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LIMITED LIABILITY COMPANY

Willow Lake Operating, LLC

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Secretary of State

September 29, 2003

FLORIDA MANAGEMENT COMPANY

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**ARTICLES OF ORGANIZATION  
OF**

**WILLOW LAKE OPERATING, LLC**

I, the undersigned Member hereby makes, acknowledges and files these Articles of Organization for the purpose of forming a limited liability company under the laws of the State of Florida.

**ARTICLE I  
NAME**

The name of this Limited Liability Company is:

Willow Lake Operating, LLC

**ARTICLE II  
ADDRESS**

The mailing address and the principal office address is:

1555 Palm Beach Lakes Blvd.  
Suite 1100  
West Palm Beach, Florida 33401

**ARTICLE III  
DURATION**

The period of duration for the Limited Liability Company shall be perpetual.

**ARTICLE IV  
MANAGEMENT**

The powers of the Limited Liability Company shall be exercised by or under the authority of, and the business and affairs of the Limited Liability Company shall be managed under the direction of its Member and is, therefore, a Member managed company.

**ARTICLE V  
ADMISSION OF ADDITIONAL MEMBERS**

The Members shall have the right to admit additional members.

**ARTICLE VI  
ADDITIONAL PROVISIONS**

Notwithstanding any other provision of these Articles of Organization, any other organizational documents or any provisions of law that empowers Willow Lake Operating, LLC shall control.

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LLC (the "Company"), the following provisions shall be operative and controlling so long as the loan (the "Loan") by CIBC Inc. or its successors and/or assigns (collectively, the "Lender") to Willow Lake, LLLP (the "Partnership") is outstanding:

1. The sole purpose for which the Company is organized is to acquire, manage, own and hold the general partnership interest in the Partnership, whose sole purpose is to acquire, own, hold, maintain and operate the residential apartment complex in Lake Worth, Florida, commonly known as the "Willow Lake Apartments" (the "Property"), together with such other activities as may be necessary or advisable in connection with such limited purpose. The Company shall not engage in any business, and it shall have no purpose, unrelated to the foregoing purpose and shall not acquire any real property or own assets other than those in furtherance of the limited purposes of the Company.
2. The Company shall have no authority to perform any act in violation of any (a) applicable laws or regulations or (b) any agreement with Lender to which either the Partnership and/or the Company is a party.
3. The Company shall not:
  - (a) make any loans to any member or manager of the Company's or any Affiliates (as defined below) of any member or manager of the Company, or to any partner of the Partnership;
  - (b) except as permitted by the loan documents evidencing the Loan or otherwise permitted by the Lender in writing (or, after securitization of the Loan, only if the Partnership receives (i) confirmation from each of the applicable rating agencies that such amendment, modification or change would not result in the qualification, withdrawal or downgrade of any securities rating and (ii) permission of the Lender in writing), cause or permit the Partnership to sell, encumber (except with respect to Lender) or otherwise transfer or dispose of all or substantially all of the properties of the Partnership (a sale or disposition will be deemed to be "all or substantially all of the properties of the Partnership" if the total value of the properties sold or disposed of in such transaction and during the twelve months preceding such transaction is sixty six and two thirds percent (66-2/3%) or more in value of the Partnership's total assets as of the end of the most recently completed fiscal year);
  - (c) to the fullest extent permitted by law, dissolve, wind up or liquidate the Company;
  - (d) merge, consolidate or acquire all or substantially all of the assets of an Affiliate of same or other person or entity;
  - (e) change the nature of the business of the Company; or
  - (f) except as permitted by the Lender in writing, amend, modify or otherwise change these Articles of Organization (or, after securitization of the Loan, only if the Company receives (i) confirmation from each of the applicable rating agencies that such amendment, modification or change would not result in the qualification,

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withdrawal or downgrade of any securities rating and (ii) permission of the Lender in writing).

4. The Company shall not, and no person or entity on behalf of the Company shall, either with respect to itself or the Partnership, without the prior written affirmative vote of one hundred percent (100%) of the members: (a) institute proceedings to be adjudicated bankrupt or insolvent; (b) consent to the institution of bankruptcy or insolvency proceedings against it or the Partnership; (c) file a petition seeking, or consenting to, reorganization or relief under any applicable federal or state law relating to bankruptcy; (d) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or ~~other similar~~ official) of the Company or the Partnership or a substantial part of their respective property; (e) make any assignment for the benefit of creditors; (f) admit in writing its or the Partnership's inability to pay their respective debts generally as they become due or declare or effect a moratorium on its or the Partnership's respective debts; or (g) take any company or partnership action in furtherance of any such action.
5. The Company shall have no indebtedness or incur any liability other than its liability, as general partner, for liabilities of the Partnership.
6. The Company shall at times observe the applicable legal requirements for the recognition of the Company as a legal entity separate from any Affiliates of same, including, without limitation, as follows:
  - (a) The Company shall allocate by written agreement fairly and reasonably any rent, overhead and expenses for shared office space. Additionally, the Company shall use its own separate stationery, invoices and checks.
  - (b) The Company shall maintain correct and complete financial statements, accounts, books and records and other entity documents separate from those of any Affiliate of same or any other person or entity. The Company shall prepare unaudited quarterly and annual financial statements, and the Company's financial statements shall substantially comply with generally accepted accounting principles.
  - (c) The Company shall maintain its own separate bank accounts, and correct, complete and separate books of account.
  - (d) The Company shall file or cause to be filed its own separate tax returns.
  - (e) The Company shall hold itself out to the public (including any of its Affiliates' creditors) under the Company's own name and as a separate and distinct legal entity and not as a department, division or otherwise of any Affiliate of same.
  - (f) The Company shall observe all customary formalities regarding the legal existence of the Company, including holding meetings and maintaining current and accurate minute books separate from those of any Affiliate of same.
  - (g) The Company shall hold title to its assets in its own name and act solely in its own name and through its own duly authorized officers and agents. No Affiliate

of same shall be appointed or act as agent of the Company, other than, as applicable, a property manager with respect to the Property.

(h) Investments shall be made in the name of the Company directly by the Company or on its behalf by brokers engaged and paid by the Company or its agents.

(i) Except as required by Lender, the Company shall not guarantee, pledge or assume or hold itself out or permit itself to be held out as having guaranteed, pledged or assumed any liabilities or obligations of any Affiliate of the Company, nor shall it make any loan, except as permitted in the loan agreement with the Lender.

(j) The Company is and will be solvent.

(k) Assets of the Company shall be separately identified, maintained and segregated. The Company's assets shall at all times be held by or on behalf of the Company and if held on behalf of the Company by another entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by the Company. This restriction requires, among other things, that (i) funds of the Company shall be deposited or invested in the Company's name, (ii) funds of the Company shall not be commingled with the funds of any Affiliate of same or other person or entity, (iii) the Company shall maintain all accounts in its own name and with its own tax identification number, separate from those of any Affiliate of same or other person or entity, and (iv) funds of the Company shall be used for the business of the Company.

(l) The Company shall maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate of same or other person or entity.

(m) The Company shall pay or cause to be paid its own liabilities and expenses of any kind only out of its own separate funds and assets.

(n) The Company shall not make distributions to the Members if the Company is not adequately capitalized to engage in the transactions contemplated at its formation or if so doing will result in the Company ceasing to be adequately capitalized to engage in the transactions contemplated at its formation.

(o) The Company shall not do any act which would make it impossible to carry on the ordinary business of the Company.

(p) All data and records (including computer records) used by the Company or any Affiliate of same in the collection and administration of any loan shall reflect the Company's ownership interest therein.

(q) None of the Company's funds shall be invested in securities issued by, nor shall the Company acquire the indebtedness or obligation of, any Affiliate of same.

(r) The Company shall maintain an arm's length relationship with each of its Affiliates and enter into contracts or transact business with its Affiliates only on commercially reasonable terms that are no less favorable to the Company than is obtainable in the market from a person or entity that is not an Affiliate of same.

(s) The Company shall correct any misunderstanding that is known by the Company regarding its name or separate identity.

For purposes of these Articles of Organization, Affiliate means any person or entity, including, but not limited to, the Partnership, which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with a specified person or entity. For purposes hereof, the terms "control", "controlled", or "controlling" with respect to a specified person or entity shall include, without limitation, (i) the ownership, control or power to vote ten percent (10%) or more of (x) the outstanding shares of any class of voting securities or (y) beneficial interests, of any such person or entity, as the case may be, directly or indirectly, or acting through one or more persons or entities, (ii) the control in any manner over the shareholder(s) or the election of more than one director or trustee (or persons exercising similar functions) of such person or entity, or (iii) the power to exercise, directly or indirectly, control over the management or policies of such person or entity.

7. Any indemnification obligation of the Company to any manager or member of the Company, or to the Partnership or any partner thereof, shall (a) be fully subordinated to the Loan and (b) not constitute a claim against the Company or its assets until such time as the Loan has been indefeasibly paid in accordance with its terms and otherwise has been fully discharged.

IN WITNESS WHEREOF, the undersigned Member has made and subscribed these Articles of Organization at West Palm Beach, Florida, for the uses and purposes aforesaid, this 25<sup>th</sup> day of SEPTEMBER, 2003.



E. Llwyd Ecclestone, Jr., Trustee of the Edwin Llwyd Ecclestone, Jr. Revocable Living Trust dated January 21, 1981, as amended

**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 TO DESIGNATE A REGISTERED OFFICE AND REGISTERED AGENT IN THE STATE OF FLORIDA.

1. The name of the Limited Liability Company is:

Willow Lake Operating, LLC

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

E. Liwyd Ecclestone  
1555 Palm Beach Lakes Boulevard  
Suite 1100  
West Palm Beach, Florida 33401

*Having been named as registered agent to accept service of process for the above-stated limited liability company, at the location designated herein, I hereby consent to and accept the appointment to act in this capacity, acknowledge that I am familiar with and accept the obligations of a registered agent and agree to comply with the laws of Florida applicable thereto.*

  
E. Liwyd Ecclestone