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March 24, 1997

BY FEDERAL EXPRESS

Division of Corporations
Department of State
409 E. Gaines Street
Tallahassee, Florida 32399

900002123739--2
-03/25/97-01062-018
*****250.00 *****250.00

In re: Formation of Entity
Handelman Investment Co., L.C.

900002123739--2
-03/25/97-01062-019
*****35.00 *****35.00

Dear Sir:

Enclosed herewith are an executed original and two copies of the Article of Organization, Affidavit of Membership, and Certificate of Designation of Registered Agent/Registered Office, as well as two checks in the total amount of \$285.00, to cover filing costs for same. Kindly cause the original and one copy to be filed and return an endorsed copy of same to the undersigned in the enclosed envelope.

If you require further assistance, please feel free to contact the undersigned.

Very truly yours,

SZAFERMAN, LAKIND, BLUMSTEIN,
WATTER & BLADER

By:

Jason N. Fruhschein

Enc.

cc: Scott P. Borsack, Esq.
Thomas Colitsas, CPA
Lillian Handelman
Joan Handelman

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TALLAHASSEE, FLORIDA
STATE

[Handwritten signature]
3/27/97

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ARTICLES OF ORGANIZATION 97 MAR 25 AM 9:12

SECRET STATE

The undersigned, desiring to form a limited liability company under the Florida Limited Liability Company Act (hereinafter, the "Act"), Fla. Stat. Ann. §§ 608.401, et seq., hereby certify that: throughout this Certificate, any word or words that are defined in the Act, as amended from time to time, shall have the same meaning as provided in the Act, and the word or words listed below within quotation marks shall be deemed to include the words which follow them:

- A. "Articles" - These Articles of Organization.
- B. "Company" - This Limited Liability Company.

1. *Company Name.* The name of the Company shall be the Handelman Investment Co., L.C.

2. *Purpose.* The Company may engage in any lawful activity not prohibited to limited liability companies by the laws of the State of Florida.

3. *Principal Office and Registered Agent.* The address of the principal office of the Company is 4020 West Palm Aire Avenue, Suite 507, Pompano Beach, Florida 33069. The registered agent for service of process on the Company shall be Lillian Handelman or any successor as appointed by the Members in accordance with the Act. The registered office of the Company in the State of Florida for service of process is 4020 West Palm Aire Avenue, Suite 507, Pompano Beach, Florida 33069.

4. *Name and Address of Members.* The Company has at least two members, whose names and addresses are as set forth in Exhibit A attached hereto and incorporated by reference herein.

5. *Cash or Other Contributions by members.* The amount of cash or other contributions made by each member is as set forth on Exhibit "A" annexed hereto and made a part hereof. No other property or services are being contributed to the Company by its members. No members are required to make further capital contributions to the Company, except as may be required by the Company's Operating Agreement (the "Agreement"). All capitalized words not otherwise defined herein shall have the same meaning ascribed to them in the Agreement.

6. *Assignees Becoming Members.* Except as otherwise permitted by this Section 6, no Unit Holder shall transfer all or any portion of his Units.

6.1 *Restriction on Transfers.* Subject to the conditions and restrictions set forth herein, as well as those contained in the Agreement, a Unit Holder, or his or her executor, administrator, trustee or personal representative, may at any time Transfer all or any portion of his Units, or that of a deceased Unit Holder, to (a) any other Unit Holder, (b) any member of

the transferor's Family, (c) any Affiliate of the transferor, (d) the transferor's executor, administrator, trustee, or personal representative to whom such Units are transferred at death or involuntarily by operation of law, or (e) any Purchaser in accordance with Section 6 hereof (any such Transfer being referred to in these Articles as a "Permitted Transfer"). For purposes hereof, an Unit Holder's "Family" shall include only such Unit Holder's natural or adoptive lineal ancestors or descendants, and trusts for his or their exclusive benefit.

6.2 Conditions to Permitted Transfers. A Transfer of Units of the Company shall not be treated as a Permitted Transfer under Section 6.1 hereof unless and until the following conditions are satisfied:

(a) Except in the case of a Transfer of Units at death or involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the opinion of counsel to the Company to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Section 6. In the case of a Transfer of Units at death or involuntarily by operation of law, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer, in form and substance satisfactory to counsel to the Company. In all cases, the Company shall be reimbursed by the transferor and/or transferee for all costs and expenses that it reasonably incurs in connection with such Transfer.

(b) Except in the case of a Transfer at death or involuntarily by operation of law, the transferor shall furnish to the Company an opinion of counsel, which counsel and opinion shall be satisfactory to the Company, that the Transfer will not cause the Company to terminate for federal income tax purposes and that such Transfer will not cause the application of the rules of Code Sections 168(g)(1)(B) and 168(h) (generally referred to as the "tax exempt entity leasing rules") or similar rules to apply to the Company, Company Property, or the Managers and Unit Holders.

(c) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Units transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Units until it has received such information.

(d) Except in the case of a Transfer of Units at death or involuntarily by operation of law, either (a) such Units shall be registered under the Securities Act of 1933, as amended, and any applicable state securities laws, or (b) the transferor shall provide an opinion of counsel, which opinion and counsel shall be satisfactory to the Company, to the effect that such Transfer is exempt from all applicable registration requirements and that such Transfer will not violate any applicable laws regulating the Transfer of securities.

(e) Except in the case of a Transfer of Units at death or involuntarily by operation of law, the transferor shall provide an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the other Partners, to the effect that such Transfer will not cause the Company to be deemed to be an "investment company" under the Investment Company Act of 1940.

6.3 Right of First Refusal. In addition to the other limitations and restrictions set forth in this Section 6, except as otherwise permitted by Section 6.2 hereof, no Unit Holder shall Transfer all or any portion of his Units (the "Offered Units") to any Purchaser other than a Person or entity described in Section 6.1(a) through (d), unless such Unit Holder (the "Seller") first offers to sell the Offered Units to the other Members, pursuant to the terms of Section 10.4 of the Agreement.

6.4 Prohibited Transfers. Any purported Transfer of Units that is not a Permitted Transfer shall be null and void and of no force or effect whatever; provided that, if the Company is required to recognize a Transfer that is not a Permitted Transfer (or if the Company, in its sole discretion, elects to recognize a Transfer that is not a Permitted Transfer), the Units transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by these Articles and the Agreement with respect to the transferred Units, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Units may have to the Company.

In the case of a Transfer or attempted Transfer of Units that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Persons may incur (including, without limitation, incremental tax liability and lawyers' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

6.5 Rights of Unadmitted Assignees. A Person who acquires one or more Units but who is not admitted as a substituted Member pursuant to Section 6.6 hereof and the terms of the Agreement shall be entitled only to allocations and distributions with respect to such Units in accordance with these Articles and the Agreement, and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act, the Agreement or these Articles.

6.6 Admission of Interest Holders as Members. Subject to the other provisions of this Section 6, a transferee of Units may be admitted to the Company as a substituted Member only upon satisfaction of the conditions set forth below in this Section 6.6:

(a) Each Member, regardless of class of ownership, consents to such admission, which consent may be given or withheld in the sole and absolute discretion of each Member;

(b) The Units with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer;

(c) The transferee becomes a party to this Agreement as a Member and executes such documents and instruments as the Members may reasonably request (including, without limitation, amendments to the Articles) as may be necessary or appropriate to confirm such transferee as a Member in the Company and such transferee's agreement to be bound by the terms and conditions hereof, as well as those contained in the Agreement;

(d) The transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the Transferred Units;

(e) The transferee provides the Company with evidence satisfactory to counsel for the Company that such transferee has made each of the representations and undertaken each of the warranties applicable to it described in Section 10 of the Agreement; and

(f) If the transferee is not an individual of legal majority, the transferee provides the Company with evidence satisfactory to counsel for the Company of the authority of the transferee to become a Member and to be bound by the terms and conditions of these Articles and the Agreement.

7. Election as to Tax Treatment.

7.1 Affirmative Election. The Members intend that the Company be taxed as a partnership, rather than as a corporation, to the extent that such election is permitted by the Act. In light thereof, the Members certify the following:

(a) the Members' liability for legal obligations of the Company shall be limited to their contributions to the capital of the Company, thereby possessing the corporate characteristic of limited liability, as is set forth in Treas. Regs. Section 301.7701-2(d);

(b) the daily management of the affairs of the Company shall be vested in a Manager (or Class A Unit Holders if the office of Manager shall be vacant) who shall have the unrestricted right, subject to the limitations herein, to manage and operate the business of the Company, thereby possessing the corporate characteristic of centralized management, as is set forth in Treas. Reg. Section 301.7701-2(c);

(c) the rights, obligations, benefits and burdens attendant with status as a Member may only be transferred with the consent of all of the Members, subject to the terms and conditions herein as well as those contained in the Agreement, thereby lacking the corporate characteristic of free transferability of interests, as is set forth in Treas. Regs. Section 301.7701-2(e), and

(d) the life of the Company is not perpetual, and the Company will cease to exist upon the occurrence of any of the events set forth herein, requiring the unanimous consent of all Members at that time to continue the Company, thereby lacking the corporate characteristic of continuity of life, as is set forth in Treas. Reg. Section 301.7701-2(b).

As the Company possesses no more than two of the corporate characteristics identified in Treas. Regs. Section 301.7701-2 (other than possessing associates who join together for a profit) the Company shall be treated as a partnership for federal and state income tax purposes.

7.2 Covenant. The Members understand that by the terms of this election, as provided for under the Act, the Company shall be taxed as a partnership as a matter of federal and state tax law. The Members shall cause the Company to take such action as shall be reasonably necessary to comply with the requirements hereof.

8. *Right to Receive Distributions of Property.* The rights of a Member to receive distributions of property, including cash from the Company, are as follows:

8.1. Net Cash From Operations. Except as otherwise provided in Section 8.5 hereof, Net Cash from Operations, if any, shall be distributed no less frequently than the thirtieth day after the end of each fiscal quarter according to the Member's proportional interest in the Company.

8.2. Net Cash From Sales or Refinancings. Except as otherwise provided in Section 8.5 hereof, Net Cash From Sales or Refinancings shall be distributed at such times as the Members may determine according to the Members capital interest in the Company.

8.3. Division Among Interest Holders and Members. All distributions to the Interest Holders pursuant to this Section 8 shall be divided among them in proportion to the Interests held by each.

8.4. Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment or distribution to the Company, the Members or the Interest Holders shall be treated as amounts distributed to the Members or Interest Holders pursuant to this Section 8 for all purposes under this Agreement. The Members may allocate any such amounts among themselves and the Interest Holders in any manner that is in accordance with applicable law.

8.5 Guaranteed Payments. Not later than the thirtieth (30th) day after the end of each fiscal quarter, cash shall be paid to the Class B Unit Holders in an amount equal to the excess, if any, of (i) the cumulative Guaranteed Payment from the inception of the Company to the end of such fiscal quarter, over (ii) the sum of all prior payments made to the Class B Unit Holders pursuant to this Section 8.5. Amounts paid pursuant to this Section 8.5 are intended to constitute guaranteed payments within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the recipients' Capital Accounts. The Members intend

that this distribution shall constitute a "qualified payment" under Code Section 2701, and all provisions of this Agreement shall be construed consistent with this intent.

(a) Distributions under this Section 8.5 will not be made if the Company is insolvent, if it would become insolvent upon making the payment, or if the Class B Unit Holders agree that the distribution of same would be injurious to the Company's business. If any payment hereunder is not timely made the following shall occur: (i) such payment will be accrued on behalf of the Class B Unit Holders and will be paid at the earliest time when the Company is not insolvent, will not become insolvent by such payment, and the Class B Unit Holders shall agree that the Company's business will not be injured, (ii) such accrued guaranteed payments will accrue interest at the rate offered to the select customers of United Jersey Bank (or such other bank that the Company may maintain its banking relationship) on the first date such payment was initially to have been made, and (iii) no Company cash or property may be distributed to or withdrawn with respect to any Member, other than for payments to a Member not in his or her capacity as a Member (such as for salary, rent or interest).

(b) If the Company fails for two (2) complete consecutive accounting years to make the required Guaranteed Payments, a Class B Unit Holder whose payment is thereby in default may, sixty (60) calendar days after the service of written notice upon every other Member, require the Company to buy such Units for their par value. The Company shall buy such Units by giving its owner an unsecured negotiable promissory note bearing interest at the rate set forth in subparagraph (a) above on the date that the Company is obligated to purchase such Units. The promissory note shall provide for twenty (20) equal quarterly installments, beginning on the expiration date of the aforementioned sixty (60) day period.

8.6. Winding Up. Upon the occurrence of a Liquidating Event (as defined in Section 9 below), the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. The Members shall be responsible for overseeing the winding up and dissolution of the Company and shall take full account of the Company's liabilities and Property and the Company Property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order:

(a) First, to the payment and discharge of all of the Company's debts and liabilities to creditors, other than to Members;

(b) Second, to the payment and discharge of all of the Company's debts and liabilities to Members;

(c) Third, to the Class B Unit Holders in an amount equal to the aggregate par value of the Class B Units then in their possession.

(d) The balance, if any, to the Unit Holders in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

No Member shall receive any additional compensation for any services performed pursuant to this Section 8.5.

9. Dissolution. The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the following (Liquidating Events"):

(a) December 31, 2037;

(b) The sale of all or substantially all of the Property;

(c) The vote by two thirds of the Members of each class of Units, by number of Units held to dissolve, wind up, and liquidate the Company;

(d) The happening of any other event that makes it unlawful, impossible, or impractical to carry on the business of the Company.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Liquidating Event. Upon the occurrence of any event set forth in Section 9 hereof, the Company shall not be dissolved or required to be wound up if within ninety (90) days after such event all remaining Members agree in writing to continue the business of the Company. If it is determined, by a court of competent jurisdiction, that the Company has dissolved prior to the occurrence of a Liquidating Event, then within an additional ninety (90) days after such determination or the last day of such ninety (90) day period, as the case may be (the "Reconstitution Period"), all of the Members may elect to reconstitute the Company and continue its business on the same terms and conditions set forth in the Agreement by forming a new limited liability company on terms identical to those set forth in the Agreement. Upon any such election of the Members, all Members shall be bound thereby and shall be deemed to have consented thereto. Unless such an election is made within the Reconstitution Period, the Company shall wind up its affairs in accordance with Section 8.5 hereof. If such an election is made within the Reconstitution Period, then:

(i) The reconstituted limited liability company shall continue until the occurrence of a Liquidating Event as provided in this Section 9;

(ii) All necessary steps shall be taken to cancel the Agreement and the Articles and to enter into a new operating agreement and certificate of formation provided that the right of all of the Members to reconstitute and continue the business of the Company shall not exist and may not be exercised unless the Company has received an opinion of counsel that the exercise of the right would not result in the loss of limited liability of any Member and neither the Company nor the reconstituted company would cease to be treated as a partnership for federal income tax purposes upon the exercise of such right to continue.

10. *Election of a Manager.* Only Members who hold Class A Units may participate in the daily management of the business of the Company. The Class A Members may appoint a Manager to manage the business of the Company does not necessarily have to be a Member of the Company. Initially, Lillian Handelman shall serve as Manager.

11. *Governing Instrument.* In the event that the terms of these Articles of Organization should conflict in any way with the terms of an Operating Agreement executed by the Members, together with all amendments thereto, the terms of the Operating Agreement shall govern.

IN WITNESS WHEREOF, these Articles of Organization have been signed this 2
day of March, 1997.

Lillian Handelman
Lillian Handelman

EXHIBIT A

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Class</u>	<u>Units</u>
Lillian Handelman 4020 West Palm Aire Ave. Suite 507 Pompano Beach, Florida 33069	\$1.00	A	10
Lillian Handelman 4020 West Palm Aire Ave. Suite 507 Pompano Beach, Florida 33069	\$1.00	B	312
Lillian Handelman 4020 West Palm Aire Ave. Suite 507 Pompano Beach, Florida 33069	\$1.00	C	2,539,375
Joan Handelman 4020 West Palm Aire Ave. Suite 507 Pompano Beach, Florida 33069	\$1.00	C	500,000

AFFIDAVIT OF MEMBERSHIP AND CONTRIBUTIONS

The undersigned member or authorized representative of a member of Handelman Investment Co., L.C. deposes and says:

- 1) the above named limited liability company has at least two members
- 2) the total amount of cash contributed by the member(s) is \$5.00.
- 3) if any, the agreed value of property other than cash contributed by member(s) is NONE. A description of the property is attached and made a part hereto.
- 4) the total amount of cash or property anticipated to be contributed by member(s) is approximately \$3,000,000.00. This total excludes amounts from 2 and 3 above.


Lillian Handelman, Manager

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TALLAHASSEE, FLORIDA
SECRETARY OF STATE

**CERTIFICATE OF DESIGNATION OF
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 608.415 OR 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY SUBMITS THE FOLLOWING STATEMENT IN DESIGNATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STATE OF FLORIDA.

1. The name of the limited liability company is: **HANDELMAN INVESTMENT COMPANY, L.C.**
2. The name and address of the registered agent and office is:

NAME

Lillian Handelman

ADDRESS

4020 West Palm Aire Avenue
Apartment 507
Pompano Beach, FL 33069

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

By Lillian Handelman
(Signature)

3/2/97.
(Date)

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TALLAHASSEE, FLORIDA