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TALLAHASSEE, FLORIDA

LIMITED LIABILITY AMENDMENT

KINGS WATER'S INLET REALTY, LLC

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**ARTICLES OF AMENDMENT TO
ARTICLES OF ORGANIZATION
OF KINGS WATER'S INLET REALTY, LLC**

FIRST: The date of filing of the articles of organization was November 7, 2002.

SECOND: The following amendments to the articles of organization were adopted by the limited liability company:

1. Article V shall be added to read as follows:

PURPOSE

The Company's business and purpose shall consist solely of the following:

(i) To own, operate and manage a real estate project known as Water's Inlet Apartments located in Jacksonville, Florida (the "Property"), pursuant to and in accordance with these Articles of Organization; and

(ii) to engage in such other lawful activities permitted to limited liability companies by the Florida Limited Liability Company Act as are incidental, necessary or appropriate to the foregoing.

2. Article VI shall be added to read as follows:

LIMITATIONS.

Notwithstanding any other provision of these Articles and any provision of law that otherwise so empowers the Company, the Company shall not, without the unanimous consent of the Members, do any of the following:

(i) engage in any business or activity other than those set forth in Article V.

(ii) incur any indebtedness or assume or guaranty any indebtedness of any other entity, other than assuming a certain loan (the "Loan") in the original principal amount of \$7,200,000.00 originally made by La Salle Bank National Association ("Lender"), said Loan as secured by a certain first mortgage (the "Mortgage"), and normal trade accounts payable in the ordinary course of business;

(iii) dissolve or liquidate, in whole or in part;

(iv) consolidate or merge with or into any other entity or convey or transfer or lease its property and assets substantially as an entirety to any entity;

(v) institute proceedings to be adjudicated bankrupt or insolvent, or consent to the institution or bankruptcy or insolvency proceedings against it, or file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of property of the Company, or

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make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take corporate action in furtherance of any such action; or

(vi) amend the Articles of Organization or the Operating Agreement of the Company.

In addition to the foregoing, the Company shall not, without the written consent of the holder of the First Mortgage so long as it is outstanding, take any action set forth in items (i) through (iv) and item (vi).

3. Article VII shall be added to read as follows:

SEPARATENESS PROVISIONS.

The Company shall:

(i) maintain books and records and bank accounts separate from those of any other person;

(ii) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets;

(iii) hold itself out to creditors and the public as a legal entity separate and distinct from any other entity;

(iv) do all things necessary to preserve its existence and observe all corporate formalities;

(v) not commingle its assets or funds with those of any other person;

(vi) not guarantee or pay the debts or obligations of any other person;

(vii) not enter into any contract or agreement with any general partner, principal, member, manager or affiliate of the Company, or any affiliate of any such general partner, principal, manager or member, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than an affiliate;

(viii) not make any loans or advances to any third party (including any general partner, principal, member, manager or affiliate of the Company, or any guarantor);

(ix) be solvent and pay its debts from its assets as the same shall become due;

(x) 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;

(xi) not acquire by purchase or otherwise all or substantially all of the business or assets of, or any stock or beneficial ownership of, any entity; and

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(xii) not hold itself out to be responsible for the debts or obligations of any other person.

4. Article VIII shall be added to read as follows:

EFFECT OF BANKRUPTCY, DEATH OR INCOMPETENCY OF A MEMBER

Notwithstanding any other provision of these Articles and any provision of law that otherwise so empowers the Company, the bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assistance as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Membership Interest shall be subject to all of the restrictions hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Limited Partner.

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5. Article IX shall be added to read as follows:

No transfer of any direct or indirect ownership in the Company may be made such that the transferee owns, in the aggregate with the ownership interests in the Company of transferee's Affiliates, more than a forty-nine percent (49%) interest in the Company unless such transfer is conditioned upon the delivery of an acceptable non-consolidation opinion to the Lender and any applicable rating agency.

Dated: _____, 2003.



Ronald R. Fieldstone, Authorized Agent

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