
FL Bar No. 0771643
Proskauer Rose LLP
2255 Glades Road, Suite 340W
Boca Raton, FL 33431
561/995-4781

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Article V
Capital Stock

The corporation is authorized to issue 1,000 shares of common stock, \$.01 par value per share.

Article VI
Initial Registered Office And Agent

The street address of the initial registered office of the corporation is 1200 S. Pine Island Road, Plantation, Florida 33324, and the name of the initial registered agent of the corporation at that address is CT Corporation.

Article VII
Initial Board of Directors

The corporation shall have one director initially. The number of directors may be increased or diminished from time to time in the manner provided in the bylaws but shall never be less than one (1). The name and address of the initial director of the corporation is:

Ian Bruce Eichner
c/o Continuum Company, LLC
667 Madison Avenue
New York, NY 10021

Article VIII
Incorporator

The name and address of the person signing these Articles of Incorporation is:

George P. Pincus
2255 Glades Road
Suite 340W
Boca Raton, Florida 33431

Article IX
Powers

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 shareholders:

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1. General:

- (a) The business and affairs of the Corporation shall be managed by or under the direction of the Directors of the Corporation.
- (b) The Directors shall have concurrent power with the shareholders of the Corporation to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.
- (c) 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. Elections of Directors need not be by written ballot unless the By-Laws so provide.
- (d) No Director shall be personally liable to the Corporation or any of its shareholders for monetary damages for breach of fiduciary duty as a Director, except for liability (1) for any breach of the Director's duty of loyalty to the Corporation or its shareholders, (2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (3) pursuant to Section 607.0831 of the Florida Business Corporation Act or (4) for any transaction from which the Director derived an improper personal benefit. Any repeal or modification of this Article IX by the shareholders 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.
- (e) 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 Florida Business Corporation Act, this Articles of Incorporation, and any By-Laws adopted by the shareholders; provided, however, that no By-Laws hereafter adopted by the shareholders shall invalidate any prior act of the Directors that would have been valid if such By-Laws had not been adopted.
- (f) The Corporation shall establish an office through which its business will be conducted separately and apart from that of any person or entity which is the owner of more than 50% of its outstanding stock (any such entity, the "Parent"); however, any Parent may lease or sublease space to the Corporation.
- (g) The Corporation shall maintain separate corporate records and books of account from those of the Parent. The books of the Corporation may be kept (subject to any provisions contained in the statutes) outside the State of

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Florida at such place or places as may be designated from time to time by the Directors or in the By-Laws of the Corporation.

- (h) The Corporation's funds shall not be commingled with those of its Parent or any of its subsidiaries or affiliates.
 - (i) The Corporation and the Parent shall maintain an arm's length relationship with each other:
2. A unanimous vote of the Board of Directors is required to take on its own behalf, or cause the Partnership to take, any of the following actions:
- (a) causing the Corporation or the Partnership to become insolvent;
 - (b) commencing any case, proceeding or other action on behalf of the Corporation of the Partnership under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors;
 - (c) instituting proceedings to have the Corporation or Partnership adjudicated as bankrupt or insolvent;
 - (d) consenting to the institution of bankruptcy or insolvency proceedings against the Corporation or the Partnership;
 - (e) filing a petition or consent to a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief on behalf of the Corporation or the Partnership of its debts under any federal or state law relating to bankruptcy;
 - (f) seeking or consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Corporation or the Partnership or a substantial portion of the properties of the Corporation or the Partnership;
 - (g) making any assignment for the benefit of the Corporation's or the Partnership's creditors; or
 - (h) taking any action or causing the Partnership to take any action in furtherance of any of the foregoing.
3. For so long as that certain loan in the principal amount of approximately \$44,000,000 from Lehman Brothers Holdings Inc., d/b/a Lehman Capital, a division of Lehman

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Brothers Holdings, Inc. ("Lehman Brothers") to the Partnership (the "Loan") is outstanding, the Corporation shall not:

- (a) amend the Articles of Incorporation;
- (b) engage in any business activity other than as set forth in Article III;
- (c) cause the Partnership to withdraw as a partner of the Partnership;
- (d) dissolve, liquidate, consolidate, merge or sell all or substantially all of the Corporation's assets, or cause the Partnership to dissolve, liquidate, consolidate, merge, or sell all or substantially all of their assets, respectively; or
- (e) transfer its interest or a portion thereof in the Partnership, except as expressly permitted in the loan documents evidencing and securing the Senior Loan.

4. The Corporation shall (and at such time as it may be the managing general partner of the Partnership) cause the Partnership to:

- (a) not commingle its assets with those of any other entity and hold its assets in its own name;
- (b) conduct its own business in its own name;
- (c) maintain its bank accounts, books, records, accounts and financial statements separate from any other entity;
- (d) maintain its books, records, resolutions and agreements as official records and separate from any other entity;
- (e) pay its own liabilities out of its own funds;
- (f) maintain adequate capital in light of contemplated business operations;
- (g) observe all organizational formalities;
- (h) maintain an arm's length relationship with its affiliates;
- (i) pay the salaries of its own employees and maintain a sufficient number of employees in light of contemplated business operations;
- (j) not guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;

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- (k) not acquire obligations or securities of affiliates or shareholders;
 - (l) not make loans to any other person or entity;
 - (m) allocate fairly and reasonably any overhead for shared office space;
 - (n) use separate stationery, checks and invoices;
 - (o) not pledge its assets for the benefit of any other entity;
 - (p) hold itself out as a separate entity and correct any known misunderstanding regarding its separate identity.
5. The Board of Directors is to consider the interests of the Corporation's creditors and the Partnership's creditors in connection with all corporate actions.

Article X Meetings

Meetings of shareholders 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 Florida Business Corporation Act) outside the State of Florida at such place or places as may be designated from time to time by the Directors or in the By-Laws of the Corporation.

Article XI Compromise and Arrangement

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its shareholders or any class of them, any court of equitable jurisdiction within the State of Florida may, on the application in a summary way of this Corporation or of any creditor or shareholder thereof or on the application of any receiver or receivers appointed for this Corporation or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 607.1432 of the Florida Business Corporation Act order a meeting of the creditors or class of creditors, and/or of the shareholders or class of shareholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the shareholders or class of shareholders, of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the shareholders or class of shareholders, of this Corporation, as the case may be, and also on this Corporation.

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Article XII
Amendments to Articles of Incorporation

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

Article X
Indemnification

Provided that the person proposed to be indemnified meets the requisite standard of conduct for permissive indemnification as set forth in the applicable provisions of the Florida Business Corporation Act (currently, Sections 607.0850(1) and (2) of the Florida Statutes), as the same may be amended from time to time, the corporation shall indemnify its officers and directors, and may indemnify its employees and agents, from and against any and all of the expenses or liabilities incurred in defending a civil or criminal proceeding, or other matters referred to in or covered by said provisions, including advancement of expenses prior to the final disposition of such proceedings and amounts paid in settlement of such proceedings, both as to action in their official capacity and as to action in any other capacity while an officer, director, employee or agent. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise. The indemnification provided herein shall continue as to a person who has ceased to be an officer, director, employee or agent of the corporation, and shall inure to the benefit of the heirs, the personal and other legal representatives of such person. An adjudication of liability shall not affect the right to indemnification for those indemnified.

Article XI
Bylaws

The bylaws may be adopted, altered, amended or repealed by either the shareholders or the board of directors, but the board of directors may not amend or repeal any bylaw provision adopted by the shareholders if the shareholders specifically provide such bylaw is not subject to amendment or repeal by the directors.

Article XII
Beginning of Corporate Existence

The corporate existence of the corporation shall begin upon filing of these Articles.

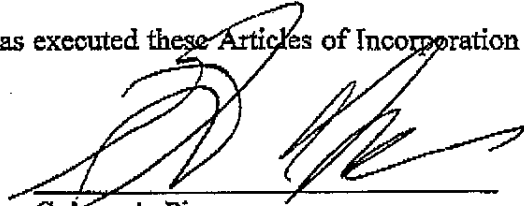
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IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this
26th day of March, 1998.



George A. Pincus
Incorporator

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HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF
PROCESS FOR THE ABOVE-STATED CORPORATION AT THE PLACE DESIGNATED IN
THESE ARTICLES OF INCORPORATION, I HEREBY ACCEPT THE APPOINTMENT AS
REGISTERED AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO
COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND
COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND ACCEPT
THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.


CT CORPORATION SYSTEM

Registered Agent Joyce A. Donahue, Asst. Secreta
Dated: 3/26/98

1200 South Pine Island Road
Plantation, FL 33324

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