

A26113

(Requestor's Name)

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(City/State/Zip/Phone #)

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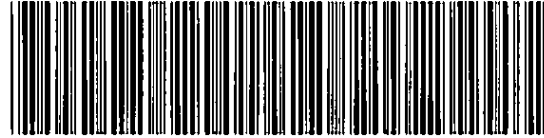
(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

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APPROVED
AND
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ROYAL AMERICAN MANAGEMENT, INC.
ROYAL AMERICAN DEVELOPMENT, INC.
ROYAL AMERICAN CONSTRUCTION CO., INC.

November 3, 2021

Via Federal Express

Registration Section
Division of Corporations
The Centre of Tallahassee
2415 N. Monroe Street, Suite 810
Tallahassee, FL 32303

Gentlemen:

Enclosed is the original and one conformed copy of the Second Amendment to the Amended and Restated limited partnership agreement for the below referenced partnership:

Hunters Run Apartments, Ltd.

Doc. A26113

In addition, enclosed is a check for \$105.00 representing filing fees as follows:

Filing Fee	\$ 52.50
Certified Copy Fee	<u>\$ 52.50</u>
Total	\$105.00

The certified copy should be returned to:

Laura Pippin
Royal American
1022 W. 23rd Street, Suite 300
Panama City, FL 32405

Sincerely,



Laura Pippin

Enclosures: as stated

COVER LETTER

TO: Registration Section
Division of Corporations

SUBJECT: HUNTERS RUN APARTMENTS, LTD. DOC #A26113

Name of Florida Limited Partnership or Limited Liability Limited Partnership

The enclosed Certificate of Amendment and fee(s) are submitted for filing.

Please return all correspondence concerning this matter to:

LAURA PIPPIN

Contact Person

ROYAL AMERICAN

Firm/Company

1022 W. 23RD STREET, SUITE 300

Address

PANAMA CITY, FL 32405

City, State and Zip Code

laura.pippin@royalamerican.com

E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Laura Pippin

at (850) 769-8981

Name of Contact Person

Area Code and Daytime Telephone Number

Enclosed is a check for the following amount:

☐ \$52.50 Filing Fee

☐ \$61.25 Filing Fee
and Certificate of
Status

☒ \$105.00 Filing Fee
and Certified Copy

☐ \$113.75 Filing Fee,
Certified Copy, and
Certificate of Status

Mailing Address:

Registration Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

Street Address:

Registration Section
Division of Corporations
The Centre of Tallahassee
2415 N. Monroe Street, Suite 810
Tallahassee, FL 32303

SECOND AMENDMENT
TO
AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
AND
CERTIFICATE OF LIMITED PARTNERSHIP
OF
HUNTERS RUN APARTMENTS, LTD.

APPROVED
AND
FILED
2021 NOV - 8 PM 2:08
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

THIS SECOND AMENDMENT to the Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership (the "**Agreement**") is made and entered into for all purposes by and among the undersigned persons, as of the 7th day of April, 2014, who, by the execution of this Second Amendment, agree to be bound by the terms, conditions and provisions of this Second Amendment.

RECITALS:

A. Hunters Run Apartments, Ltd. (the "**Partnership**") is a Florida limited partnership presently existing pursuant to a Limited Partnership Agreement and Certificate of Limited Partnership entered into effective as of March 15, 1988 (the "**Partnership Agreement**"). The Partnership Agreement was amended and restated pursuant to an Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership dated effective as of December 28, 1989, and recorded on January 8, 1990; was further amended pursuant to a First Amendment to Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership dated December 31, 2012, and recorded on March 8, 2013.

B. The parties hereto desire to further amend the Partnership Agreement to make certain mutually desired changes and to implement their agreements contained in that certain Settlement Agreement dated as of the date hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby amend the Partnership Agreement of the Partnership as follows:

1. The following new sentence shall be inserted after the last sentence of paragraph (a) of Section 8.3 of the Partnership Agreement:

"The General Partner shall not, after the date on which this sentence is added to the Partnership Agreement, agree to any increase in the management fee contained in the Management Agreement without the approval of the Limited Partners."

2. The following new Section 14.4 shall be inserted into the Partnership Agreement immediately following Section 14.3 of the Partnership Agreement:

"14.4 Effective beginning on March 1, 2014, notwithstanding the provisions of Section 14.1 hereof, the General Partner shall have prepared on a monthly basis internal financial statements of the Partnership, a copy of which shall be furnished to all Partners promptly following completion. In addition to the foregoing, the General Partner shall, from time to time, furnish to each Limited Partner: a written description of all extraordinary material activities of the Partnership such as proposed renovations to the Project and the status of such renovations once they are commenced; copies of any third party reports solicited by the Partnership related to the Project; and a written description of any and all other matters related to the operation of the Partnership and the ownership of the Project which are not in the ordinary course of business."

3. The following new Section 15.16 shall be inserted into the Partnership Agreement immediately following Section 15.15 of the Partnership Agreement:

"15.16 (a) Lishil understands and acknowledges that a tenant in common interest in real estate is eligible for 1031 exchange treatment while a partnership interest is not. For this and other reasons, in the event of a future possible sale of the Project and Property, Lishil desires to obtain the cooperation of the Partnership and its other Partners in restructuring Lishil's ownership position so that it could qualify for a possible future 1031 tax deferred exchange transaction involving the underlying Property and Project owned by the Partnership.

(b) The Partners agree that if requested in a signed writing delivered by Lishil to the General Partner, the Partners will, subject to paragraph (c) below, distribute an undivided fractional one-half interest in the Property and Project to a new limited partnership or limited liability company in exchange for the partnership interests in such new entity which would thereafter be distributed to Lishil in exchange for its Partnership Interest in the Partnership. RAD and Joseph F. Chapman, III and wife Jeannette B. Chapman (collectively, "**Chapman**") would remain as the sole Partners of the Partnership. The proposed creation of a tenants-in-common arrangement is hereinafter referred to as the "**TIC Transaction**").

(c) As a condition to accomplishing the tenancy-in-common arrangement described in paragraphs (a) and (b), Lishil agrees as follows:

1. The prior approval in writing of the Partnership's lenders must be obtained. The General Partner shall cooperate in requesting said approval.
2. Lishil shall furnish to the General Partner a detailed plan of action outlining the transaction steps which it proposes be taken to create a tenants-in-common arrangement; and will develop and furnish to the General Partner drafts of all required implementing documents such as a co-ownership agreement, entity formation documents, tax schedules, liquidation and distribution documents and necessary deeds.
3. Lishil shall furnish to the Partnership an opinion of its legal counsel stating that the TIC Transaction, the operation of the Project in a tenants-in-common co-ownership arrangement and the utilization by Lishil of the like-kind exchange rules of the Code can be accomplished with no tax consequence to the Partnership, RAD or Chapman in compliance with all applicable Revenue Procedures.

4. Structuring a tenants-in-common arrangement may not avoid a tax authority from asserting that the arrangement constitutes a de facto partnership. If the arrangement is "deemed" to be a partnership for tax purposes and the ownership interests of Lishil therefore does not qualify for non-recognition treatment under Code Section 1031, or if the arrangement is deemed to be a liquidation and exchange device such that it is recast as a sale by a partnership, the sole risk of such disqualification or re-characterization shall be on Lishil. RAD and Chapman shall bear no responsibility whatsoever. Lishil shall be solely responsible for meeting all requirements of Code Section 1031 exchanges, including any requirement that a taxpayer have "held" qualifying property for business or investment purposes prior to the exchange.

5. Lishil shall be responsible for all expenses and costs of the TIC Transaction.

6. Nothing contained herein shall prohibit RAD and Chapman from themselves pursuing a Code Section 1031 exchange in which case the obligation imposed on Lishil herein shall apply to RAD and Chapman.

7. The Partners hereby agree that implementation of the terms of this Section shall not delay any modification to the Partnership's indebtedness to any lender.

8. RAD and Chapman agree to cooperate in all respects with the TIC Transaction.

4. The following new Section 16 shall be inserted into the Partnership Agreement immediately following Section 15 of the Partnership Agreement:

"Section 16

Non-Binding Alternative Dispute Resolution ("ADR")

16.1 Agreement to Use Procedure. The Partners entered into this Agreement in good faith and in the belief that it would be mutually advantageous to them. It is with that same spirit of cooperation that they pledge on a going forward basis to attempt to

"Dispute"), they will utilize the procedures specified in this Section 16 (the "Procedure") to resolve such Dispute.

16.2 Initiation of Procedure. The Partner seeking to initiate the Procedure (the "**Initiating Partner**") will give written notice to the other Partners. The notice must describe in general terms the nature of the Dispute and the Initiating Partner's claim for relief. Additionally, the notice must identify one or more individuals with authority to settle the Dispute on the Partner's behalf. The Partners receiving the notice (the "**Responding Partner**", whether one or more) will have five (5) business days within which to designate by written notice to the Initiating Partner, one or more individuals with authority to settle the Dispute on the Partner's behalf. The individuals so designated will be known as the "**Authorized Individuals**". The Responding Partner may authorize himself or herself as an Authorized Individual. The Initiating Partner and the Responding Partner will collectively be referred to as the "**Disputing Partners**" or individually "**Disputing Partner**".

16.3 Direct Negotiations. The Authorized Individuals may investigate the Dispute as they deem appropriate. But they agree to promptly, and in no event later than thirty (30) days from the date of the Initiating Partner's written notice, meet to discuss the Dispute's resolution. The Authorized Individuals will meet at the times and places and with the frequency as they may agree. If the Dispute has not been resolved within thirty (30) days from their initial meeting date, the Disputing Partners will cease direct negotiations and will submit the Dispute to mediation in accordance with the following procedure.

16.4 Mediator Selection. The Authorized Individuals will have five (5) business days from the date they cease direct negotiations to submit to each other a written list of acceptable qualified attorney mediators not affiliated with any Partner. Within five (5) days from the date the list is received, the Authorized Individuals will rank the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking person will be designated as the mediator. If no mediator has been selected under this procedure, the Disputing Partners agree jointly to request a State or Federal District Judge of their choosing to supply within ten (10) business days a list of potential qualified attorney-mediators. If they cannot agree upon a State or Federal Judge, the Local Administrative Judge for the county in which the Partnership's principal office is located may supply the list. Within five (5) business days from the date the list is received, the Authorized Individuals will again rank the proposed mediators in numerical order of preference and will simultaneously exchange the list and will select as the mediator the individual receiving the highest combined ranking. If the mediator is not available to serve, they will proceed to contact the mediator who was next highest in ranking until they are able to select a mediator.

16.5 Mediation Time and Place. In consultation with the mediator selected, the Authorized Individuals will promptly designate a mutually convenient time and place for the mediation. Unless circumstances require otherwise, the time for mediation may not be later than forty-five (45) days after selecting the mediator.

16.6 Information Exchange. If any Disputing Partner to this Agreement has substantial need for information in another Disputing Partner's possession in order to prepare for the mediation, all Disputing Partners will attempt in good faith to agree to procedures to expeditiously exchange the information, with the mediator's help if required.

16.7 Summary of Views. At least seven (7) days before the first scheduled mediation session, each Disputing Partner will deliver to the mediator and to the other Disputing Partners a concise written summary of its views on the matter in dispute and the other matters required by the mediator. The mediator may also request that a confidential issue paper be submitted by each Disputing Partner to him or her.

16.8 Parties to be Represented. In the mediation, each Disputing Partner will be represented by an Authorized Individual and may be represented by counsel. In addition, each Disputing Partner may, with the mediator's permission, bring additional persons as needed to respond to questions, contribute information, and participate in the negotiations.

16.9 Conduct of Mediation

(a) Mediation Format. The mediator will determine the format for the meetings. The format must be designed to assure that:

(i) both the mediator and the Authorized Individuals have an opportunity to hear an oral presentation of each Disputing Partner's views on the matter in dispute; and

(ii) the authorized parties attempt to negotiate to resolve the matter in dispute, with or without the assistance of counsel or others, but with the mediator's assistance.

(b) Commitment to Participate in Mediation in Good Faith. To this end, the mediator is authorized to conduct both joint meetings and separate private caucuses with the Disputing Partners. The mediation session will be private. The mediator will keep confidential all information learned in private caucus with any Disputing Partner unless specifically authorized by the Disputing Partner to disclose the information to the other Disputing Partner. The Disputing Partners agree to sign a

document agreeing that the mediator will be governed by such rules as the mediator will prescribe, including rules of Florida Civil Practice as deemed applicable by the mediator. The Disputing Partners commit to participate in the proceedings in good faith with the intention of resolving the Dispute if at all possible.

16.10 Termination of Procedure

(a) Procedure to Terminate Mediation. The Disputing Partners agree to participate in the mediation procedure to its conclusion. The mediation will be terminated by:

- Partners:
- (i) executing a settlement agreement by the Disputing Partners;
 - (ii) declaring to the mediator that the mediation is terminated; or
 - (iii) a Disputing Partner declaring in writing that the mediation process is terminated when one full day's mediation session is concluded.

(b) If Dispute is Not Resolved. Even if the mediation is terminated without the Dispute's resolution, the Disputing Partners agree not to terminate negotiations and not to commence any additional proceedings before five (5) days following the mediation expiring. Any Disputing Partner may, however, commence additional proceedings within the five-day period if the Dispute could be barred by an applicable statute of limitations.

16.11 Mediation Fees; Disqualification. The mediator's fees and expenses will be shared equally by the Disputing Partners. The mediator will be disqualified as a witness, consultant, expert, or counsel for any Disputing Partner with respect to the Dispute and any related matters.

16.13 Confidentiality. Mediation is a compromise negotiation for purposes of Federal and State Rules of Evidence and constitutes privileged communication under Florida law. The entire mediation process is confidential, and no stenographic, visual, or audio record will be made. All conduct, statements, promises, offers, views, and opinions, whether oral or written, made in the mediation's course by any Disputing Partner, their agents, employees, representatives or other invitees and by the mediator are confidential and will, in addition and where appropriate, be deemed privileged. The conduct, statements, promises, offers, views, and opinions will not be discoverable or admissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties. It will not be disclosed to anyone not any Partner's agent, employee, expert, witness, or representative. Evidence

otherwise discoverable or admissible is not, however, excluded from discovery or admission as a result of its use in the mediation.

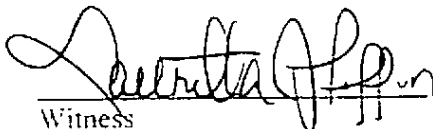
16.14 Waiver of Exemplary or Punitive Damages. To the maximum extent permitted by law, except for fraud or gross negligence, each of the Partners knowingly, voluntarily, and intentionally waives any right to consequential exemplary or punitive damages with respect to any Dispute, regardless of the forum for the proceedings."

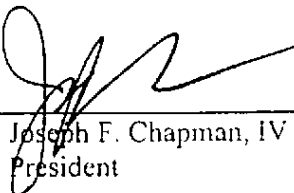
12. Except as hereby amended, the Partnership Agreement of the Partnership, as amended, is ratified and affirmed in all respects.

IN WITNESS WHEREOF, each of the parties has executed this Second Amendment under seal as of the date first above written.


GENERAL PARTNER:

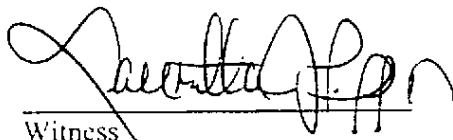
ROYAL AMERICAN DEVELOPMENT, INC.

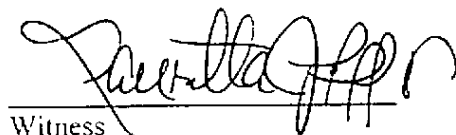

Witness

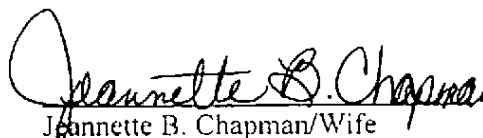
By:  [SEAL]
Joseph F. Chapman, IV
President

CLASS A LIMITED PARTNER:


By Jeannette B. Chapman,
his Attorney-in-Fact [SEAL]
Joseph F. Chapman, III
By Jeannette B. Chapman, his Attorney-In-Fact


Witness


Witness

 [SEAL]
Jeannette B. Chapman/Wife

CLASS B LIMITED PARTNER:

LISHIL ENTERPRISES LIMITED PARTNERSHIP

Harold Young
Witness

By: Hilary L. Reich [SEAL]
Hilary L. Reich

President of ASR-77 Securities Inc.,
Title the General Partner of Lishil Ent. L.P.

EXHIBIT A

HUNTERS RUN APARTMENTS, LTD.

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
AND
CERTIFICATE OF LIMITED PARTNERSHIP

<u>Name and Address</u>	<u>Percentage of Partnership Interest</u>
<u>General Partner:</u>	
Royal American Development, Inc. 1002 W. 23 rd Street, Suite 400 Panama City, FL 32405	5.00%
<u>Class A Limited Partner:</u>	
Joseph F. Chapman, III and wife, Jeannette B. Chapman 1002 W. 23 rd Street, Suite 400 Panama City, FL 32405	47.50%
<u>Class B Limited Partner:</u>	
Lishil Enterprises Limited Partnership C/O Dr. Hilary L. Reich 308 E. 72 nd Street, Apt. 7C New York, NY 10021	47.50%
	<hr/> 100.00%

STATE OF FLORIDA

COUNTY OF BAY

I HEREBY CERTIFY that on this 15th day of April, 2014, before me personally appeared JOSEPH F. CHAPMAN, IV (as President of Royal American Development, Inc.), who is personally known to me or who has produced the identification identified below, who is the person described in and who executed the foregoing instrument, and who after being duly sworn says that the execution hereof is his free act and deed for the uses and purposes herein mentioned.

SWORN TO AND SUBSCRIBED before me the undersigned Notary Public by my hand and official seal, the day and year last aforesaid.

☒ To me personally known
☐ Identified by Driver's License Number _____
Issued by the State of _____



Notary Public
Typed Name _____
My Commission Expires:
Commission No.:
State of _____

STATE OF New York

COUNTY/CITY OF New York

I HEREBY CERTIFY that on this 7 day of April, 2014, before me personally appeared HILARY L. REICH (for and on behalf of Lishil Enterprises Limited Partnership), who is personally known to me or who has produced the identification identified below, who is the person described in and who executed the foregoing instrument, and who after being duly sworn says that the execution hereof is her free act and deed for the uses and purposes herein mentioned.

SWORN TO AND SUBSCRIBED before me the undersigned Notary Public by my hand and official seal, the day and year last aforesaid.

☒ To me personally known

☐ Identified by Driver's License Number _____

Issued by the State of _____

FAYCAL LHAMIDI
Notary Public, State of New York
No. 0114820314
Qualified in New York County
Commission Expires May 13, 2017

Notary Public

Typed Name Faycal Lhamidi

My Commission Expires:

Commission No.:

State of New York

STATE OF FLORIDA

COUNTY OF BAY

I HEREBY CERTIFY that on this 15th day of April, 2014, before me personally appeared JEANNETTE B. CHAPMAN (individually and as duly appointed attorney-in-fact for Joseph F. Chapman, III), who is personally known to me or who has produced the identification identified below, who is the person described in and who executed the foregoing instrument, and who after being duly sworn says that the execution hereof is his/her free act and deed (individually and under a Power of Attorney issued by Joseph F. Chapman, III) for the uses and purposes herein mentioned.

SWORN TO AND SUBSCRIBED before me the undersigned Notary Public by my hand and official seal, the day and year last aforesaid.

☒ To me personally known
____ Identified by Driver's License Number _____
____ Issued by the State of _____





Notary Public
Typed Name _____
My Commission Expires:
Commission No.:
State of _____