

Division of Corporations

Page 1 of 2

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Florida Department of State

Division of Corporations

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BASIC AMENDMENT

PARK AVENUES RENTAL COMMUNITY TWO, INC.

Certificate of Status	0
Certified Copy	0
Page Count	08
Estimated Charge	\$35.00

Amended & Restated

Art.

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**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
PARK AVENUES RENTAL COMMUNITY TWO, INC.**

1. The name of the corporation is Park Avenues Rental Community Two, Inc., a Florida subchapter S corporation (the "Corporation"). The document number assigned to the Corporation is S28268.

2. This restatement contains amendments requiring approval of the Board of Directors and the Shareholders and was adopted by the unanimous vote of the members of the Board of Directors and of the Shareholders of the Corporation on December 18, 2001. The number of votes cast by the Shareholders was sufficient for approval.

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

4. The Articles of Incorporation of the Corporation are hereby amended and restated in their entirety to read as follows:

**"ARTICLE I
Name and Duration**

The name of the Corporation is Park Avenues Rental Community Two, Inc. The duration of the Corporation is perpetual.

**ARTICLE II
Principal Office**

The address of the principal office and mailing address of the Corporation in the State of Florida is 8705 Perimeter Park Boulevard, Suite 8, Jacksonville, Florida 32216.

**ARTICLE III
Registered Office and Agent**

The street address of the registered office in the State of Florida is 8705 Perimeter Park Boulevard, Suite 8, Jacksonville, Florida 32216. The name of the registered agent at such address is Donald C. Fort.

**ARTICLE IV
Corporate Purposes, Powers and Rights**

1. Notwithstanding any provision hereof to the contrary, the following shall govern: The nature of the business to be conducted and promoted by the Corporation is to engage solely in the activity of acting as a general partner of Park Avenues Rental Community Two, Ltd., a Florida limited partnership (the "Partnership") whose purpose includes owning, holding, selling,

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leasing, transferring, exchanging, operating and managing certain parcels of real property, together with all improvements located thereon, which constitute an apartment complex in the City of Jacksonville, State of Florida (the "Property"). The nature of the purpose to be conducted and promoted by the Corporation is solely to: (a) be the general partner of the Partnership, (b) act as, and exercise all of the authority of, the general partner of the Partnership, and (c) transact any and all lawful business for which a corporation may be organized under the Florida Business Corporations Act that is incident, necessary and appropriate to accomplish the foregoing business and purposes. The Corporation shall exercise all powers enumerated in the Florida Business Corporation Act necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

2. Notwithstanding any provision hereof to the contrary, the following shall govern: The Corporation shall not incur indebtedness, except as it is liable for any indebtedness of the Partnership resulting from its capacity as general partner of the Partnership. For so long as the Partnership remains mortgagor of the Property, the Corporation shall not, and shall not cause the Partnership to, dissolve or liquidate. The Corporation shall not, and shall not cause the Partnership to, consolidate or merge with or into any other entity or convey or transfer its properties and assets substantially as an entirety to any entity. The Corporation shall not permit the transfer any direct or indirect interest in the Corporation to any entity such that the entity owns, in the aggregate with the ownership interests of its affiliates and family members in the Corporation, more than a forty-nine percent (49%) interest in the Corporation unless (i) such transfer is conditioned upon the delivery of an acceptable non-consolidation opinion to the mortgagee of the Property and to any applicable rating agency concerning, as applicable, the Corporation, the entity and/or their respective owners, and (ii) the applicable rating agencies confirm that the transfer will not result in a qualification, withdrawal or downgrade of any securities rating. For so long as the Partnership remains mortgagor of the Property, the Corporation shall continue to serve as general partner of the Partnership or any intermediate special purpose entity and own at least one-half percent (0.5%) interest in the Partnership or intermediate special purpose entity. The unanimous consent of all of the directors of the Corporation is required for the Corporation, and for the Corporation to cause the Partnership or any other intermediate special purpose entity, to: (i) file or consent to the filing of any bankruptcy, insolvency or reorganization case or proceeding, institute any proceedings or otherwise seek relief under the Federal Bankruptcy Code or any similar federal or state statute; (ii) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or similar official for the Corporation, the Partnership or a substantial portion of either of their respective properties; (iii) make any assignment for the benefit of the creditors of the Corporation or the Partnership; or (iv) take any action in furtherance of any of the foregoing. For so long as the Partnership remains mortgagor of the Property, no amendment to Articles IV, VI, VII, X or XI of these Articles of Incorporation, or material amendment to the Corporation's Bylaws nor to the Certificate of Limited Partnership or the partnership agreement of the Partnership may be made without first obtaining approval of the mortgagees holding first mortgages on any portion of the Property, or, after securitization of the mortgage loan on the Property, only if the Partnership receives (i) confirmation from each applicable rating agency that such amendment would not result in the qualification, withdrawal or downgrade of any securities rating, and (ii) approval of such amendment by the mortgagees holding first mortgages on any portion of the Property or their assigns.

H01000123343

H01000123343

**ARTICLE V
Capital Stock**

The total number of shares of capital stock which the Corporation has the authority to issue is one thousand (1,000) shares of Common Stock ("Common Stock") \$0.10 par value per share.

**ARTICLE VI
Board of Directors**

1. The number of members of the Board of Directors may be increased or diminished from time to time by the Bylaws; provided, however, there shall never be less than one. There shall be at least one Independent Director (as defined in Article XI). Each Director shall serve until the next annual meeting of Shareholders.

2. If any vacancy occurs in the Board of Directors during a term, the remaining Directors, by affirmative vote of a majority thereof, may elect a Director to fill the vacancy until the next annual meeting of Shareholders.

3. No vote requiring the unanimous consent of the Board of Directors may be taken unless it contains at least one Independent Director (as defined in Article XI).

**ARTICLE VII
Amendment**

Except as otherwise provided in Article IV, 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 shareholders herein are granted subject to this reservation.

**ARTICLE VIII
Bylaws**

The power to adopt, amend or repeal Bylaws for the management of this Corporation shall be vested in the Board of Directors or the shareholders, but the Board of Directors may not amend or repeal any Bylaw adopted by the Shareholders if the Shareholders specifically provide that such Bylaw is not subject to amendment or repeal by the Board of Directors.

**ARTICLE IX
Indemnification**

The Corporation shall indemnify any incorporator, officer or director, or any former incorporator, officer or director, to the full extent permitted by law.

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ARTICLE X Transfer of Shares

If, from time to time, a Shareholders' agreement among all of the Shareholders of the Corporation is in effect regarding the Subchapter S status of the Corporation pursuant to the Internal Revenue Code of the United States in effect from time to time, then transfers of the Corporation's Common Stock made not in accordance with such agreement, whether by operation of law or otherwise, are null and void ab initio.

ARTICLE XI Separateness Covenants

Notwithstanding any provision hereof to the contrary, the following shall govern: For so long as any mortgage lien exists on any portion of the Property, in order to preserve and ensure its separate and distinct corporate identity, in addition to the other provisions set forth in these Articles of Incorporation, the Corporation shall conduct its affairs in accordance with the following provisions:

1. It shall maintain separate corporate records and books of account from those of any other person or entity.
2. It shall maintain its bank accounts separate from any other person or entity.
3. It shall not commingle its assets with those of any other person or entity; provided that it shall hold its own assets in its own name.
4. It shall conduct its own business in its own name.
5. It shall maintain financial statements showing its assets and liabilities separate and apart from those of any other person or entity and not have its assets listed on the financial statements of any other entity.
6. It shall file its tax returns separate from those of any other entity and shall not file a consolidated federal income tax return with any other corporation.
7. It shall pay its own liabilities and expenses out of its own funds.
8. Its Board of Directors shall observe all appropriate corporate and other formalities.
9. It shall enter into transactions with its affiliates only on a commercially reasonable basis and on terms similar to those in an arms' length transaction.
10. It shall pay the salaries of its own employees from its own funds.

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11. It shall maintain a sufficient number of employees in light of its contemplated business operations.
12. It shall not guarantee or, except to the extent of its liability for the obligations of the Partnership resulting from its role as general partner of the Partnership, become obligated for the debts of any other entity or person.
13. It shall not hold out its credit as being available to satisfy the obligations of any other person or entity.
14. It shall not acquire the obligations or securities of its affiliates or owners, including partners, members or shareholders, as appropriate.
15. It shall not make loans to any other person or entity or buy and hold evidence of indebtedness issued by any other person or entity, except for cash and investment-grade securities.
16. It shall allocate fairly reasonably any overhead that is shared with an affiliate, including paying for office space and services performed by any employee of an affiliate.
17. It shall use separate stationary, invoices and checks bearing its own name.
18. It shall not pledge its assets for the benefit of any other entity.
19. It shall hold itself out as a separate entity.
20. It shall correct any known misunderstanding regarding its separate identity.
21. It shall not identify itself as a division of any other person or entity.
22. It shall maintain adequate capital in light of its contemplated business operations.
23. It shall not form, acquire or hold any subsidiaries other than its interest in the Partnership or any intermediate special purpose entity.

For purposes of this Article XI, the following terms shall have the following meanings:

"Affiliate" means any person controlling or controlled by or under common control with the Parent, including, without limitation (i) any person who has a familial relationship, by blood, marriage or otherwise with any director, officer or employee of the Corporation, its parent, or any affiliate thereof and (ii) any person which receives compensation for administrative, legal or accounting services from this Corporation, its parent or any affiliate.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management policies or activities of a person or entity, whether through

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H01000123343

ownership of voting securities, by contract or otherwise. The terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Independent Director" shall mean a director of the Corporation who is not at the time of initial appointment, or at any time while serving as a director of the Corporation, and has not been at any time during the preceding five (5) years: (i) a Shareholder, director (with the exception of serving as the Independent Director of the Corporation), officer, employee, partner, attorney or counsel of the Corporation, the Partnership or any affiliate of either of them; (ii) a customer, creditor, supplier or other person who derives any of its purchases or revenues from its activities with the Corporation, the Partnership or any affiliate of either of them; (iii) a person or other entity controlling or under common control with any such Shareholder, partner, customer, creditor, supplier or other person; or (iv) a member of the immediate family of any such Shareholder, partner, customer, creditor, supplier or other person.

An individual that otherwise satisfies the foregoing shall not be disqualified from serving as an Independent Director of the Corporation if such individual is at the time of the initial appointment, or at any time while serving as an Independent Director of the Corporation, an Independent Director of a "special purpose entity" affiliated with the Corporation. For purposes of this paragraph, a "special purpose entity" is an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve the Partnership and the Corporation's separateness that are substantially similar to those of the Corporation, as applicable, and provide, inter alia, that it: (a) is organized for the limited purpose of owning and operating one or more properties as the General Partner of the Partnership or, in a securitization context, the limited purpose of issuing mortgage or asset-backed securities; (b) has restrictions on its ability to incur indebtedness, dissolve, liquidate, consolidate, merge and/or sell assets; (c) may not file voluntarily a bankrupt petition without the consent of the Independent Director; and (d) shall conduct itself in accordance with certain "separateness covenants", including, but not limited to, the maintenance of its books, records, bank accounts and assets separate from those of any other person or entity.

"Parent" means, with respect to a corporation, any other corporation owning or controlling, directly or indirectly, fifty percent (50%) or more of the voting stock of the Corporation.

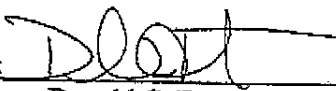
"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization, or government or any agency or political subdivision thereof."

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H01000123343

IN WITNESS WHEREOF, the undersigned President of the aforesaid Corporation has executed these Amended and Restated Articles of Incorporation this 18th day of December, 2001.

PARK AVENUES RENTAL COMMUNITY
TWO, INC., a Florida corporation

By: 
Donald C. Fort, President

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H01000123343


REGISTERED AGENT CERTIFICATE

In pursuance of the Florida Business Corporation Act, the following is submitted, in compliance with said statute:

That Park Avenues Rental Community Two, Inc., desiring to organize under the laws of the State of Florida, with its registered office, as indicated in the Articles of Incorporation at the City of Ponte Vedra Beach, County of St. Johns, State of Florida, has named Donald C. Fort, located at 8705 Perimeter Park Boulevard, Suite 8, Jacksonville, Florida 32216 as its registered agent to accept service of process and perform such other duties as are required in the State.

ACKNOWLEDGMENT:

Having been named to accept service of process and serve as registered agent for the above-stated Corporation, at the place designated in this Certificate, the undersigned, hereby accepts to act in this capacity, and agrees to comply with the provision of said statute relative in keeping open said office, and further state that I am familiar with § 607.0501, Florida Statutes.



Donald C. Fort

DATED AS OF: December 18, 2001.

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