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FLORIDA PROFIT CORPORATION OR P.A.

SHS, Inc.

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ARTICLES OF INCORPORATION

OF

SH5, INC.

ARTICLE I - NAME AND ADDRESS

The name of this corporation is SH5, Inc. (the "Corporation"). The address of the principal office and the mailing address of the Corporation is 506 Fleming Street, Key West, Florida 33040.

ARTICLE II - PURPOSE

A. The purpose for which the Corporation is organized is limited solely to (i) being the general partner of SH5, Ltd., a Florida limited partnership ("Limited Partnership") (ii) acting as, and exercising all of the authority of, the general partner of the Limited Partnership, and (iii) the transacting any and all lawful business for which a Corporation may be organized under Florida law that is incident, necessary and appropriate to accomplish the foregoing.

B. The Corporation is required to serve in the capacity of a general partner or a member of the Limited Partnership, for so long as that certain indebtedness (the "Loan") secured by the property currently known as the Holiday Inn Beachside Key West hotel among the Limited Partnership, LHO Key West HI, L.P., a Delaware limited partnership, as the original borrower under such Loan, and U.S. Bank National Association, as Successor Trustee for the Registered Holders of Chase Commercial Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2000-3, as the lender ("Lender"), remains outstanding.

ARTICLE III - PROHIBITIONS, LIMITATIONS, AND COVENANTS

A. The Corporation shall not do any of the following: (i) engage in any activity other than activity authorized by its governing corporate documents (the "Governing Documents"); (ii) amend, modify, terminate or fail to comply with its Governing Documents in a manner which would adversely affect its existence as a single purpose entity; (iii) commingle or permit to be commingled its assets with those of any other Person (defined below); (iv) identify the shareholders or any of their or the Corporation's Affiliates (defined below) as a division or part of it; (v) pledge its assets for the benefit of any other Person; (vi) assume, guaranty or become obligated for the debts of, or hold out its assets or credit as being available to satisfy the obligations of, any other Person, except as it is liable for the Limited Partnership's indebtedness in its capacity as general partner of the Limited Partnership; (vii) acquire obligations or

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securities of any of its Affiliates or shareholders, as the case may be, including its directors if applicable; (viii) accept any loans from any other Person, make any loans to any other Person or buy or hold evidences of indebtedness issued by any other Person; (ix) enter into or be a party to any transaction with its shareholders or Affiliates, as the case may be, except in the ordinary course of its business when the transaction has legitimate business purposes for all parties and is on terms that are commercially reasonable and are no less favorable to it and to its shareholders or Affiliates, as the case may be, than would be obtained in a comparable arms-length transaction with an unrelated third party; (x) take any action not authorized by the directors pursuant to these Articles of Incorporation; (xi) transfer any assets without fair consideration and proper documentation; (xii) transfer any assets with the intent to hinder, delay or defraud creditors; (xiii) except to the extent necessary and appropriate under a property management services agreement, permit any of its Affiliates (other than solely as an officer, director or shareholder, as the case may be, thereof) to make decisions with respect to the ordinary course of its business and affairs; (xiv) hold itself out to third parties in such a manner as to be confused with any Affiliate or any other Person in connection with the its transactions with third parties; (xv) merge into or consolidate with any Person or entity or dissolve, terminate or liquidate the Corporation in whole or in part or transfer or otherwise dispose of all or substantially all of the Corporation's assets or change the Corporation's legal structure; (xvi) permit any contract or other transaction relating to its business to be entered into other than clearly in the name of the entity that is intended to be responsible and liable for that contract or transaction in a manner designed to inform the other parties to the transaction of the identity of the entity that is responsible and liable; (xvii) incur any debt on the basis of the assets or creditworthiness of any other Person; (xviii) require, as a routine matter, the guaranty of its obligations by any other person to enable it to operate or transact business; or (xix) file or consent to the filing of any Bankruptcy Action (defined below).

B. During such time as any obligations of the Corporation or the Limited Partnership in respect of the Loan are outstanding, the Corporation shall not engage in a (i) dissolution, (ii) liquidation, (iii) consolidation, (iv) merger, (v) sale of all or substantially all of the assets of the Corporation, or (vi) amendment of these Articles of Incorporation, without the prior written consent of the Lender. Lender may condition its approval on obtaining, at Limited Partnership's cost and expense, a confirmation from each of the applicable rating agencies that such amendment would not result in the qualification, withdrawal or downgrade of any securities rating.

C. For purposes of these Articles of Incorporation, "Affiliate" means, with respect to any Person: (i) any Person directly or indirectly controlling, controlled by or under common control with such Person; (ii) any person owning or controlling 10% or more of the outstanding voting securities of such Person; (iii) any officer, director, manager, trustee or general partner of such Person; or (iv) any Person who is an officer, director, manager, trustee or general partner or holder of 10% or more of the voting securities of any Person described in clauses (i) through (ii).

D. For purposes of these Articles of Incorporation, "Person" means any natural person or Entity.

E. For purposes of these Articles of Incorporation, "Entity" means any corporation, partnership (general, limited or other), limited liability company, company, trust, business trust, cooperative or association.

ARTICLE IV - CAPITAL STOCK/TRANSFER OF OWNERSHIP INTEREST

A. The aggregate number of shares which the Corporation shall have authority to issue is One Thousand (1,000) shares of common stock, all of which are to have a par value of One Cent (\$.01) per share. The Board of Directors shall fix the consideration to be received for each share. Such consideration shall consist of any tangible or intangible property or benefit to the Corporation, including cash, promissory notes, services performed or written promises to perform services and shall have a value, in the judgment of the directors, equivalent to or greater than the full par value of the shares.

B. No transfer of any direct or indirect ownership interest in the Corporation may be made unless such transfer is consented to by Lender if such consent is required by the documents evidencing or securing the Loan (collectively, the "Loan Documents"). Lender may condition its consent upon the delivery of an acceptable non-consolidation opinion to the holder of the Loan and to any applicable rating agency concerning, as applicable, the Corporation, the new transferee and/or their respective owners.

ARTICLE V - INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation and the name of the initial registered agent of the Corporation at such office is:

<u>Name</u>	<u>Address</u>
Robert A. Spottswood	506 Fleming Street Key West, Florida 33040

ARTICLE VI - COMMENCEMENT

The Corporation shall commence on the date on which these Articles of Incorporation are filed with the Secretary of State and the duration of the Corporation is perpetual.

ARTICLE VII – BOARD OF DIRECTORS

A. The initial Board of Directors of the Corporation shall be comprised of four persons. The number of directors may be either increased or decreased from time to time as provided for in the Bylaws of the Corporation, but shall never be less than one. Each director shall hold office until the next annual meeting of the shareholders. If there is a vacancy on the Board of Directors, the remaining directors may elect a director to fill the vacancy until the next annual meeting of the shareholders. The names and addresses of the members of the initial Board of Directors who shall serve as Directors of the Corporation until the first annual meeting of shareholders are:

<u>Name</u>	<u>Address</u>
Robert A. Spottswood	506 Fleming Street Key West, Florida 33040
William B. Spottswood	506 Fleming Street Key West, Florida 33040
John M. Spottswood, Jr.	506 Fleming Street Key West, Florida 33040
Randy W. Moore "Independent Director"	3130 Northside Drive Key West, Florida 33040

B. The Corporation shall at all times have at least one Independent Director (as defined below). The Corporation shall be without authority to take the actions specified herein as requiring a vote of the Independent Director absent the currently effective appointment of such Independent Director.

C. For purposes of these Articles of Incorporation, an "Independent Director" shall mean a director of the Corporation who is and shall at all times be, in fact, independent and is not at the time of initial appointment and has not been at any time during the preceding five (5) years: (i) stockholder, director, officer, employee or partner of the Corporation, the Limited Partnership, or any affiliate of either of them; (ii) a customer, supplier or other person who derives more than 10% of its purchases or revenues from its activities with the Corporation, the Limited Partnership or any affiliate of either of them; (iii) a person or other entity controlling or under common control with any such stockholder, director, officer, employee, partner, customer, supplier or other person; or (iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other person. (As used herein, the term "control" means 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 ownership of voting securities, by contract or otherwise.)

D. The business and affairs of the Corporation shall be managed by and under the direction of its Board of Directors. The Corporation shall respect and appropriately document the separate and independent natures of its activities, as compared with those of any other person, take all reasonable steps to continue its identity as a separate legal entity, and make it apparent to third persons that the Corporation on one hand, and each of the holders of shares of the Corporation, on the other hand, is a person with assets and liabilities distinct from those of any other person. Without limiting the foregoing, the Corporation shall take the following actions on its own behalf and cause the Limited Partnership to: (i) pay or cause to be paid its own liabilities and expenses, including the salaries of its own employees, only out of its own funds and assets; (ii) observe or cause to be observed all applicable corporate formalities, including, without limitation, requiring its directors and officers, if any, to duly authorize all actions of the Corporation to the extent required by Florida law; (iii) allocate or cause to be allocated fairly and reasonably any overhead for any office space shared with any other Person and services performed by any employee of any other Person; (iv) use separate stationery, invoices, business forms, and checks bearing its own name (or a name franchised or licensed to it by an entity that is not an Affiliate of the Corporation (collectively, the "Tradename"); (v) maintain or cause to be maintained correct and complete accounts, books, records, financial statements, accounting records, and other entity documents separate from any other Person and file its own separate tax returns (except that the Corporation shall have the right to file consolidated or combined federal, state and city tax returns which shall provide that the Corporation is a separate legal entity and pays its respective proportionate share of the taxes shown on such returns); (vi) hold its assets in its own name; (vii) conduct its business, enter into contracts and transactions and otherwise act in its own name (or in the Tradename) in a manner designed to inform third parties of the identity of the entity with which they are dealing; (viii) maintain arm's length relationships with each of its Affiliates and enter into transactions with its Affiliates only on commercially reasonable terms; (ix) hold itself out and identify itself as a separate and distinct entity under its own name (or in the Tradename) and not as a division or department of any other Person; (x) correct any known misunderstanding regarding its name or separate identity; (xi) remain qualified to do business under the laws of the State of Florida; (xii) remain solvent and 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; (xiii) maintain separate from any other Person its books, records, resolutions and agreements as official records; (xiv) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on the financial statements of any other Person, except as required by generally accepted accounting principles; provided, however, that any such consolidated financial statements shall contain a note indicating that the separate assets and liabilities of the Corporation and the other Person or Persons have been consolidated therein and that the Corporation has separate financial statements; (xv) enter into contracts and other transactions only to the extent that it intends to be responsible or liable for such contract or other transaction and in a manner designed to inform the other party or parties thereto of the identity of the entity that is responsible and liable therefor; (xvi) use solely its own name (or the Tradename) for purposes of obtaining any required governmental registrations, licenses, and permits necessary to the

conduct of its business; and (xvii) maintain its bank account or bank accounts in its own name, separate and apart from any bank account or cash concentration account or system of any other.

E. Notwithstanding any other provision of these Articles of Incorporation to the contrary and any provision of law that otherwise so empowers the Corporation, the Corporation shall not do any of the following without the affirmative vote of 100 percent of its Board of Directors, including the affirmative vote of the Independent Director, which shall be in writing and given prior to such action: (i) engage in any business or activity other than as set forth in these Articles of Incorporation; (ii) institute any "Bankruptcy Action" (defined below) on its own behalf; or (iii) cause the Limited Partnership to institute any Bankruptcy Action; or (iii) amend, alter, change or repeal Article II, Article III, Article IV.B., Article VII.B. through Article VII.F., and Article X.B. of these Articles of Incorporation so as to be inconsistent with such Articles.

F. For purposes of these Articles of Incorporation, "Bankruptcy Action" means:

(i) taking any action that might cause the Corporation to become insolvent;

(ii) commencing any case, proceeding or other action on behalf of the Corporation under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors;

(iii) filing a petition in bankruptcy;

(iv) consenting to the institution of a bankruptcy or insolvency case or proceeding against the Corporation;

(v) filing a petition or application or consenting to a petition or application seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation, or other relief on behalf of the Corporation of its debts under any federal or state law relating to bankruptcy or insolvency;

(vi) seeking or consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Corporation;

(vii) making any assignment for the benefit of the Corporation's creditors;

(viii) instituting a case or proceedings to have the Corporation adjudicated as, or determined to be, bankrupt or insolvent; or

(ix) taking any action in furtherance of any of the foregoing.

ARTICLE VIII - INCORPORATOR

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

<u>Name</u>	<u>Address</u>
Robert A. Spottswood	506 Fleming Street Key West, Florida 33040

ARTICLE IX - BYLAWS

The power to alter, amend or repeal the Bylaws shall be vested in each of the Board of Directors and the shareholders of the Corporation.

ARTICLE X - INDEMNIFICATION

A. Except as otherwise provided in this Article, the Corporation shall indemnify any officer or director, or any former officer or director, of the Corporation to the fullest extent permitted by law.

B. Notwithstanding anything contained in this or any other organizational document to the contrary, any obligation which the Corporation may owe to any of its officers, directors, partners, members, shareholders or affiliates (collectively, "Interested Parties"), whether characterized as a salary, fee or indemnification, shall not constitute a claim against Corporation until, and shall be subject to and fully subordinate to, the prior payment in full of the Loan, provided however, so long as no Default or Event of Default exists under the Loan Documents to the extent Corporation has cash flow or other available liquid assets (exclusive of any of reserve accounts to be maintained under the Loan Documents) in excess of the amount necessary to make current payments of principal and interest due under the Loan Documents, Corporation may pay when due (without any acceleration caused by Corporation) the scheduled obligations due to the Interested Parties of Corporation.

ARTICLE XI - AMENDMENT

Except as otherwise provided in these Articles of Incorporation, the Corporation reserves to its shareholders the right to amend or repeal any provisions now or hereafter contained in these Articles of Incorporation by a majority vote of the shareholders. Except as otherwise provided in this Article, any rights which these Articles may confer upon the Corporation may be modified or cancelled by a vote of a majority of the shareholders to amend or repeal said Articles.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 21 day of July, 2003.



Robert A. Spottswood
Incorporator

ACCEPTANCE OF APPOINTMENT

OF

REGISTERED AGENT

I hereby accept the appointment as registered agent contained in the foregoing Articles of Incorporation and state that I am familiar with and accept the obligations of Section 607.0501 of the Florida Statutes.



Robert A. Spotswood
Registered Agent

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