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BASIC AMENDMENT
SH GENERAL PARTNER, INC.

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Amend
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**ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
SH GENERAL PARTNER, INC.**

Pursuant to the provisions of Section 607.1006 of the Florida Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to the Articles of Incorporation:

1. The name of the corporation is "SH General Partner, Inc."
2. The text of the amendment adopted is as follows:

Article Three. Purpose is hereby amended to read as follows:

Purpose. The purpose of the corporation is to act as a general partner of Sandestin Beach Hotel, Ltd. and it will not engage in any business unrelated to acting as a general partner of Sandestin Beach Hotel, Ltd.

Article Ten. Other Provisions: is hereby amended to read as follows:

Other Provisions:

For so long as the Loan shall remain outstanding, the following provisions shall apply to the corporation:

- (a) The corporation will not have any assets other than the Partnership interests and capital account in Sandestin Beach Hotel, Ltd.;
- (b) The corporation will not engage in, seek or consent to any dissolution, winding up, liquidation, consolidation, merger, asset sale, transfer of partnership or membership interest (other than corporation's purchase of limited partnership interests in Sandestin Beach Hotel, Ltd. in accordance with the Loan Documents (the "LP Acquisition")), or amendment of its articles of incorporation;
- (c) The corporation without the unanimous consent of its directors including Independent Director shall not file or consent to the filing of any bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or any other entity in which it has a direct or indirect legal or beneficial ownership interest;

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- (d) The corporation will have no indebtedness other than (i) the Loan (to the extent it is liable under the terms of any of the loan documents executed in connection with the Loan); (ii) unsecured trade debt not to exceed \$10,000 in the aggregate, which is not evidenced by a note and is incurred in the ordinary course of its business in connection with owning, operating and maintaining its interest in Sandestin Beach Hotel, Ltd. and is paid within 30 days from the date incurred, (iii) the Qualified Subordinate Debt (as defined in the Mortgage), and (iv) the Portfolio Loan.
- (e) The corporation will not fail to correct any known misunderstanding regarding the separate identity of such entity;
- (f) The corporation will maintain its accounts, books and records separate from any other person or entity;
- (g) The corporation will maintain its books, records, resolutions and agreements as official records;
- (h) The corporation will not commingle its funds or assets with those of any other entity; and (i) will hold its assets in its own name;
- (j) The corporation will conduct its business in its own name;
- (k) The corporation will maintain its accounting records and other entity documents separate from any other person or entity;
- (l) The corporation will prepare separate tax returns and financial statements, or if part of a consolidated group, is shown as a separate member of such group;
- (m) The corporation will pay its own liabilities and expenses out of its own funds and assets;
- (n) The corporation will hold regular meetings, as appropriate, to conduct its business and has observed and will observe all partnership formalities and record keeping;
- (o) The corporation will not assume or guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of any other entity;
- (p) The corporation will not acquire obligations or securities of its shareholders;
- (q) The corporation will allocate fairly and reasonably the costs associated with common employees and any overhead for shared office

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space, and each such entity has used and will use separate stationery, invoices and checks;

(q) The corporation will not pledge its assets for the benefit of any other person or entity;

(r) The corporation will hold itself out and identify itself as a separate and distinct entity under its own name and not as a division or part of any other person or entity;

(s) The corporation will not make loans to any person or entity;

(t) The corporation will not identify its partners or any affiliates of any of the foregoing, as a division or part of it;

(u) Except for the Portfolio Loan and the LP Acquisition, the corporation will not enter into or be a party to, any transaction with its partners, or any affiliates of any of the foregoing, except in the ordinary course of its business pursuant to written agreements and on terms which are intrinsically fair and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(v) The directors of the corporation shall consider the interests of the creditors of such entity in connection with all corporate action;

(w) The corporation will pay the salaries of its own employees and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations;

(x) The corporation will maintain adequate capital in light of its contemplated business operations;

(y) The corporation shall conduct its business and operations in strict compliance with the terms contained in Section 5.2 of the Mortgage;

(z) The corporation shall maintain at least one Independent Director (as defined below); and

(aa) The corporation will not cause or allow the board of directors to take any action requiring the unanimous affirmative vote of 100% of the members of the board of directors unless an Independent Director shall have participated in such vote.

As used herein, the term "Independent Director" shall mean an individual who, except in his or her capacity as an Independent Director of the corporation is not, and has not been during the five (5) years immediately before such individual's appointment as an Independent Director: (i) a stockholder, director, partner, officer or employee of the corporation or its Affiliates (as defined below); (ii) affiliated with a customer or supplier of the corporation or its Affiliates; or (iii) a

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spouse, parent, sibling, child or other family relative of any person described by (i) or(ii) above. As used herein, the term "Affiliate" shall mean any person or entity other than the corporation which (i) owns beneficially, directly or indirectly, any outstanding shares of the corporation's stock, or (ii) controls, is controlled by or is under common control with the corporation. The term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise.

"Lender" shall mean Wells Fargo Bank, National Association, its successors and/or assigns.

"Loan" shall mean that certain mortgage loan made by Lender to Sandestin Beach Hotel, Ltd. in the original principal amount of up to \$54,300,000.

"Mortgage" shall mean that certain Mortgage and Absolute Assignment of Rents and Leases and Security Agreement (and Fixture Filing) by Sandestin Beach Hotel, Ltd. in favor of Mortgage Electronic Registration Systems, Inc., as nominee of Lender.

"Portfolio Loan" shall mean the unsecured loan from Sandestin Beach Hotel, Ltd. to the corporation in the amount of up to \$1,800,000.

3. For so long as the Loan shall remain outstanding, the terms of the Articles of Amendment to the Articles of Incorporation may not be modified, altered, supplemented or amended unless the Rating Agency Condition is satisfied. As used herein, the term "Rating Agency Condition" shall mean (i) with respect to any action taken at any time before the Mortgage Loan has been sold or assigned to a securitization trust, that the Lender has consented in writing to such action, and (ii) with respect to any action taken at any time after such loan has been sold or assigned to a securitization trust, that (A) Lender has consented in writing to such action, and (B) each Rating Agency (defined below) shall have been given ten (10) days prior notice thereof and that each of the Rating Agencies shall have notified Lender in writing that such action will not result in a downgrade, reduction or withdrawal of the then current rating by such Rating Agency of any of securities issued by such securitization trust. As used herein, the term "Rating Agency" shall mean each of mean Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. and Fitch, Inc. or any other nationally-recognized statistical rating agency which has been approved by Lender

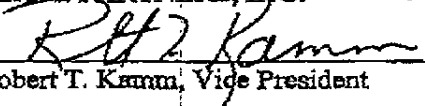
4. The amendment was duly adopted by two-thirds (2/3) written vote and consent of the Shareholders of the corporation on August 2, 2004. The number of votes cast for the amendment by the Shareholders was sufficient for approval.

5. The amendment shall be effective when these Articles of Amendment are filed by the Florida Secretary of State.

Dated: August 24, 2004

SH GENERAL PARTNERS, INC.

By:


Robert T. Kamm, Vice President