

P04000128125

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**ARTICLES OF AMENDMENT
 TO THE
 ARTICLES OF INCORPORATION
 OF
 HANCOCK HARBOR DEVELOPMENT CORP.
FLORIDA DOCUMENT NUMBER: P04000128125**

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Pursuant to the provisions of Section 607.1006, Florida Statutes, the undersigned corporation, HANCOCK HARBOR DEVELOPMENT CORP., a Florida corporation (the "*Corporation*"), adopts the following Articles of Amendment to amend its Articles of Incorporation filed with the Florida Department of State on September 9, 2004, effective as of September 8, 2004 (the "*Articles*"):

1. **Name of the Corporation.** The current name of the Corporation is Hancock Harbor Development Corp. and its Florida document number is P04000128125.

2. **Text of Amendment.** The Articles of Incorporation of the Corporation are hereby amended by adding the following:

**"XIII
 Restrictions on Corporation**

(a) CR Hancock Bridge, LLC, a Maryland limited liability company ("*Borrower*"), which is wholly owned by the Corporation, shall be receiving a loan (the "*Loan*") from Hypo Real Estate Capital Corporation, a Delaware corporation, as agent (the "*Agent*"), which shall be secured by a deed of trust (the "*Mortgage*") on the Property. Capitalized terms that are not otherwise defined herein shall have the meanings given to them in the Construction Loan Agreement between Agent and Borrower dated on or about January 17, 2006 (the "*Loan Agreement*"). As one of the conditions of making the Loan, the Agent has required that these Articles include certain provisions.

(b) Notwithstanding anything to the contrary in these Articles and any provision of law that otherwise so empowers the Corporation, so long as the Mortgage is outstanding and not discharged in full, the Corporation hereby represents and warrants to, and covenants that as of the date hereof and until such time as the Loan shall be paid in full:

(i) **No Other Property.** The Corporation does not and will not own any asset or property other than (a) membership interests in Borrower and (b) incidental personal property necessary for the ownership or operation of the Property.

(ii) No Other Business. The Corporation will not engage in any business or activity other than the ownership, development, management and operation of Borrower. The Corporation will conduct and operate its business as presently conducted and operated. Other than with respect to Borrower and CR Hancock Bridge Marina, LLC, the Corporation shall not form any subsidiaries, hold any equity interests or make any investment of any nature in any Person.

(iii) Affiliate Agreements. The Corporation will not enter into any contract or agreement with any Affiliate of any Borrower Party or any constituent party of any Affiliate of any Borrower Party, except in the ordinary course of business and on terms which are fully disclosed to Agent in advance and are no less favorable to Borrower or such Affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party.

(iv) No Other Indebtedness. Except for Indebtedness being repaid with proceeds of the Loan, and the indebtedness of \$6,000,000 owed by the Corporation in connection with its acquisition of membership interests in Borrower, secured by its membership interests in Borrower, the Corporation has not incurred and will not incur any indebtedness, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation) other than (a) the Loan, (b) unsecured trade payables and operational debt not evidenced by a note and in an aggregate amount not exceeding \$500,000 at any one time and (c) Indebtedness incurred in the financing of equipment and other personal property used on the Property with annual payments not exceeding \$500,000 in the aggregate; provided that any Indebtedness incurred pursuant to clauses (b) and (c) shall be (i) paid prior to the earlier of (A) the sixtieth (60th) day after the date incurred and (B) the date when due and (ii) incurred in the ordinary course of business. No Indebtedness other than the Loan may be secured (subordinate or *pari passu*) by the Property.

(v) No Loans. The Corporation has not made and will not make any loans or advances to any third party (including any Affiliate or constituent party), and shall not acquire obligations or securities of its Affiliates.

(vi) Solvency. The Corporation is and will remain Solvent and will pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall become due, provided that the shareholders of the Corporation shall not be obligated to contribute capital to the Corporation to maintain solvency. The Corporation shall not file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization Legal Requirement, or make an assignment for the benefit of creditors.

(vii) Organizational Documents. The Corporation has done or caused to be done and will do all things necessary to observe organizational formalities and preserve its

existence, and the Corporation will not, nor will it permit any constituent party to, terminate, amend, modify or otherwise change the Organizational Documents of the Borrower or the Corporation, as applicable, or such constituent party without the prior written consent of Agent.

(viii) Books and Records. The Corporation will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any constituent party. The Corporation's assets will not be listed as assets on the financial statement of any other Person. The Corporation will not file a consolidated federal income tax return with any other Person. The Corporation shall maintain its books, records, resolutions and agreements as official records.

(ix) Separate Legal Entity. The Corporation will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other Person (including any Affiliate of the Corporation or any constituent party of the Corporation), shall correct any known misunderstanding regarding its status as a separate entity, shall not share any common logo with any other Person, shall conduct business in its own name, shall not identify itself or any of its Affiliates as a division or part of the other and shall maintain and utilize a separate telephone number and separate stationery, invoices and checks bearing its own name.

(x) Capital. The Corporation will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, provided the shareholders of the Corporation shall not be required to contribute capital to the Corporation.

(xi) Dissolution. Neither the Corporation nor any constituent party of the same will seek or effect the liquidation, dissolution, winding up, liquidation, consolidation or merger, in whole or in part, of the Corporation.

(xii) Commingled Funds. The Corporation will not commingle the funds and other assets of the Corporation with those of any Affiliate or constituent party or any other Person, and will hold all of its assets in its own name.

(xiii) Segregated Assets. The Corporation has and will maintain its assets in such manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate or constituent party or any other Person.

(xiv) Guarantees. The Corporation will not guarantee or become obligated for the debts of any other Person and does not and will not hold itself out to be responsible for or have its credit available to satisfy the debts or obligations of any other Person.

(xv) Bank Accounts. The Corporation will not permit any Affiliate or constituent party independent access to its bank accounts.

(xvi) Employees. The Corporation will pay the salaries of its own employees (if any) from its own funds and maintain a sufficient number of employees (if any) in light of its contemplated business operations.

(xvii) Agents. The Corporation will compensate each of its consultants and agents from its funds for services provided to it and pay from its own assets all obligations of any kind incurred, except as may be permitted to be paid from Advances.

(xviii) Independent Director. The Corporation shall at all times during the period when any portion of the Loan is outstanding have as a member of its board of directors an independent director (the "Independent Director") who shall not have been at the time of such individual's appointment to the board of directors of the Corporation or at any time while serving as a director of the Corporation and may not have been at any time (i) a stockholder, director (with the exception of serving as the Independent Director of the Corporation), manager, officer, employee, partner, member, attorney or counsel of the Corporation or any Affiliate of the Corporation, (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with the Corporation or any Affiliate of the Corporation, (iii) a Person Controlling or under common Control with any such stockholder, partner, member, manager, officer, employee, director, customer, supplier or other Person, or (iv) a member of the immediate family of any such stockholder, member, manager, director, officer, employee, partner, customer, supplier or other Person. A natural person who otherwise satisfies the foregoing definitions shall not be disqualified from serving as the Independent Director if such individual is at the time of initial appointment, an independent director or independent manager of a "special purpose entity" which is an Affiliate of the Corporation if such individual is an independent director provided by CT Corporation or any other nationally-recognized company that provides professional independent directors and such Affiliate does not own any direct or indirect interests in the Corporation. For purposes of this paragraph, a "special purpose entity" is a Person whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such corporation's separateness that are substantially similar to those of Borrower and the Corporation and provide, inter alia, that it: (A) is organized for the limited purpose of owning and operating one or more properties or of being the general partner, managing member or special or independent manager of another special purpose entity; (B) has restrictions on its ability to incur indebtedness, dissolve, liquidate, consolidate, merge and/or Transfer assets; (C) may not file voluntarily a bankruptcy petition, or merge into, consolidate with any Person, or dissolve, terminate or liquidate in whole or in part, without the consent of the Independent Director, and (D) shall conduct itself in accordance, or merge into, consolidate with any Person, or dissolve, terminate or liquidate in whole or in part, with certain "separateness covenants", including the maintenance of its books, records, bank accounts and assets separate from those of any other Person." The Corporation shall not file voluntarily a bankruptcy petition or merge into, consolidate with any Person or dissolve, terminate or liquidate in whole or in part, without the consent of the Independent Director and the Corporation shall not cause Borrower to

file voluntarily a bankruptcy petition or merge into, consolidate with any Person or dissolve, terminate or liquidate in whole or in part, without the consent of the Independent Director. Other than as expressly set forth in the prior sentence, the Independent Director shall have no right to vote on matters coming before, or that are subject to the approval of, the Board of Directors of the Corporation.

3. **Date of Adoption.** This Amendment was adopted as of January 12, 2006.

4. **Manner of Adoption.** This Amendment was adopted by (i) the written consent of the shareholders of the Corporation and (ii) a unanimous written consent of the Board of Directors of the Corporation. The number of votes cast for this Amendment by the shareholders of the Corporation was sufficient for approval.

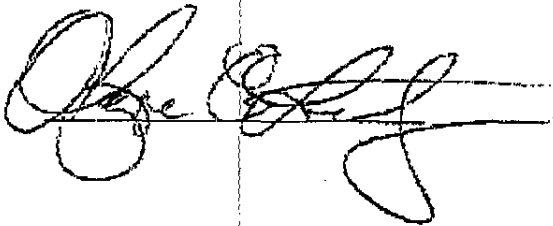
5. **Force and Effect.** The Articles, as amended hereby, are ratified and affirmed in all respects and shall continue in full force and effect.

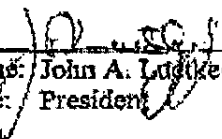
(signature appears on the following page)

IN WITNESS WHEREOF, the President of Hancock Harbor Development Corp. has signed these Articles of Amendment as of January 12, 2006.

WITNESS/ATTEST:

HANCOCK HARBOR DEVELOPMENT CORP.



By: 
Name: John A. Ludtkeneyer, Jr.
Title: President