

HAROLD E. WOLFE, JR., P.A.

ATTORNEYS AND COUNSELORS AT LAW

**SUITE 302, EXECUTIVE CENTRE
2300 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33409-3306**

TELEPHONE: (561) 697-4100

FAX: (561) 697-4101

E-MAIL: hewjr@ix.netcom

HAROLD E. WOLFE, JR.*

***ADMITTED TO THE BAR OF**

FLORIDA

GEORGIA

ALABAMA

July 12, 2002

*** FLORIDA BAR BOARD**

CERTIFIED ATTORNEY

*** FLORIDA BAR BOARD**

CERTIFIED ESTATE

PLANNING AND PROBATE

ATTORNEY

SECRETARY OF STATE

**Division of Corporations - Amendment Section
409 E. Gaines Street
Tallahassee, FL 32399**

000006447650--0

-07/16/02--01046--004

******155.00 ****155.00**

**Re: Recording of the Articles of Organization of
The Carlton South Beach Resort, L.L.C.**

Dear Sir/Madam:

Enclosed please find two (2) Articles of Organization of The Carlton South Beach Resort, L.L.C. Please file these Articles of Organization in the Public Records. Also enclosed is a check in the amount of One Hundred Fifty-Five Dollars (\$155.00) representing the following fees:

Filing Fee	\$100.00
Certified Copy Fee	30.00
Registered Agent Designation	<u>25.00</u>

Total: \$155.00

Please file these Articles at your earliest convenience and return the certified copy to this office in the enclosed self-addressed, stamped envelope.

**FILED
02 JUL 16 AM 10:06
SECRETARY OF STATE
TALLAHASSEE, FLORIDA**

7/17/02

HAROLD E. WOLFE, JR., P.A.

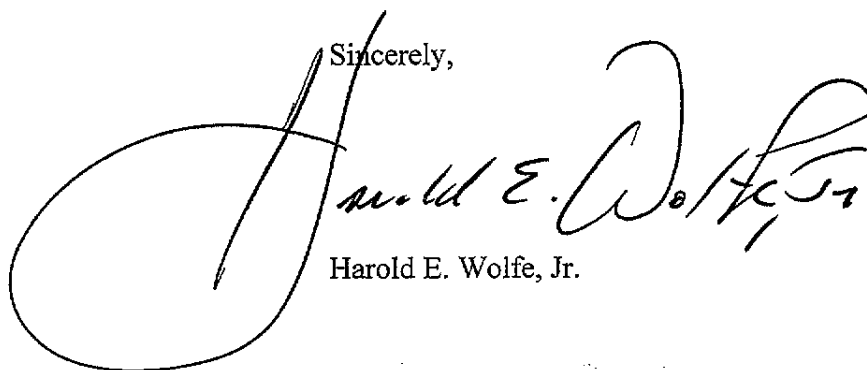
SECRETARY OF STATE

July 12, 2002

Page 2

Should you have any questions, please feel free to call.

Sincerely,

A large, stylized handwritten signature in black ink, reading "Harold E. Wolfe, Jr." The signature is written over the word "Sincerely," and the name "Harold E. Wolfe, Jr." is printed below it.

Harold E. Wolfe, Jr.

HEW:dma

Enclosures

cc: Michael L. Browning, Esquire (with enclosure)

FILED
02 JUL 16 AM 10:06
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF ORGANIZATION
OF
THE CARLTON SOUTH BEACH RESORT, L.L.C.

FILED
02 JUL 16 AM 10:06
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

We, the undersigned, hereby form and create a limited liability company pursuant to Chapter 608 and Fla. Stat. §608.407 of the laws of the State of Florida, do hereby execute and adopt these Articles of Organization to be filed with the Florida Department of State and do hereby state and certify the following:

ARTICLE I - NAME OF LIMITED COMPANY

In accordance with Fla. Stat. §608.406, the limited liability company's name shall be "**THE CARLTON SOUTH BEACH RESORT, L.L.C.**".

ARTICLE II - PERIOD OF DURATION OF LIMITED COMPANY

This limited liability company shall have a duration of ninety-nine (99) years from the effective date of these Articles of Organization. This limited liability company's existence shall begin at the date and time when these Articles of Organization are filed with the Florida Department of State, all in accordance with Fla. Stat. §608.409(1).

ARTICLE III - LOCATION OF PRINCIPAL OFFICE

The mailing and street address of this limited liability company's principal office is as follows:

Mailing Address/Street Address:

402 Applerouth Lane, Suite 10
Key West, Florida 33040

ARTICLE IV - REGISTERED OFFICE AND REGISTERED AGENT

The street address of this limited liability company's initial registered address in the State of Florida is 402 Applerouth Lane, Key West, Florida, 33040. The name of the registered agent at such registered office is MICHAEL L. BROWNING, ESQUIRE.

ARTICLE V - ADMISSION OF NEW MEMBERS

Members may admit additional new Members in compliance with the terms and conditions of this article. A new Member may be admitted into this limited liability company only if (i) such new Member acquires ownership units in this limited liability company, (ii) any first refusal rights or other restrictions on ownership unit transferability granted under any operating agreement then in effect governing this limited liability company are complied with, (iii) such new Member agrees to comply with any operating agreement then in effect governing this limited liability company and (iv) such new Member executes such instruments as the other Members determine are necessary or desirable to effect such admission and to confirm the agreement of the person or entity being admitted as a new Member to be bound by all the covenants, terms and conditions of these Articles of Organization and any operating agreement then governing this limited liability company then in effect. Said new Member shall receive a capital interest and an interest in the net profits and net losses and cash flow of this limited liability company in an amount set forth in this limited liability company's Operating Agreement.

FILED
02 JUL 16 AM 10:06
SECRETARY OF STATE
TALLAHASSEE FLORIDA

ARTICLE VI - CLASSES OF MEMBERS; SHARING OF PROFITS AND LOSSES

Pursuant to Fla. Stat. §§608.4231(1) and 608.4261, this limited liability company may have different classes of Members having such relative rights, powers and duties as specified in the Operating Agreement, including differences among such classes of Members for sharing of profits and losses. In accordance with Fla. Stat. §608.4261, the profits and losses of this limited liability company shall be allocated among Members as so specified in the Operating Agreement; provided, however, that if the Operating Agreement does not provide for, or is silent as to, the allocation of profits and losses among Members, profits and losses shall be allocated on the basis of capital contribution made by each Member to the extent that such contributions have been received by the limited liability company and have not been returned; provided further, however, that in all events the Operating Agreement may specifically contain special allocations of profits and losses among different classes of Members. Further, in accordance with Fla. Stat. §608.4231, these Articles and/or the Operating Agreement may limit any Members' or class of Members' ability to vote on certain items such as the composition of management as set forth in Article VIII hereof.

ARTICLE VII - CONTINUATION OF BUSINESS

The remaining Members of this limited liability company are specifically given the right to continue the business upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of an event which terminates the continued membership of a Member in this limited liability company; it being the intent of the Members hereunder that the existence of this limited liability company be for the term of years set forth in Article II hereof.

FILED
02 JUL 16 AM 10:06
TALLAHASSEE, FLORIDA

ARTICLE VIII - COMPOSITION OF MANAGEMENT

This limited liability company shall be managed by a single Manager, GRAND LIFESTYLES RESORTS, INC., during its existence and no other person or individual shall have the right to so manage this limited liability company unless GRAND LIFESTYLES RESORTS, INC., through its officers, resigns, voluntarily retires or consents in writing to a new Manager hereinafter named (unless otherwise removal of GRAND LIFESTYLES RESORTS, INC., is compelled by law); provided, however, that in carrying out management functions, GRAND LIFESTYLES RESORTS, INC., may engage the services of Forbes Hamilton Management Company and New Moon Management Group, Inc. in performing management functions hereunder. In the event that GRAND LIFESTYLES RESORTS, INC., resigns, voluntarily retires or consents to appointment of a new Manager, then, in such an event, this limited liability company shall be managed jointly by Forbes Hamilton Management Company and New Moon Management Group, Inc. and no other person or individual shall have the right to manage this limited liability company unless the two aforesaid entities both resign, voluntarily retire or agree to cease being the Managers hereunder. Accordingly, this limited liability company is to be as Manager-managed company as set forth in Fla. Stat. §608.407(d) and shall be so managed as set forth above. In the event that all aforesaid entities are unable to serve as Managers due to resignation, retirement or otherwise, whichever first occurs, in such event, a successor Manager shall be selected (i) in accordance with any then adopted operating agreement governing this limited liability company or (ii) if no such operating agreement has been so adopted, by majority percentage vote of members holding a majority of Units in this limited liability company. In accordance with the foregoing, the name and address of the initial Manager of this limited liability company is:

FILED
02 JUL 16 AM 10:06
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Name of Manager

Address

GRAND LIFESTYLES RESORTS, INC.
A Florida corporation

402 Applerouth Lane
Key West, Florida 33040

Notwithstanding anything to the contrary contained in Fla. Stat. §608.426 (or any successor section), except as provided in the Operating Agreement, the Manager shall have sole discretion in making decisions pertaining to distributions to Members from this limited liability company; provided, however, that in all events, the Manager shall comply with the terms of the Operating Agreement pertaining to any required distributions to Members so as to make distributions consistent with the requirements of such Operating Agreement.

ARTICLE IX – OWNERSHIP UNITS

The maximum number of ownership units that this limited liability company is authorized to have outstanding is ten million (10,000,000) units, which may be divided into different classes or groups in accordance with Fla. Stat. §608.4231(1); provided, however, that the total maximum aggregate number of ownership units of all classes shall not exceed ten million (10,000,000) units. The Manager shall determine the number and class of each unit. This limited liability company is not obligated to issue all of its authorized outstanding units but rather may issue to initial Members a portion of its authorized ownership units and reserve a portion of such ownership units for future authorization to future Members, if any. Each of such ownership units shall represent the ownership of that percentage of the total units of that class outstanding at any time as is the equivalent of the ratio in which one is the numerator and the total number of units of that class outstanding is the denominator. Each Member of each class shall receive a capital interest and an interest in the net profits and net losses and cash flow of this limited liability company in an amount specified in the Operating Agreement.

ARTICLE X – PURPOSE OF LIMITED LIABILITY COMPANY

The purpose for which this limited liability company is formed is to engage in any lawful acts or other activities for which limited liability companies may be formed under Chapter 608 of the Florida Statutes. Additionally, this limited liability company shall engage in the ownership, investment and sale of hotels, motels, guest houses, resorts, real estate, mortgages and other investment vehicles.

ARTICLE XI - OPERATING AGREEMENT

This limited liability company shall adopt an "Operating Agreement" which shall govern the operations of this limited liability company, shall prescribe the method for electing managers and designating successors (except as provided in Article VIII hereof), shall, if the Members so elect, grant first refusal rights or other restrictions on ownership unit transferability and govern legal arrangements among Members. Such Operating Agreement shall comply with provisions of Fla. Stat. §608.423; provided, however, that the power to adopt, alter, amend or appeal the Operating Agreement of this limited liability company shall be vested in this limited liability company's Managers as set forth in Fla. Stat. §608.423(3) unless all Members unanimously otherwise agree in writing.

FILED
02 JUL 16 AM 10:06
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

IN WITNESS WHEREOF, the undersigned, members of this limited liability company
have executed these Articles of Organization on this 8th day of
JULY, 2002.

THE CARLTON SOUTH BEACH RESORT, L.L.C.

By:


MICHAEL L. BROWNING, TRUSTEE

Member

By:


THOMAS J. SIRECI, JR., ESQUIRE, TRUSTEE

Member

FILED
02 JUL 16 AM 10:06
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE OF FLORIDA)
) SS
COUNTY OF MONROE)

BEFORE ME personal appeared **MICHAEL L. BROWNING**, the signor who personally appeared before me at the time of this notarization, and is personally known to me or has produced _____ as identification and is known to be the person described in and who executed the foregoing instrument and acknowledged to and before me that he executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 8th day of JULY, 2002.



Laurie A. Freeling
MY COMMISSION # CC939289 EXPIRES
May 22, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

Laurie A. Freeling
Notary Public
State of Florida at Large
My Commission No. is:

My Commission Expires:

FILED
02 JUL 16 AM 10:06
TALLAHASSEE, FLORIDA

STATE OF FLORIDA)
) SS
COUNTY OF MONROE)

BEFORE ME personal appeared THOMAS J. SIRECI, JR., the signor who personally appeared before me at the time of this notarization, and is personally known to me or has produced _____ as identification and is known to be the person described in and who executed the foregoing instrument and acknowledged to and before me that he executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 8th day of JULY, 2002.



Laurie A. Freeling
MY COMMISSION # CC939289 EXPIRES
May 22, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

Laurie A. Freeling
Notary Public
State of Florida at Large
My Commission No. is:

My Commission Expires:

FILED
02 JUL 16 AM 10:06
TALLAHASSEE, FLORIDA

**CERTIFICATION DESIGNATING PLACE OF BUSINESS OR
DOMICILE FOR THE SERVICE OF PROCESS WITHIN FLORIDA,
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

In compliance with Sections 608.415 and 48.061, Florida Statutes, the following is submitted:

That THE CARLTON SOUTH BEACH RESORT, L.L.C. desiring to organize or qualify under the laws of the State of Florida as a limited liability company with its principal place of business in the City of Key West, State of Florida, has named MICHAEL L. BROWNING, ESQUIRE, located at 402 Applerouth Lane, Key West, Florida, 33040, as its agent to accept service of process.

Signature: _____


MICHAEL L. BROWNING

Title: Member

Date: _____

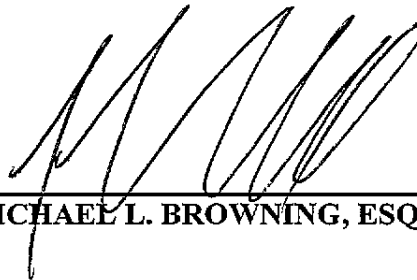
8 JULY 2002

FILED
02 JUL 16 AM 10:06
TALLAHASSEE, FLORIDA

ACCEPTANCE OF APPOINTMENT BY REGISTERED AGENT

Pursuant to the provisions of the Florida Limited Liability Company Act, Chapter 608 of the Florida Statutes, the undersigned does hereby accept his appointment as Registered Agent on whom process may be served within the State of Florida for this limited liability company named in the foregoing Articles of Organization and by affixing such Registered Agent's signature below states that he is familiar with, and accepts the obligations of that position.

REGISTERED AGENT:



MICHAEL L. BROWNING, ESQUIRE

8 JULY 2002

DATE

FILED
02 JUL 16 AM 10:06
TALLAHASSEE, FLORIDA