

L02000017763
BETTER THINGS, LLC

16469 BRIDLEWOOD CIRCLE DELRAY BEACH, FL 33445
PHONE: (561) 498-1101 FAX: (561) 498-1193

July 5, 2002

Registration Section
Division of Corporations
Post Office Box 6327
Tallahassee, FL 32314

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****160.00 ****160.00

BK

Re: Registration of Articles of Organization for Florida Limited Liability Company

Dear Sirs:

Enclosed please find our executed Articles of Organization for a Florida limited liability company, as well as a copy of our Operating Agreement and a check for \$160.00 to cover the filing fees and the optional certificates.

Cordially,



Marvin Smollar
Member

Encl: Check No. 1046

7/11/02

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ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY

ARTICLE I-Name:

The name of the Limited Liability Company is:

Better Things, LLC

ARTICLE II- Address:

The mailing address and street address of the principal office of the Limited Liability Company is:

16469 Bridlewood Circle, Delray Beach, FL 33445

ARTICLE III Registered Agent, Registered Office, & Registered Agent's Signature:

The name and the Florida street address of the registered agent are:

Name

Marvin Smollar

Florida street address

16469 Bridlewood Circle

Delray Beach, FL 33445

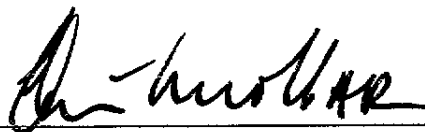
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Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. 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 as provided for in Chapter 608, F.S.


Registered Agent's Signature

Article IV Management (Check box if applicable.)

- ☒ The Limited Liability Company is to be managed by one manager or more managers and is, therefore, a manager managed company, EFFECTIVE WITH THIS REGISTRATION.


Signature of a member or an authorized representative of a member.

(In accordance with section 608 408(3), Florida Statutes, the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)

Marvin Smollar

Typed or printed name of signee

OPERATING AGREEMENT

of

BETTER THINGS, LLC (a Florida Limited Liability Company)

This Operating Agreement (this "Agreement") is entered into as of this 4th day of July 2002, between **Harvey Katz** and **Marvin Smollar**.

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Explanatory Statement

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement, which shall constitute regulations under the Florida Limited Liability Company Act.

NOW, THEREFORE, for good and valuable consideration, the parties, intending legally to be bound, agree as follows:

Article I. **Defined Terms**

The following capitalized terms shall have the meanings specified in this Article I. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

1.1. "Act" means the Florida Limited Liability Company Act, as amended from time to time.

1.2. "Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

1.2.1 the deficit shall be decreased by the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Section 1.704-1(b)(2)(ii)(c); and

1.2.2 the deficit shall be increased by the items described in Regulation Section 1.704-1(b)(2)(ii)-(d)(4), (5), and (6).

1.3. "Affiliate" means, with respect to any Member, any Person: (i) which owns more than 10% of the voting interests in the Member; or (ii) in which the Member owns more than 10% of the voting interests; or (iii) in which more than 10% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

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1.4. "Agreement" means this Agreement, as amended from time to time.

1.5. "Capital Account" means the account maintained by the Company for each Interest Holder in accordance with the following provisions:

1.5.1 an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (or which are secured by Company property distributed to the Interest Holder), the Interest Holder's distributive share of Profit and any item in the nature of income or gain specially allocated to such Interest Holder pursuant to the provisions of Article V (other than Section 5.3.3); and

1.5.2 an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder, the amount of any liabilities of the Interest Holder assumed by the Company (or which are secured by property contributed by the Interest Holder to the Company), the Interest Holder's distributive share of Loss and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of Article V (other than Section 5.3.3);

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted pursuant to Section 5.3.3, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

1.6. "Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed or to which the assets are subject.

1.7. "Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any non-cash charges, but less cash funds used to pay operating expenses, debt service (including principal payments) and capital expenditures.

1.8. "Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

1.9. "Company" means the limited liability company formed in accordance with this Agreement.

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1.10. "Guaranteed Payment" means special payments or compensation to be made by the Members which are not allocated to all of the Members pursuant to their Percentages, including payments made by the Company under Article IV

1.11. "Interest" means a Person's share of the Profits and Losses of, and the right to receive distributions from, the Company.

1.12. "Interest Holder" means any Person who holds an Interest, whether as a Member or as an unadmitted assignee of a Member

1.13. "Involuntary Withdrawal" means, with respect to any Member, the occurrence of any of the following events:

1.13.1 the Member makes an assignment for the benefit of creditors;

1.13.2 the Member files a voluntary petition of bankruptcy;

1.13.3 the Member is adjudged bankrupt or insolvent or there is entered against the Member an order for relief in any bankruptcy or insolvency proceeding;

1.13.4 the Member files a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;

1.13.5 the Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding described in Sections 1.13.1 through 1.13.4;

1.13.6 the Member seeks, consents to, or acquiesces in the appointment of a trustee, receiver or liquidation of the Member or of all or any substantial part of the Member's properties;

1.13.7 any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, continues for one hundred twenty (120) days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for the Member or all or any substantial part of the Member's properties without the Member's agreement or acquiescence, which appointment continues neither vacated or stayed for ninety (90) days or, if the appointment is stayed, if not vacated within ninety (90) days after the expiration of the stay.

1.14. "Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

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1.15. "Member Loan Non-recourse Deductions" means any Company deductions that would be Non-recourse Deductions if they were not attributable to a loan made or guaranteed by a Member within the meaning of Regulation Section 1.704-2(i).

1.16. "Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right, if any, to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

1.17. "Minimum Gain" has the meaning set forth in Regulation Section 1.704-2(d). Minimum Gain shall be computed separately for each Interest Holder in a manner consistent with the Regulations under Code Section 704(b).

1.18. "Negative Capital Account" means a Capital Account with a balance of less than zero.

1.19. "Non-recourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1). The amount of Non-recourse Deductions for a taxable year of the Company equals the net increase, if any, in the amount of Minimum Gain during that taxable year, determined according to the provisions of Regulation Section 1.704-2(c).

1.20. "Non-recourse Liability" means any liability of the Company with respect to which no Member has personal liability determined in accordance with Code Section 752 and the Regulations promulgated thereunder.

1.21. "Percentage" means, as to a Member, the percentage interest as set forth after the Member's name on Exhibit A, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

1.22. "Person" means and includes any individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

1.23. "Positive Capital Account" means a Capital Account with a balance greater than zero.

1.24. "Profit" and "Loss" means, for each taxable year of the Company (or other period for which Profit or Loss must be computed) the Company's taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments:

1.24.1 all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

1.24.2 any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss;

1.24.3 any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss;

1.24.4 gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes;

1.24.5 in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the adjusted book value of the asset; and

1.24.6 notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 5.3 shall not be taken into account in computing Profit or Loss.

1.25. "Regulation" means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

1.26. "Secretary" means the Secretary of State of Florida.

1.27. "Transfer" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means, voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

1.28. "Voluntary Withdrawal" means a Member's dissociation with the Company by means other than by a Transfer or an Involuntary Withdrawal.

Article II.

Formation and Name; Office; Purpose; Term

2.1. **Organization.** The parties have organized a limited liability company pursuant to the Act and the provisions of this Agreement and, for that purpose, have caused Articles of Organization to be executed and filed for record with the Secretary.

2.2. **Name of the Company.** The name of the Company shall be "BETTER THINGS, LLC". The Company may do business under that name and under any other name or names upon which the Members select.

2.3. Purpose. The Company is organized to: develop, manufacture and market products of various types for retail distribution.

and for any other purpose for which limited liability companies may be organized under the laws of the State of Florida.

2.4. Term. The term of the Company began upon the filing of the Articles of Organization by the Secretary and shall continue in existence perpetually, unless its existence is sooner terminated pursuant to this Agreement or the Act.

2.5. Registered Office; Principal Place of Business. The registered office of the Company in the State of Florida shall be located at 16469 Bridlewood Circle, Delray Beach, Fl 33445 or at any other place within the State of Florida which the Members select. The principal office of the Company in the State of Florida shall be located at 16469 Bridlewood Circle, Delray Beach, Fl 33445 or at any other place which the Members select.

2.6. Registered Agent. The name and address of the Company's resident agent in the State of Florida shall be Marvin Smollar, 16469 Bridlewood Circle, Delray Beach, Fl 33445.

2.7. Members. The name, Capital Contribution and Percentage of each Member is set forth on **Exhibit A**.

Article III. **Members Capital and Capital Accounts**

3.1. Initial Capital Contributions. Upon the execution of this Agreement, the Members shall contribute to the Company cash or cash equivalents mutually agreeable in the amounts respectively set forth on Exhibit A.

3.2. Additional Capital Contributions. Each Member agrees to make additional Capital Contributions to the Company, as required, in equal amounts. Failure to meet a capital call shall result in a penalty equal to 50% above the dilution that would have otherwise resulted from not having made the additional capital call. The penalty dilution amount shall be distributed pro rata among the other members having made the capital call.

3.3. No Interest on Capital Contributions. Interest Holders shall not be paid interest on their Capital Contributions.

3.4. Return of Capital Contributions. Except as otherwise provided in this Agreement, no Member shall have the right to receive the return of any Capital Contribution.

3.5. Form of Return of Capital. If an Interest Holder is entitled to receive a return of a Capital Contribution, the Member shall not have the right to receive anything but Cash in return of the Interest Holder's Capital Contribution.

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- 3.6. Capital Accounts. A separate Capital Account shall be maintained for each Member.
- 3.7. Loans. Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree.

Article IV.

Individual Services and Contributions of Members

- 4.0 Member Services. The members shall perform the various management functions required and agreed upon between them from time to time. In addition to such management functions, members may contribute product concepts to the company, which, if adopted by the company, shall entitle the originator of the concept to a preferential profit distribution of an additional five percent (5%) based on the allocated profits before taxes generated by that concept.

Article V.

Profit, Loss, and Distributions

- 5.1. Distributions of Cash Flow. Cash Flow of the Company available for distributions shall be distributed to the Interest Holders, when, as and if mutually agreed upon by the Members. Distributions shall be in proportion to Percentages, except as provided in Section 4.0.

- 5.2. Allocation of Profit or Loss. The annual Profit or Loss shall be allocated among the Interest Holders (whether or not available for distribution or distributed pursuant to Section 5.1) in proportion to their Percentages, except as provided in Section 4.0.

- 5.3. Regulatory Allocations.

5.3.1 *Qualified Income Offset.* No Interest Holder shall be allocated losses or deductions if the allocation causes an Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder receives (1) an allocation of Loss or deduction (or item thereof) or (2) any distribution, which causes the Interest Holder to have an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain) for that taxable year shall be allocated to that Interest Holder, before any other allocation is made of Company items for that taxable year, in the amount and in proportions required to eliminate the excess as quickly as possible. This 5.3.1 is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).

5.3.2 *Minimum Gain Charge Back.* Except as set forth in Regulation Section 1.704-2(f)(2), (3) and (4), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this Article V, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net

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decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of gross income and gain pursuant to this Section 5.3.2 shall be made first from gain recognized from the disposition of Company assets subject to non-recourse liabilities (within the meaning of the Regulations promulgated under Code Section 752), to the extent of the Minimum Gain attributable to those assets, and thereafter, from a pro rata portion of the Company's other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this Section 5.3.2 shall constitute a "minimum gain charge back" under Regulation Section 1.704-2(f).

5.3.3 *Contributed Property and Book-Ups.* In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Code Section 704(c) and the Regulations thereunder.

5.3.4 *Code Section 754 Adjustment.* To the extent an adjustment to the tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

5.3.5 *Non-recourse Deductions.* Non-recourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

5.3.6 *Member Loan Non-recourse Deductions.* Any Member Loan Non-recourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the loan to which the Member Loan Non-recourse Deduction is attributable in accordance with Regulation Section 1.704-2(b).

5.3.7 *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company is determined by the Internal Revenue Service not to be a guaranteed payment under Code Section 707(c) or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Code Section 707(a), the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that

compensation, and the Member's Capital Account shall be adjusted to reflect the payment of that compensation.

5.3.8 *Unrealized Receivables.* If an Interest Holder's Interest is reduced (provided the reduction does not result in a complete termination of the Interest Holder's Interest), the Interest Holder's share of the Company's "unrealized receivables" and "substantially appreciated inventory" (within the meaning of Code Section 751) shall not be reduced, so that, notwithstanding any other provision of this Agreement to the contrary, that portion of the Profit otherwise allocable upon a liquidation or dissolution of the Company pursuant to Section 5.4 hereof which is taxable as ordinary income (recaptured) for federal income tax purposes shall, to the extent possible without increasing the total gain to the Company or to any Interest Holder, be specially allocated among the Interest Holders in proportion to the deductions (or basis reductions treated as deductions) giving rise to such recapture.

5.3.9 *Withholding.* All amounts required to be withheld pursuant to Code Section 1446 or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

5.4. Liquidation and Dissolution.

5.4.1 If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the distribution provisions set forth in Section 5.1.

5.4.2 No Interest Holder shall be obligated to restore a Negative Capital Account.

5.5. General.

5.5.1 Except as otherwise provided in this Agreement, the Members shall determine the timing and amount of all distributions.

5.5.2 If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Members. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in Section 5.2 and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to Section 5.4.

5.5.3 All Profit and Loss shall be allocated, and all distributions shall be made to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and

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Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss or to any other extraordinary non-recurring items of the Company.

5.6. Meetings of and Voting by Members.

5.6.1 A meeting of the Members may be called at any time by those Members holding fifty percent (50%) of the Percentages then held by Members. Meetings of Members shall be held at the Company's principal place of business or at any other place in Florida designated by the Person calling the meeting. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of Members holding more than 50 percent (50%) of the Percentages then held by Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by his duly authorized attorney in fact.

5.6.2 Except as otherwise provided in this Agreement or otherwise required under the Act, the affirmative vote of Members holding more than fifty percent (50%) or more of the Percentages then held by Members shall be required to approve any matter coming before the Members.

5.6.3 In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of those Members holding aggregate Percentages sufficient to approve the matter at a meeting.

5.7. Personal Services.

5.7.1 Except as provided in Article IV, Members shall not be required to perform services for the Company or be entitled to compensation for services performed for the Company, unless otherwise agreed to by members who hold more than 50% of the equity.

5.8. Duties of Parties.

5.8.1 Except as otherwise expressly provided in Section 5.8.2, nothing in this Agreement shall be deemed to restrict in any way the rights of any Member, or of any Affiliate of any Member, to conduct any other business or activity whatsoever, and the Member shall not be accountable to the Company or to any Member with respect to that business or activity even if the business or activity competes with the Company's business. The organization of the Company shall be without prejudice to their respective rights (or the rights of their respective Affiliates) to maintain, expand or diversify such other interests and

activities and to receive and enjoy profits or compensation therefrom. Each Member waives any rights the Member might otherwise have to share or participate in such other interests or activities of any other Member or the Member's Affiliates.

5.8.2 Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with Members and their Affiliates. In any of those cases, those dealings and undertakings shall be at arm's length and on commercially reasonable terms.

5.9. Liability and Indemnification. The Company shall indemnify each Member for any act performed by the Member with respect to Company matters, as and to the full extent permitted by the Act.

Article VI.

Transfer of Interests, Withdrawals and Admission of Members

6.1. Transfers.

6.1.1 No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

- (a) The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;
- (b) The transferee delivers to the Company a written instrument agreeing to be bound by the terms of Article VI.
- (c) The Transfer will not result in the termination of the Company pursuant to Code Section 708;
- (d) The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number; and (ii) the transferee's initial tax basis in the Transferred Interest; and
- (e) The transferor complies with the provisions of Section 6.1.4.

6.1.2 If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. Unless all Members approve the Transfer acquiring all Membership Rights, the Transfer of an Interest pursuant to this Section 6.1 shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member; (ii) exercise any Membership Rights other than those specifically

pertaining to the ownership of an Interest; or (iii) act as an agent of the Company. If a transfer of all Membership Rights is approved as aforesaid, the transferee will succeed to all Membership Rights of a Member who transfers such Membership Rights.

6.1.3 Each Member hereby acknowledges the reasonableness of the prohibition contained in this Section 6.1 in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this Section 6.1 shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this Section shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, to the maximum extent permitted by law, receive distributions from the Company or have any other rights in or with respect to the Membership Rights.

6.1.4 *Right of First Refusal.*

(a) If an Interest Holder (a "Transferor") desires to Transfer all or any portion of, or any interest or rights in, the Transferor's Interest (the "Transferor Interest"), and he has received a bona fide written offer for the purchase of thereof, payable in cash, which the Transferor desires to accept, he shall, within five (5) days of receipt of the offer, notify the Company and each of the other Members and include a copy of such offer (the "Transfer Notice").

(b) The Company and each of the other Members shall have the option (the "Purchase Option") to purchase all of the Transferor Interest for the price (the "Purchase Price") set forth in the offer, in the following order of priority:

(i) The Company shall have the first right to purchase all or any part of the Transferor Interest for a period of thirty (30) days after delivery of the Transfer Notice. At any time during such 30-day period, the Company may elect to exercise the Purchase Option by giving written notice of its election to the Transferor. The Transferor shall not be deemed a Member for the purpose of voting on whether the Company shall elect to exercise the Purchase Option.

(ii) With respect to any portion of the Transferor Interest not to be purchased by the Company, the remaining Members shall have the subordinate option to purchase the Transferor Interest for a period of thirty (30) days after the expiration of the Company's right to purchase.

(c) If the Company and/or the other Members elect to exercise the Purchase Option, the Company's and Member's notices of election shall fix a closing date for the purchase, which shall not be earlier than five (5) days after the date of the

notice of election or more than thirty (30) days after the expiration of the last exercised Purchase Option, and both of such closing shall occur concurrently.

(d) If neither the Company nor the other Members exercise their Purchase Options for all of the Transferor's Interest, the Transferor shall be permitted to offer and sell for a period of ninety (90) days (the "Free Transfer Period") after all Purchase Options shall have expired at a price not less than the Purchase Price. If the Transferor does not Transfer the Transferor Interest within the Free Transfer Period, the Transferor's right to Transfer the Transferor Interest pursuant to this Section shall cease and terminate. Upon any such Transfer, the transferee shall take the Interest subject to all of the terms and conditions of this Agreement, including, if applicable, the provisions of this Agreement.

(e) Any Transfer of the Transferor Interest made after the last day of the Free Transfer Period or without strict compliance with the terms, provisions, and conditions of this Section and other terms, provisions, and conditions of this Agreement, shall be null, void, and of no force or effect.

6.2. Voluntary Withdrawal. No Member shall have the right or power to Voluntarily Withdraw from the Company and any Member who shall voluntarily withdraw shall be in intentional breach of this Agreement and shall forfeit any claim for distribution of profits or reimbursement of expenses.

6.3. Involuntary Withdrawal. Immediately upon the occurrence of an Involuntary Withdrawal, the successor of the Withdrawn Member shall thereupon become an Interest Holder with an interest diluted by 25%, but shall not become a Member and, except as provided in this Section, the successor Interest Holder shall have all the rights of an Interest Holder.

6.4. Admission of Members. The Company may admit Members from time to time under such terms and conditions as may be agreed to in writing by all of the Members. Any agreement with regard to the admission of Members shall be binding on the Company and all of the Members, notwithstanding any change in the Members between the date of such agreement and the date of admission.

Article VII.

Dissolution, Liquidation, and Termination of the Company

7.1. Events of Dissolution. The Company shall be dissolved upon written agreement of the Members who hold not less than a majority of the Percentages and those Members whose Capital Accounts represent more than 50% of the aggregate Capital Accounts of all Members.

7.2. Procedure for Winding Up and Dissolution. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company, including Interest

Holders who are creditors, in satisfaction of the liabilities of the Company, and then to the Interest Holders in accordance with Section 4.4.

7.3. Filing of Articles of Cancellation. If the Company is dissolved, Articles of Cancellation shall be filed with the Secretary by the remaining Members; if there are no remaining Members, the Articles shall be filed by the last Person to be a Member; if there are no remaining Members, the Articles shall be filed by the legal or personal representatives of the Person who last was a Member.

Article VIII.

Books, Records, Accounting, and Tax Elections

8.1. Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts maintained in the Company's name. The Members shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. Books and Records.

8.2.1 The Members shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the articles of organization and operating agreement and all amendments to the articles and operating agreement; a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state or local tax returns.

8.2.2 The books and records shall be maintained in accordance with sound accounting practices and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3 Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. Annual Accounting Period. The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the Members, subject to the requirements and limitations of the Code.

8.4. Reports. As soon as practicable after the end of each taxable year of the Company, the Members shall cause to be sent to each Person who was an Interest Holder at any time during the

taxable year then ended, that tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year.

8.5. Tax Matters Person. Marvin Smollar shall be the Company's "tax matters person" ("Tax Matters Person") so long as he continues to be a Member. The Tax Matters Person shall have all powers and responsibilities provided in Code Section 6221, et seq. or such other provisions as may become applicable to limited liability companies. The Tax Matters Person shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Person. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Person in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Person may not compromise any dispute with the Internal Revenue Service without the approval of the Members.

Article IX.

General Provisions

9.1. Assurances. Each Member shall execute all such certificates and other documents and shall do all such filing, recording, publishing and other acts as shall be required by law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. Notifications. Any notice, demand, consent, election, offer, approval, request, or other communication (collectively, a "notice") required or permitted under this Agreement must be in writing and either delivered personally sent by certified or registered mail, postage prepaid, return receipt requested sent by recognized overnight delivery service or by facsimile transmittal. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. A notice sent by recognized overnight delivery service will be deemed given when received or refused. A notice sent by facsimile shall be deemed given when sent provided notice by personal delivery or overnight delivery service is effective the day following such facsimile transmission. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; and, thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. Amendments. This Agreement may be amended by the action of the Members who hold more than 50 % of the Percentages.

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9.4. Complete Agreement. This Agreement constitutes the complete and exclusive statement of the agreement among the Members with respect to their investment in the Company. It supersedes all operating agreements for the Company previously entered into by the parties.

9.5. Applicable Law. All questions concerning the construction, the internal law, not the law of conflicts, of the State of Florida, shall govern validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

9.6. Article and Section Titles. The headings herein are inserted as a matter of convenience only, and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. Terms. Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the Person may in the context require.

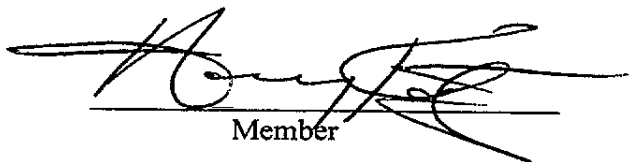
9.9. Separability of Provisions. Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement that are valid.

9.10. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.11. Manager-Managed Company. The Company shall be a manager-managed company.

IN WITNESS WHEREOF, the parties have executed, or caused this Agreement to be executed, under seal, as of the date set forth herein above.

Harvey Katz


Member

Marvin Smollar


Member

EXHIBIT A

BETTER THINGS, LLC
Limited Liability Company Operating Agreement

List of Members, Capital and Percentages

Name of Member	Type of Interest	Capital Contribution	Percentage
Harvey Katz	Member Interest	\$2000	50 %
Marvin Smollar	Member Interest t	\$2000	50 %

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