

**ARNOLD ROCKFORD, ESQUIRE, P.A.**  
**ATTORNEY AND COUNSELOR AT LAW**

P 99000077808

TRANSMITTAL LETTER

Department of State  
Division of Corporations  
P.O. Box 6327  
Tallahassee, Florida 32314

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-08/27/99--01035--012  
\*\*\*\*\*70.00 \*\*\*\*\*70.00

SUBJECT: Incorporation of Balboa Title, Inc.

Enclosed is an original and one (1) copy of **BALBOA TITLE, INC.**, and a check for \$ 70.00 for the incorporation fee. Also included is a self addressed stamped envelope for your return of the Articles of Incorporation.

FROM: Arnold Rockford, Esquire, P.A.  
300 Sevilla Avenue, Suite 216  
Coral Gables, Florida 33134

Telephone (305) 569-0330  
Fax (305) 569-0331

Thank you.

FILED  
99 AUG 27 PM 4:45  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

  
\_\_\_\_\_  
Arnold Rockford, Esq.

8/31/99  
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**ARTICLES OF INCORPORATION  
OF  
BALBOA TITLE, INC.**

FILED  
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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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The undersigned, acting as incorporator(s) of a corporation pursuant to Chapter 607.0202, Florida Statutes, adopts the following Articles of Incorporation for such corporation:

ARTICLE I - NAME

The name of this corporation shall be:

**BALBOA TITLE, INC.**

Such name being in conformity with Chapter 607.0401, Florida Statutes.

ARTICLE II - PRINCIPAL OFFICE

The principal place of business of this corporation shall be:

300 Sevilla Avenue, Suite 216, Coral Gables, Florida 33134

The mailing address of this corporation shall be:

300 Sevilla Avenue, Suite 216, Coral Gables, Florida 33134

**Document Prepared By: Arnold Rockford, Esq., P.A., 300 Sevilla Ave., Suite 216, Coral Gables, Fla. 33134, (305) 569-0330, Facsimile (305) 569-0331, Fla. Bar # 982695**

ARTICLE III - SHARES

The number of shares of stock that this corporation is authorized to have outstanding at any one time is:

One Million (1,000,000) shares of no par value voting common stock.

All such shares are of one class and are shares of Common Stock.

ARTICLE IV - INITIAL REGISTERED AGENT AND STREET ADDRESS

The name and address of the initial registered agent is:

Arnold Rockford, Esq.  
300 Sevilla Avenue, Suite 216  
Coral Gables, Florida 33134  
(305) 569-0330

This agent, pursuant to Section 48.091, Florida Statutes, shall accept service of process within this State.

ARTICLE V - INCORPORATOR(S)

The name and street address of the incorporator to these Articles of Incorporation is:

Arnold Rockford, Esq.  
300 Sevilla Avenue, Suite 216  
Coral Gables, Florida 33134

ARTICLE VI - PURPOSES

This corporation is organized for any and all lawful businesses purposes permitted under its Articles of Incorporation and for which a corporation may be incorporated under the Florida Business Corporation Act, Chapter 607, Florida Statutes.

The corporation may also do and transact any and all business as permitted under the laws of the State of Florida and the United States of America. Without limiting any of the purposes, powers and objects of this corporation, it is expressly declared and provided that this corporation shall have power in carrying on its own businesses, or for the purpose of accomplishment of any of the purposes or attainment of the objects herein-above specified, to make and perform contracts of any kind and description and to do any and all other acts and things, and to exercise any and all powers, either as principal, agent or broker, conferred by the Laws of Florida upon corporations, and which a partnership or natural person could do and exercise, and which now or hereafter may be authorized by law.

#### ARTICLE VII - SHAREHOLDERS' PREEMPTIVE RIGHTS TO NEW ISSUES OF SHARES

Each share of stock of the corporation shall entitle the holder thereof to a preemptive right, for a period of thirty days, to subscribe for, purchase, or otherwise acquire any shares of stock of the same class of the corporation or any equity and/or voting shares of stock of any class of the corporation that the corporation proposes to issue or any rights or options that the corporation proposes to grant for the purchase of shares of stock of the same class of the corporation or of equity and/or voting shares of any class of stock of the corporation or for the purchase of any shares of stock, bonds, securities, or obligations of the corporation that are convertible into or exchangeable for, or that carry any rights, to subscribe for, purchase, or otherwise acquire shares of stock of the same class of the corporation or equity and/or voting shares of stock of any class of the corporation, whether now or hereafter authorized or created, whether having unissued or treasury status, and whether the proposed issue, reissue, transfer, or grant is for cash, property, or any other lawful consideration; and after the expiration of said thirty days, any and all of such shares of stock, rights, options, bonds, securities, or obligations of the corporation may be issued, reissued, transferred, or granted by the Board of Directors, as the case may be, to such persons, firms, corporations and associations, and for such lawful consideration, and on such terms, as the Board of Directors in its discretion may determine. As used herein, the terms "equity shares" and "voting shares" shall mean, respectively, shares of stock that confer unlimited dividend rights and shares of stock that confer unlimited voting rights in the election of one or more directors.

#### ARTICLE VIII- TRANSFER OF SHARES RESTRICTIONS

The corporation shall restrict the transfer or registration of transfer of shares against any shareholder or a transferee of any shareholder and the restriction's existence duly noted conspicuously on the front or back of the certificate, as authorized by Chapter 607.0627, Florida

Statutes. The secretary of the corporation shall endorse the following legend on each share certificate prior to its delivery to a shareholder:

"The shares of stock evidenced by this certificate may not be transferred, pledged, gifted, assigned, or encumbered except in accordance with the terms of the Articles of Incorporation of **BALBOA TITLE, INC.**, a copy of which is on deposit with the President of the corporation."

No shareholder shall transfer, pledge, assign, gift, or encumber all or any part of her shareholdings in the corporation except as provided in this Article. This restriction on the transfer or registration of transfer of shares shall be to maintain the corporation's status because it is dependent on the number or identity of its shareholders, including but not limited to preserving exemptions under the Internal Revenue Service laws as well as the close management relation between the founders of the corporation proper to protect the corporation against outside control, in accordance with Chapter 607.0627, Florida Statutes.

This Article obligates any shareholder of the corporation or said shareholder's executor or other legal representative whom is desirous to dispose in any form, including and not limited to whether by sale, transfer, assignment, gift or bequest, any share or fraction of share thereof to first offer to the corporation an opportunity to acquire the restricted shares. Should the corporation decline on this right of first refusal herein granted, any shareholder of the corporation or said shareholder's executor or other legal representative whom is desirous to dispose in any form, including and not limited to whether by sale, transfer, assignment, gift or bequest, any share or fraction of share thereof to first offer separately, and consecutively to each other shareholder of the corporation in order of majority of shares held by such shareholder an opportunity to acquire the restricted shares, in accordance with Chapter 607.0627, Florida Statutes.

A retiring shareholder shall offer said shareholder's shares to the remaining shareholders in proportion to their respective holdings. If the remaining shareholders do not elect to buy their shares, any of the other shareholders may do so.

On the death of any shareholder, the corporation has the first option to buy, and the executor, administrator, or personal representative of the shareholder will sell to the corporation, all of the shares owned by the shareholder at the time of said shareholder's death at a reasonable book value price fixed by the corporation's directors if there is no outside market.

The directors may waive any requirement that shares be offered to the corporation before sale, and a majority shareholder may vote her shares to prevent the corporation from making a purchase of shares under this Article.

The corporation shall have the right to approve the transfer of the restricted shares, if the requirement is not manifestly unreasonable, in accordance with Chapter 607.0627, Florida Statutes.

The corporation, through its Board of Directors, may require that shares will not be transferred until the record holder pays all debts to the corporation. The corporation shall have a lien by contract according to this Article with the holder of shares indebted to the corporation. The right of the corporation to this lien shall be noted on the stock certificate.

The restriction on the transfer or registration of transfer of shares may prohibit the transfer of the restricted shares to designated persons or classes of persons, if the prohibition is not manifestly unreasonable, in accordance with Chapter 607.0627, Florida Statutes.

To insure or partially insure its obligation under this Article to purchase from the estate of a deceased shareholder the shares owned by such shareholder prior to her death, the corporation shall purchase, and shall continue in force by timely payment of premiums, the policies of insurance covering the lives of each of the shareholders it's Board of Directors so deems adequate to insure. In the event any shareholder ceases to be a shareholder of the corporation or reduces her holding of the shares of the corporation, by voluntary transfer or otherwise, the corporation shall, as appropriate, terminate or procure a proportionate reduction in the face amount of insurance outstanding on the life of such shareholder, and in the event any shareholder increases her holding of the shares of the corporation, the corporation shall procure and maintain additional insurance on the life of such shareholder proportionate to the increase in the holdings of such shareholder.

In the event that a shareholder offers for sale shares whether to the corporation or another shareholder under the terms of this Article, the price of such shares shall be fixed as herein follows. The shares shall be sold/purchased at their book value determined by the net equity of the company at the time. Then an additional fifteen percent (15%) shall be paid above the previously described value determined. This shall apply only after the corporation has been in existence for more than one (1) year and the shareholder has maintained their ownership in the shares for the same period. This percentage shall increase to twenty percent (20%) after two years providing that all the previous conditions described in this paragraph are observed or exist. This paragraph's terms are of no validity in the event of a complete liquidation.

#### ARTICLE IX - CONTROL-SHARE ACQUISITIONS

"Control shares," as used in this Article means shares that, except for this Article, would have voting power with respect to shares of this corporation that, when added to all other shares of the corporation owned by a person or in respect to which that person may exercise or direct the exercise of voting power, would entitle that person, immediately after acquisition of the shares, directly or

indirectly, alone or as a part of a group, to exercise or direct the exercise of the voting power of the corporation in the election of directors within any of the following ranges of voting power:

- (a) One-fifth or more but less than one-third of all voting power.
- (b) One-third or more but less than a majority of all voting power.
- (c) A majority or more of all voting power.

"Control-share acquisition," as used in this Article means the acquisition, directly or indirectly, by any person of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares. All shares, the beneficial ownership of which is acquired within 90 days before or after the date of the acquisition of the beneficial ownership of shares which result in a control share acquisition, and all shares the beneficial ownership of which is acquired pursuant to a plan to make a control-share acquisition shall be deemed to have been acquired in the same acquisition.

Control shares acquired in a control-share acquisition shall have the same voting rights as were accorded the shares before the control-share acquisition only to the extent granted by resolution approved by the shareholders of this corporation. To be approved under this Article, the resolution must be approved by a majority of all the votes entitled to be cast by the outstanding shares, excluding all interested shares.

In the event control shares acquired in a control-share acquisition are accorded full voting rights and the acquiring person has acquired control shares with a majority or more of all voting power, all shareholders of the corporation shall have dissenters' rights to receive the fair value of their shares.

The corporation shall restrict the transfer or registration of transfer of shares against any shareholder or a transferee of any shareholder in accordance with this Article and the restriction's existence duly noted conspicuously on the front or back of the certificate, as authorized by Chapter 607.0627, Florida Statutes.

#### ARTICLE X - SHARES ISSUED FOR SERVICES AS CONSIDERATION

The corporation may issue shares or options to shares to an employee and the Board of Directors of this corporation shall be authorized to enter into an agreement with any employee or to issue shares or options to shares to any employee whether for currency, property, or services rendered. In the case of options to purchase shares of the corporation these may apply to future services to the corporation. This Article's provisions are subject to all other restrictions wherever located within these Articles of Incorporation.

The corporation may grant its employees an option to purchase its stock at a bargain price, either by individual agreement or under the general terms of this Article. Any shares granted under an option shall protect any preemptive rights of existing shareholders. The purpose for these options shall be to obtain or keep the services of employees for the corporation, by selling its stock at a bargain price. The corporation must be assured that the services of any employee obtaining an option will continue for a period of time of a year or more.

The Board of Directors shall be authorized to set aside, at its discretion, a number of shares of the common stock without par value of this corporation for sale or issuance to the employees of this corporation and of its subsidiaries upon terms set at the discretion of the Board of Directors, including and not limited to acquisition by employees of shares through stock options. Nothing in this Article shall constitute an obligation by the corporation or its Board of Directors to actually issue such shares to any employee. In absence of a Board of Director's actual issuance of shares under this Article to an employee, the Board of Directors is equally authorized to use the corporate positions and amounts of stock herein specified as an index of compensation for services rendered payable to the respective individual occupying said corporate position. In this case, the employee is not a shareholder of the corporation and shall not be entitled to receive any shares certificate.

The President shall be authorized to all of the shares of common stock set aside by the Board of Directors and reserved for employees, to subscribers in the proportion that the subscription of each employee bears to the total amount of common stock subscribed for by all employees, and that the President is authorized to make such allotment, among employee subscribers, of shares not allotted because of fractional subscriptions resulting from this method of allotment, as in his discretion seems most beneficial to this corporation.

Upon the separation of an employee from the corporation, including and not limited to whether by resignation, termination, death, law, or other, the corporation, or its assigns, shall for 90 days thereafter have the right to repurchase the shares issued to any employee under this Article, at its election. In order to effectuate the purposes of this Article, any shares so purchased shall be issued to a Trustee, and shall be held by it in trust for the parties under these Articles of Incorporation, until such time, if any, as this corporation, or its assigns, shall elect to repurchase the said shares under the terms of these Articles of Incorporation. All dividends upon the said stock during said period shall be paid to the shareholder as they become due, and the shareholder shall have the right during the period to vote the stock at all meetings of this corporation, but the shareholder shall not pledge or transfer said shares, or otherwise prevent the carrying out of the terms of this Article. In the event that this corporation, or its assigns, shall elect under this Article to repurchase the shares, it shall pay a price for the shares set by the Board of Directors if no outside price exists therefor to the Trustee, and the Trustee shall thereupon transfer the shares to this corporation, or its assigns, and pay over the purchase price to the shareholder or her executors or administrators or assigns. If, having the right to repurchase said stock, this corporation, or its assigns, shall elect not to do so, said Trustee shall thereupon, and after 90 days after the separation



of the shareholder from the corporation as an employee, transfer the same to the shareholder or her executors or administrators or assigns, whose title thereto shall be subject to all other provisions of these Articles of Incorporation.

Shares issued for services shall be conditioned upon receipt by the corporation of services reasonably worth the face value of the shares given therefor. In accordance with the Model Business Corporation Act and these Articles of Incorporation, the judgment of the Board of Directors or the shareholders or the President of this corporation, as the case may be, shall be conclusive as to the value of the consideration received for shares, absent fraud. The "true value" rule is hereby rejected. The Board of Directors shall state by formal resolution its determination of the fair value to the corporation in monetary terms of any consideration other than money for which share are issued. The Board of Directors, the shareholders, or the President shall be vested with the power to forfeit shares issued under this Article for the employee's failure to comply with the terms of this Article.

Options to purchase shares in accordance with this Article, and to be issued to an employee of this corporation as consideration for future services or past services shall be issued on the condition precedent that the shareholder renders all her efforts to the company's business as the corporation's priorities require.

This Article's restrictions are to be noted by the corporation's secretary in the share certificates or share options document granted to the employee.

The corporation shall, through its Board of Directors, shareholders, or President, and in their sole discretion, provide that specific employee positions shall receive compensation indexed by the value of dividends to be received as declared of a determined number of shares of the corporation and such number's assignment shall rest in the sole discretion of the Board of Directors, shareholders, or President of the corporation.

#### ARTICLE XI - OBLIGATION OF CORPORATION AS TO TRANSFER OF SHARES

In no event shall the corporation sell, transfer, or otherwise dispose of any of the shares of the corporation, including any shares repurchased by it pursuant to the agreement in these Articles of Incorporation, to any person or entity without such person or entity being automatically bound by all applicable parts of these Articles of Incorporation.

ARTICLE XII - POWER TO INSURE SHAREHOLDERS FOR CORPORATE BENEFIT

The corporation shall have the power to provide insurance for its benefit on the life of any of its directors, officers, or employees, or on the life of any shareholder for the purpose of acquiring at her death shares of its stock owned by the shareholder or by the spouse or children of the shareholder.

ARTICLE XIII - DURATION OF CORPORATION

This corporation shall have perpetual duration unless dissolved according to law.

ARTICLE XIV - INDEMNIFICATION OF PERSONS

The corporation shall, to the fullest extent permitted by Chapter 607.0850, Florida Statutes, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said Chapter from and against any and all of the expenses, liabilities or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

The extent, amount, and eligibility for the indemnification provided herein will be made by the Board of Directors. Said determinations will be made by a majority vote to a quorum consisting of directors who were not parties to such action, suit, or proceeding or by the shareholders by a majority vote of a quorum consisting of shareholders who were not parties to such action, suit, or proceeding.

The corporation is further authorized to purchase and maintain insurance for indemnification of any person as provided herein and to the extent provided under Florida law.

ARTICLE XV - AMENDMENT OF ARTICLES

From time to time any of the provisions of this certificate of incorporation may be amended, altered, or repealed, and other provisions authorized by the laws of the State of Florida at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the shareholders of the corporation by this certificate of incorporation are granted subject to the provisions of this Article XII.

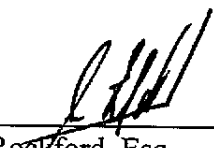
ARTICLE XVI - ORGANIZATION EXPENSE

The initial shareholders (those obtaining shares up to one year after the incorporation of this company) shall each advance the required funds, in equal shares, to pay for all expenses and legal fees incurred in organizing this corporation, including legal fees for the preparation of the Articles of Incorporation. The corporation will reimburse the shareholders for these expenses immediately after the corporation comes into existence.

ARTICLE XVIII - ARTICLES BINDING ON THIRD PERSONS

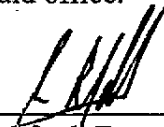
All provisions in these Articles of Incorporation are binding as a contract between the shareholders and the corporation, their heirs, legal representatives, successors, and assigns.

IN WITNESS HEREOF, I have executed these Articles of Incorporation, XVIII in total, for BALBOA TITLE, INC., in Coral Gables, Dade County, Florida on this 25 day of August, 1999.

  
\_\_\_\_\_  
Arnold Rockford, Esq.  
300 Sevilla Avenue, Suite 216  
Coral Gables, Florida 33134

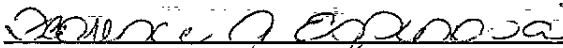
ACCEPTANCE OF REGISTERED AGENT APPOINTMENT

The undersigned, having been named to accept service of process for BALBOA TITLE, INC. at the place designated in Article IV hereof, hereby accepts such agency and agrees to comply with the provisions of the Florida Statutes relative to keeping open said office.

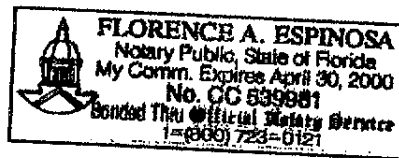
  
\_\_\_\_\_  
Arnold Rockford, Esq.  
300 Sevilla Avenue, Suite 216  
Coral Gables, Florida 33134

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State of Florida, County of Dade, to take acknowledgments, personally appeared, Arnold Rockford, Esq. who is personally known to me as identification, and who executed the foregoing Articles of Incorporation and the Acceptance of Registered Agent Appointment, and who acknowledged before me by oath that he executed these Articles of Incorporation.

SWORN AND SUBSCRIBED before me this 25 day of August, 1999. I WITNESS my hand and official seal in the County and State above-named this 25th day of August, 1999.

  
\_\_\_\_\_  
Notary Public, State of Florida

My Commission expires:



FILED  
99 AUG 27 PM 4:45  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA