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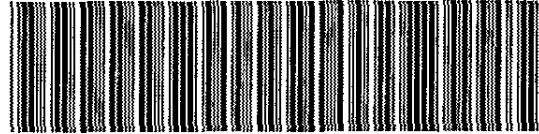
(Business Entity Name)

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CLERK OF STATE  
TALLAHASSEE, FLORIDA

*g Amend*

LAW OFFICES OF  
**BAKER AND MERCER**

4431 LAFAYETTE STREET  
MARIANNA, FLORIDA 32446

FRANK A. BAKER, P.A.

\*BOARD CERTIFIED CIVIL TRIAL

\*BOARD CERTIFIED BUSINESS LITIGATION

\*CERTIFIED CIRCUIT CIVIL MEDIATOR/ARBITRATOR

DOUGLAS WADE MERCER, ESQ.

TELEPHONE

850-526-3633

TELECOPIER

850-526-2714

August 22, 2006

Secretary of State  
Division of Corporations  
P. O. Box 6327  
Tallahassee, FL 32314

RE: Harkins Properties, Inc.

Dear Sir/Madam:

Enclosed is my check in the amount of \$35.00, and the original Articles of Amendment to Articles of Incorporation of Harkins Properties, Inc. and one copy. Please file the Amendment and return a file stamped copy in the enclosed self-addressed, stamped envelope.

Thank you. If you have any questions, please call.

Sincerely,

*Frank A. Baker/AS*

FRANK A. BAKER, ESQ.

FAB:sb\secstate.ltr

Enclosures (as stated above)

FIRST AMENDMENT  
OF THE  
ARTICLES OF INCORPORATION  
OF  
HARKINS PROPERTIES, INC.

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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This First Amendment to the Articles of Incorporation of Harkins Properties, Inc. (hereinafter referred to as the "Corporation") hereby incorporates and makes a part hereof any and all Articles of Incorporation filed by the Corporation with the Secretary of State of the State of Florida prior hereto.

A. The Corporation hereby warrants, covenants, and agrees to remain a Single Purposes Entity for the term of the Amended and Restated Promissory Note in the Principal Sum of SEVEN MILLION AND 00/100 DOLLARS (\$7,000,000.00) in lawful money of the United States of America which the Corporation has given to Morgan Stanley Mortgage Capital Inc. (together with its successors and assigns, "Lender") and any extension, renewals, modifications, substitutions and amendments thereof (the note together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to as the "Note"), as evidenced by that certain Amended and Restated Mortgage and Security Agreement given by the Corporation in favor of the Lender (the "Security Instrument"),

B. The Corporation shall not from the date of execution of this First Amendment to the Articles of Incorporation:

(a) fail to be organized solely for the purpose of (i) acquiring, developing, owning, managing or operating the hotel located at 10775 Emerald Coast Highway, Destin, Florida (hereinafter referred to as the "Property"), (ii) entering into the Security Instrument, the Note and the loan documents related thereto, and (iii) engaging in any activity that is incidental, necessary or appropriate to accomplish the foregoing;

(b) engage in any business or activity other than the ownership, operation and maintenance of the Property, and activities incidental thereto;

(c) acquire or own any material assets other than (i) the Property, and (ii) such incidental personal Property as may be necessary for the operation of the Property;

(d) merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure;

(e) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, and qualification to do business in the state where the Property is located, if applicable, or without the prior written consent of Lender, amend, modify, terminate or fail to comply with the provisions of the Articles of Incorporation;

(f) own, form or acquire any subsidiary or make any investment in, any person or entity;

(g) commingle its assets with the assets of any of its members, general partners, affiliates, principals or of any other person or entity nor fail to hold all of its assets in its own name;

(h) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Debt (as defined in the Security Instrument), except for trade payables in the ordinary course of its business of owning and operating the Property, provided that such debt is not evidenced by a note and is paid when due;

(i) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due;

(j) fail to maintain its records, books of account and bank accounts separate and apart from those of the members, partners, principals and affiliates of Corporation, the affiliates of a member, partner or principal of Corporation, and any other person or entity or fail to maintain such books and records in the ordinary course of its business;

(k) enter into any contract or agreement with any member, general partner, principal or affiliate of Corporation, Allen Harkins, James E. Harkins, Sr., or any member, general partner, principal or affiliate thereof, except upon terms and conditions that are intrinsically fair, commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties other than any member, general partner, principal or affiliate of Corporation, Allen Harkins, James E. Harkins, Sr., or any member, general partner, principal or affiliate thereof;

(l) seek the dissolution or winding up in whole, or in part, of Corporation;

(m) fail to correct any known misunderstandings regarding the separate identity of Corporation from any member, general partner, principal or affiliate thereof or any other person;

(n) guaranty or become obligated for the debts of any other person or entity or hold out its credit as being able to satisfy the debts of another person or entity;

(o) make any loans or advances to any third party, including any member, general partner, principal or affiliate of Corporation, or any member, general partner, principal or affiliate thereof, nor buy or hold evidence of indebtedness issued by any other person or entity (other than cash or investment grade securities);

(p) fail to file its own tax returns, nor file a consolidated federal income tax return with any other entity, unless required by law;

(q) fail to hold itself out to the public as a legal entity separate and distinct from any other entity or person, fail to conduct its business solely in its own name,

mislead others as to the identity with which such other party is transacting business, or suggest that Corporation is responsible for the debts of any third party (including any member, general partner, principal or affiliate of Corporation, or any member, general partner, principal or affiliate thereof);

(r) fail to 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;

(s) share any common logo with or hold itself out as or be considered as a department or division of (i) any general partner, principal, member or affiliate of Corporation, (ii) any affiliate of a general partner, principal or member of Corporation, or (iii) any other person or entity;

(t) fail to maintain separate financial statements and accounting records, showing its assets and liabilities separate and apart from those of any other person or entity;

(u) have its assets listed on the financial statement of any other entity;

(v) fail to observe all applicable organizational formalities;

(w) fail to pay the salaries of its own employees (if any) from its own funds;

(x) fail to maintain a sufficient number of employees in light of its contemplated business operations;

(y) fail to allocate fairly and reasonably any overhead expenses that are shared with an affiliate, including paying for office space and services performed by any employee of an affiliate;

(z) fail to use separate stationery, invoices, and checks bearing its own name;

(aa) pledge its assets for the benefit of any other person or entity, other than in connection with the loan secured hereby;

(bb) acquire the obligations or securities of any member, general partner, principal or affiliate of Corporation, Allen Harkins, James E. Harkins, Sr., or any member, general partner, principal or affiliate thereof;

(cc) fail to maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other entity;

(dd) have any obligation to indemnify its partners, officers, directors or members, as the case may be, or have such an obligation only if it is fully subordinated to

the Debt and will not constitute a claim against it in the event that cash flow in excess of the amount required to pay the Debt is insufficient to pay such obligation;

(ee) fail, to the fullest extent permitted by law, to consider the interests of its creditors in connection with all actions if such entity is a corporation; or

(ff) have any of its obligations guaranteed by any member, general partner, principal or affiliate except Allen Harkins or James E. Harkins, Sr.

C. The warranties, covenants, and agreements contained within this First Amendment to the Articles of Incorporation shall not be changed, amended or otherwise altered by the Corporation or any officer or owner thereof prior to the termination of the Note, and any extensions, renewals, modifications, substitutions and amendments thereof, without the written consent of Lender.

**ARTICLES OF AMENDMENT**  
**TO**  
**ARTICLES OF INCORPORATION**  
**OF**  
**HARKINS PROPERTIES, INC.**

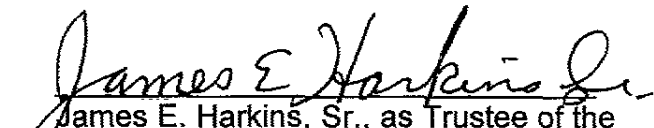
Pursuant to the provisions of Section 607.1006, Florida Statutes, the undersigned corporation adopts the following FIRST AMENDMENT of the Articles of Incorporation, EFFECTIVE August 16, 2006, as indicated on the attached instrument, which is incorporated herein by reference as if fully set out herein.

The date of adoption of the amendment is **August 16, 2006.**

THIRD: Adoption of Amendment: The amendment was adopted by the incorporator with shareholder action (as reflected by the signature of the sole shareholders, Allen D. Harkins and James E. Harkins, Sr., as James E. Harkins, Sr., as Trustee of the James Edward Harkins, Sr., Revocable Living Trust dated May 3, 2002)

DATED this August 16, 2006.

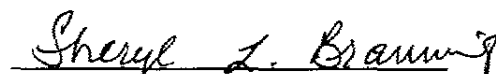
  
Allen D. Harkins

  
James E. Harkins, Sr., as Trustee of the  
James Edward Harkins, Sr., Revocable  
Living Trust dated May 3, 2002

STATE OF FLORIDA  
COUNTY OF JACKSON

The foregoing instrument was sworn to, acknowledged and executed before me this August ~~16~~, 2006, by Allen D. Harkins and James E. Harkins, Sr., as Trustee of the James Edward Harkins, Sr., Revocable Living Trust dated May 3, 2002.



  
Notary Public  
My Commission Expires