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**CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):**

- C.A.U. CEDARS, INC.  
(Corporation Name) (Document #)
- C.A.U. EAGLES POINTE, INC. Amended &  
(Corporation Name) (Document #)
- Restated  
(Corporation Name) (Document #)
- UUUU02276820--4  
(Corporation Name) (Document #)  
-08/26/97--01001--005  
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AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/ Director
<input type="checkbox"/>	Change of Registered Agent
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<input type="checkbox"/>	Merger

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
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REGISTRATION/QUALIFICATION	
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97 AUG 25 AM 8:43  
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TALLAHASSEE, FLORIDA

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF**

**C.A.U. CEDARS, INC.**

(a nonprofit corporation)

The undersigned, James H. Edmondson, whose address is 1315 Beverly Road, Suite 200, McLean, Virginia 22101, being at least eighteen years of age, and the President of C.A.U. Cedars, Inc., does hereby amend and restate the Articles of Incorporation of C.A.U. Cedars, Inc.

**ARTICLE ONE**

The name of the corporation (hereinafter called the "Corporation") is C.A.U. Cedars, Inc. The Corporation hereby adopts restated articles of incorporation which accurately copy the articles of incorporation as further amended by such amendments reflected in the restated articles of incorporation as hereinafter set forth and which contain no other change in any provision thereof.

**ARTICLE TWO**

The articles of incorporation of the Corporation are amended by the restated articles as follows:

1. Article III, Section A has been revised (i) to restate the purpose of the Corporation to be that of acquiring, financing, improving and operating a 160 unit multifamily housing project located at 9801 Baymeadows Drive in Jacksonville, Florida, and commonly known as the Cedars Apartments (the "Project"), which purpose shall include, among other things, the ability to pledge its assets to the repayment of its debt and/or debt incurred pursuant to a common plan of financing by other entities organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, and (ii) to provide that the Corporation shall engage in no activity other than activities related to the acquisition, financing, improving and operating of the Project.

2. Article III, Section C has been added to limit the authority of the Corporation to incur debt over the period that certain revenue bonds described in Article III, Section C are outstanding.
3. Article III, Section D has been added to prohibit, without the prior written consent of MBIA Insurance Corporation, the dissolution, liquidation, consolidation, merger or sale of all or substantially all of the Corporation's assets during the period that those certain revenue bonds described in Article III, Section C remain outstanding.
4. Article III, Section E has been added to limit the purpose of the Corporation to the acquisition, financing, improving and operating the Project and to require the Corporation to abide by certain separateness covenants.
5. Article III, Section F has been added to limit the ability of the Corporation to voluntarily file a bankruptcy or insolvency proceeding or to otherwise institute insolvency proceedings.
6. Article IX has been amended to expand the Board of Directors to six (6) directors and to provide for an Independent Director and to provide for the unanimous consent of the directors for certain corporate actions, and to list the names and addresses of those persons currently serving on the Board of Directors.

### **ARTICLE THREE**

Each such amendment made by the restated articles of incorporation has been effected in conformity with the provisions of the applicable Florida statutes and such restated articles of incorporation and each such amendment made by the restated articles were adopted on August 22, 1997 in the following manner:

The restated articles and the amendments made by such restated articles were adopted by consent in writing by all members of the board of directors held on August 22, 1997, there being no voting members with voting rights in respect thereof.

### **ARTICLE FOUR**

The articles of incorporation and all amendments thereto are hereby superceded by the following restated articles of incorporation which accurately copy the entire text thereof including any previous amendments and as amended as set forth above:

**ARTICLE I:** The name of the corporation (hereinafter called the "Corporation") is C.A.U. Cedars, Inc.

**ARTICLE II:** The mailing address of the initial principal office of the Corporation is Cedars of Baymeadows Apartments, 9801 Baymeadows Drive, Jacksonville, Florida.

**ARTICLE III:** The purposes for which the Corporation is organized are as follows:

- A. The Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and its activities shall be limited to those set forth in this Article III. The Corporation shall accomplish these purposes by acquiring, rehabilitating, financing and preserving the Cedars Apartments (the "Project"), which is located at 9801 Baymeadows Drive, Jacksonville, Florida, and intended for occupancy in substantial part by persons of low income pursuant to the Transaction Documents (as defined below) and such other documents or agreements as are directly related to, in furtherance of, and consistent with the foregoing; provided that nothing in these Amended and Restated Articles of Incorporation shall prohibit the Corporation from pledging any or all of its assets to the repayment of the debts of C.A.U. Eagles Pointe, Inc. ("Eagles Pointe"), a Florida nonprofit organization exempt from taxation under and pursuant to Section 501(a) of the Code and described in Section 501(c)(3) of the Code, as permitted by the applicable Transaction Documents. The Corporation shall engage in no other purpose or activity. Through such activities, the Corporation will promote the quality of economic and social participation in community life so as to eliminate poverty and will seek to provide permanent economic and social benefits for low-income people.

For purposes of these restated articles of incorporation, the term "Transaction Documents" shall mean collectively the following documents and agreements: (i) Loan Agreement (the "Loan Agreement") among the Issuer, the Corporation and Eagles Pointe, dated as of August 1, 1997; (ii) Promissory Note (the "Note") executed jointly and severally by the Corporation and Eagles Pointe dated the date thereof; (iii) Mortgage, Assignment of Rents and Leases and Security Agreement (the "Mortgage") dated the date thereof by the Corporation in favor of the Duval County Housing Finance Authority (the "Issuer") and its assigns, including the Trustee; (iv) Mortgage, Assignment of Rents and Leases and Security Agreement (the "Eagles Pointe Mortgage") dated the date thereof by Eagles Pointe in favor of the Issuer and its assigns, including the Trustee; (v) Note and Mortgage Modification Agreement (the "Subordinated Mortgage Modification Agreement") dated as of August 1, 1997 by the Corporation and the Issuer; (vi) Land Use Restriction Agreement (the "LURA") dated as of August 1, 1997 by the Corporation for the benefit of the Issuer and the Trustee; (vii) Preliminary Official Statement (the "Preliminary Official Statement") dated August 13, 1997 used in connection

with the sale of the Issuer's Multi-Family Housing Mortgage Revenue Bonds (Eagles Pointe North and Cedars of Baymeadows Projects) 1997 Series A and its Taxable Multi-Family Housing Mortgage Revenue Bonds (Eagles Pointe North and Cedars of Baymeadows Projects) 1997 Series B (collectively referred to as the "Bonds"); (viii) Final Official Statement (the "Official Statement") dated the date thereof used in connection with the sale of the Bonds; (ix) Bond Purchase Agreement among William R. Hough & Co., on behalf of itself and the other underwriters named therein (the "Underwriter"), the Corporation, Eagles Pointe and the Issuer, dated as of August 19, 1997; (x) Owner/Asset Management Agreement (the "Asset Management Agreement") dated August 27, 1997 between the Corporation and Cornerstone Housing Corporation; (xi) Owner/Developer Acquisition Agreement (the "Developer Agreement") among the Corporation, Cornerstone Housing Corporation, Jacksonville Urban League Housing Development Foundation and Affordable Housing and Community Development Corp., Inc.; (xii) the Property Management Agreement, dated the date thereof, as amended between the Corporation and the property manager named therein; and (xiii) any other collateral and related documents executed in connection with the issuance of the Bonds, issuance of the title insurance policies and/or the issuance and delivery by MBIA Insurance Corporation of its municipal bond insurance policies (the "MBIA Insurance Agreement").

- B. No part of the income or principal of the Corporation shall inure to the benefit of any director or officer of this Corporation or any other private individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered to it, and to make reasonable payments and distributions in furtherance of the aforementioned purposes of the Corporation. The Corporation shall not engage in any activity which is prohibited to a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or any corresponding future provisions of the federal tax law. In accordance with the existing federal tax law, the Corporation shall not participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office by publishing or distributing statements, or in any other way. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation.
- C. So long as the Corporation shall be obligated to the payment of the principal of or interest on the Bonds to be issued by the Issuer in connection with the refinancing of the Project or obligated under the MBIA Insurance Agreement, the Corporation shall not incur indebtedness except for (i) that which is evidenced by the Bonds or is incurred pursuant to certain of the Transaction

Documents, (ii) trade payables payable within 60 days of the date incurred, and (iii) leases of equipment and other personal property in the ordinary course of business of operating the Project.

- D. So long as any of the Bonds or Transaction Documents shall be outstanding, the Corporation shall not engage in any dissolution, liquidation, consolidation, merger or sale of all or substantially all of its assets and the Corporation will not amend its Articles of Incorporation.
- E. So long as any of the Bonds or Transaction Documents shall be outstanding, the Corporation shall abide by certain "Separateness Covenants" whereby the Corporation covenants:
  - 1. To maintain books and records separate from any other person or entity;
  - 2. To maintain its accounts separate from any other person or entity;
  - 3. Except to the extent required or permitted by the Transaction Documents, not to commingle its assets with those of any other entity;
  - 4. To conduct its own business in its own name;
  - 5. To maintain separate financial statements
  - 6. Except to the extent required or permitted by the Transaction Documents to pay its own liabilities out of its own funds;
  - 7. To observe all corporate formalities;
  - 8. To maintain an arm's-length relationship with its affiliates;
  - 9. To pay the salaries of its own employees, if any, and maintain a sufficient number of employees in light of its contemplated business operations;
  - 10. Except to the extent permitted by Article III.A., not to guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;
  - 11. Not to acquire obligations or securities of its directors or affiliates;
  - 12. To allocate fairly and reasonably any overhead for shared office space;
  - 13. To use separate stationery, invoices, and checks;
  - 14. Except to the extent required or permitted by Article III.A., not to pledge its assets for the benefit of any other entity or make any loans or advances to any entity;
  - 15. To hold itself out as a separate entity;
  - 16. To correct any known misunderstanding regarding its separate identity, and
  - 17. To maintain adequate capital in light of its contemplated business operations.

- F. The prior unanimous consent of the directors, including the Independent Director (as such term is defined herein), shall be required prior to taking any action to: (i) institute proceedings to have the Corporation adjudicated a bankrupt or insolvent; (ii) consent to the institution of bankruptcy or insolvency proceedings against the Corporation; (iii) file a petition or consent to a petition seeking reorganization or relief on behalf of the Corporation under any applicable law relating to bankruptcy; (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or any similar official) of the Corporation or a substantial portion of the property of the Corporation; (v) make any assignment of the benefit of the Corporation's creditors; (vi) cause the Corporation to admit in writing its inability to its debts generally as they become due; or (vii) take any action in furtherance of the foregoing.

ARTICLE IV: A statement as to the manner in which directors shall be elected or appointed shall be set forth in the bylaws of the Corporation. Sole voting power in the Corporation shall be vested in the Board of Directors.

ARTICLE V: The Corporation shall not have members.

ARTICLE VI: The name of the initial registered agent of the Corporation in the State of Florida is Intrastate Registered Agent Corporation, and the street address of the initial registered office of the Corporation is Intrastate Registered Agent Corporation, c/o Holland & Knight, 701 Brickell Avenue, Suite 3000, Miami, Florida 33123-3209.

ARTICLE VII: The name and address of the incorporator is:

Morris H. Miller  
Holland & Knight  
315 South Calhoun Street, Suite 600  
Tallahassee, Florida 32301

The incorporator of the Corporation assigns to the Corporation his rights under Section 617.013, Florida Statutes, to constitute a corporation.

ARTICLE VIII: Provisions for the distribution of assets on dissolution or the termination of the Corporation are as follows:

Although the period of duration of the Corporation is perpetual, if for any reason the Corporation is to be dissolved or otherwise terminated, no part of

the property of the Corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the directors or officers of the Corporation or any other private individual. Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IX:

The Corporation shall have six (6) directors, one of which shall always be an independent director ("Independent Director"). The term "Independent Director" means a duly appointed member of the board of directors of the Corporation who shall not have been at the time of such appointment or at any time in the preceding five (5) years, (a) a direct or indirect legal or beneficial owner in the Corporation or any of its affiliates, (b) a creditor, supplier, employee, officer, director, family member of any of the foregoing, manager or contractor of the Corporation or any of its affiliates, or (c) a person who controls (whether directly, indirectly or otherwise) the Corporation or its affiliates or any creditor, supplier, employee, officer, director, manager or contractor of the Corporation or its affiliates. The names and address of the persons who shall serve as the directors of the Corporation are:

James H. Edmondson  
% Cornerstone Housing Corporation  
1350 Beverly Road, Suite 200  
McLean, Virginia 22102-3634

Mark Sissman  
% The Enterprise Foundation  
10277 Wincopin Circle, Suite 500  
Columbia, Maryland 21044-3400

Maryann Dillon  
% Cornerstone Housing Corporation  
1350 Beverly Road, Suite 200  
McLean, Virginia 22102-3634



Richard D. Danford, Jr.  
% Jacksonville Urban League Housing Development  
Foundation, Inc.  
233 W. Duval Street  
14<sup>th</sup> Floor  
Jacksonville, Florida 32202

James S. Bryant, Jr.  
% Affordable Housing and Community Development  
Corporation, Inc.  
600 Wharfside Way  
Jacksonville, Florida 32207

Stephen A. Frick  
First Housing Development Corporation  
9428 Baymeadows Road  
Suite 121  
Jacksonville, Florida 32256

The initial Independent Director shall be Mr. Frick. The directors of the Corporation shall be required to consider the interests of the creditors of the Corporation in connection with all corporate actions. The Independent Director, in voting on matters subject to the approval of the board of directors, shall at all times take into account the interests of creditors of the Corporation. No Independent Director may be removed unless his, her or its successor is appointed and if the position of the Independent Director is otherwise vacant, no action requiring the unanimous affirmative vote of the board of directors shall be taken until a successor Independent Director is appointed, is qualified and approves of such action.

The manner of election or appointment of directors shall be as stated in the bylaws of the Corporation.


#### ARTICLE X:

The directors and officers of the Corporation shall have no liability to the Corporation for money damages except (i) to the extent that it is proven that such person actually received an improper benefit or profit in money, property or services or (ii) to the extent that a judgment or other final adjudication adverse to such person is entered in a proceeding based on a finding in the proceeding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. This Article shall not be construed to affect the liability of a person in any capacity other than as a director or officer of the Corporation.

**ARTICLE XI:**

The period of duration of the Corporation shall be perpetual commencing with the filing of these Articles of Incorporation with the Florida Department of State.

IN WITNESS WHEREOF, I have signed these Amended and Restated Articles of  
Incorporation and have acknowledged the same to be my act, on this 22 day of August, 1997.

  
\_\_\_\_\_  
James H. Edmondson  
President, C.A.U. Cedars, Inc.

STATE OF Delaware )  
COUNTY OF Sussex )

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of August, 1997, by James H. Edmondson, who is personally known to me or has produced a driver's license as identification and did not take an oath.

Barry E. Wanger  
Notary Public  
State of Delaware

My Commission Expires: 3-10-2000