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AUTHORIZATION : *Patricia Pyjunt*

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ORDER DATE : December 16, 1998

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ORDER NO. : 067515-015

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CUSTOMER NO: 6099A

CUSTOMER: Donna H. White, Legal Asst
Moyle Flanigan Katz Fitzgerald
P. O. Box 3888

West Palm Beach, FL 33402

DOMESTIC AMENDMENT FILING

NAME: TERRACE REX, INC.

EFFECTIVE DATE:

XX ARTICLES OF AMENDMENT
 RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY
 PLAIN STAMPED COPY
XX CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Angie Glisar

EXAMINER'S INITIALS:

FILED
98 DEC 17 PM 1:50
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RECEIVED
99 DEC 17 AM 8:47
DIVISION OF CORPORATION

Amend

TLL

DEC 17 1998

**ARTICLES OF AMENDMENT
OF
TERRACE REX, INC.
a Florida Corporation**

98 DEC 17 PM 1:50
FILED
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned hereby establishes the following for the purpose of amending the Articles of Incorporation of TERRACE REX, INC. (the "Corporation"), as filed with the Secretary of State, Division of Corporations, on February 3, 1997, by and under the provisions of Section 607.1006, Florida Statutes, which provides for the amendment of the Articles of Incorporation of a corporation for profit:

1. The name of the Corporation is TERRACE REX, INC.
2. The Corporation hereby amends its Articles of Incorporation by adopting the following paragraph as Article III, subparagraph (d):

(d) This Article III shall be subject in all respects to Article XI hereof.

3. The Corporation hereby amends its Articles of Incorporation by adopting the following special purpose entity restrictions as a new Article XI:

Section 1. RESTRICTIONS. Notwithstanding anything contained in the Articles of Incorporation to the contrary, the following restrictions shall apply to the Corporation so long as the "Indebtedness" (defined below) remains outstanding:

(a) The purpose of the Corporation shall be limited to owning, operating, managing and leasing the property commonly known as Rex Terrace Apartments (the "Property") and activities incidental thereto. The Corporation shall be prohibited from incurring indebtedness of any kind except for the mortgage loan and other indebtedness (the "Indebtedness") incurred in favor of Bear, Stearns Funding, Inc. and its successors and assigns with respect to the Indebtedness ("Lender") and trade payables incurred in the ordinary course of business.

(b) A unanimous vote of the Board of Directors is required to take any of the following actions:

- (1) causing the Corporation to become insolvent;
- (2) commencing any case, proceeding or other action on behalf of the Corporation under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (3) instituting proceedings to have the Corporation adjudicated as bankrupt or insolvent;

- (4) consenting to the institution of bankruptcy or insolvency proceedings against the Corporation;
 - (5) filing a petition or consent to a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief on behalf of the Corporation of its debts under any federal or state law relating to bankruptcy;
 - (6) seeking or consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Corporation or a substantial portion of the properties of the Corporation;
 - (7) making any assignment for the benefit of the Corporation's creditors; or
 - (8) taking any action or causing the Corporation to take any action in furtherance of any of the foregoing.
- (c) For so long as the Indebtedness is outstanding, the Corporation shall not:
- (1) amend the Articles of Incorporation;
 - (2) engage in any business activity other than as set forth in Article XI(a) hereof;
 - (3) dissolve, liquidate, consolidate, merge, or sell all or substantially all of the Corporation's assets.
- (d) The Corporation shall:
- (1) not commingle its assets with those of any other entity and hold its assets in its own name;
 - (2) conduct its own business in its own name;
 - (3) maintain bank accounts, books, records, accounts and financial statements separate from any other entity;
 - (4) maintain its books, records, resolutions and agreements as official records and separate from any other entity;
 - (5) pay its own liabilities out of its own funds;
 - (6) maintain adequate capital in light of contemplated business operations;
 - (7) observe all corporate or other organizational formalities;

- (8) maintain an arm's length relationship with its affiliates;
- (9) pay the salaries of its own employees and maintain a sufficient number of employees in light of contemplated business operations;
- (10) not 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 acquire obligations or securities of affiliates or shareholders;
- (12) not make loans to any other person or entity;
- (13) allocate fairly and reasonably any overhead for shared office space;
- (14) use separate stationery, invoices, and checks;
- (15) not pledge its assets for the benefit of any other entity;
- (16) hold itself out as a separate entity and correct any known misunderstanding regarding its separate identity; and
- (17) not identify itself or any of its affiliates as a division or part of the other.

(e) The Board of Directors is to consider the interests of the Corporation's creditors in connection with all corporate actions.

(f) Any and all Corporation obligations to indemnify its directors and officers shall not constitute a claim against the Corporation, as long as the Indebtedness is outstanding.

- 4. This Amendment to the Articles of Incorporation was adopted on December 10, 1998.
- 5. This Amendment was unanimously approved by the directors and shareholders of the Corporation, which unanimous consent was sufficient for approval of the Amendment.
- 6. In all other respects, the Articles of Incorporation shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment this 15th day of December, 1998.

TERRACE REX, INC.

By: Mark Rodberg
Mark Rodberg, President

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 15th day of December, 1998, by Mark Rodberg, as the President of TERRACE REX, INC., on behalf of the Corporation, and he is personally known to me or has produced _____ as identification and did take an oath.

Donna H White

Notary Name: _____

Notary Public

Serial (Commission) Number

(if any) _____

(NOTARY STAMP)

