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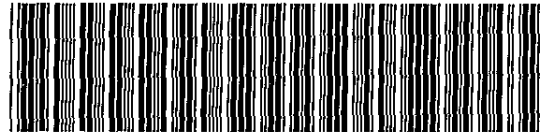
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12/30/03--01034--026 **90.00

FILED
03 DEC 30 PM 12:44
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EFFECTIVE DATE
12/31/03

Handwritten signature/initials

RECEIVED
03 DEC 30 PM 12:18
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

Ruden, McClosky et. al.
Requester's Name
215 S. Monroe Street, Suite 815
Address
Tallahassee, FL 412-2000
City/State/Zip Phone #

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CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):

1. Merger Filing (Corporation Name) (Document #)
2. _____ (Corporation Name) (Document #)
3. _____ (Corporation Name) (Document #)
4. _____ (Corporation Name) (Document #)

03 DEC 30 PM 12:45
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED

EFFECTIVE DATE
12/21/03

- ☐ Walk in ☐ Pick up time _____ ☒ Certified Copy
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NEW FILINGS

- ☐ Profit
☐ Not for Profit
☐ Limited Liability
☐ Domestication
☐ Other

OTHER FILINGS

- ☐ Annual Report
☐ Fictitious Name

AMENDMENTS

- ☐ Amendment
☐ Resignation of R.A., Officer/Director
☐ Change of Registered Agent
☐ Dissolution/Withdrawal
☐ Merger

REGISTRATION/QUALIFICATION

- ☐ Foreign
☐ Limited Partnership
☐ Reinstatement
☐ Trademark
☐ Other

Examiner's Initials

ARTICLES OF MERGER

These Articles of Merger are submitted in accordance with Sections 607.1109 and 608.438, Florida Statutes (2003).

FILED
03 DEC 30 PM 12:45
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FIRST:

The exact name, street address of its principal office, jurisdiction and entity type for each merging party is:

<u>Name and Street Address</u>	<u>Jurisdiction</u>	<u>Entity Type</u>	<u>Document No.</u>
VSI International Inc. 3451 Commerce Parkway Miramar, Florida 33025	Florida	Corporation	K60465

SECOND:

The exact name, street address of its principal office, jurisdiction and entity type for the surviving party is:

<u>Name and Street Address</u>	<u>Jurisdiction</u>	<u>Entity Type</u>
VSI International, LLC 3451 Commerce Parkway Miramar, Florida 33025	Florida	Limited Liability Company

THIRD:

Attached hereto as Exhibit A is the Agreement and Plan of Merger (the "Plan of Merger") between VSI International Inc., a Florida corporation (the "Merged Corporation") and VSI International, LLC, a Florida limited liability company (the "Surviving Entity").

FOURTH:

The Plan of Merger was approved by the Merged Corporation in accordance with the applicable provisions of Chapter 607, Florida Statutes (the Florida Business Corporation Act) and by the Surviving Entity in accordance with the applicable provisions of Chapter 608, Florida Statutes (the Florida Limited Liability Company Act).

FIFTH:

The merger that is the subject hereof is permitted under the laws of the State of Florida and is not prohibited by the Operating Agreement or Articles of Organization of the Surviving Entity.

SIXTH:

The effective date and time of the merger shall be December 31, 2003 at 11:59 P.M.

SEVENTH:

These Articles of Merger comply with and were executed in accordance with the laws of the State of Florida.

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These Articles of Merger may be executed in one or more counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Merger as of the 29th day of December, 2003.

VSI INTERNATIONAL INC.

By: Myron Orlinsky

Name: Myron Orlinsky

Title: President

VSI INTERNATIONAL, LLC

By: Myron Orlinsky

Name: Myron Orlinsky

Title: Manager

EXHIBIT A

Agreement and Plan of Merger

See Attached.

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is made and executed on this 29th day of December, 2003, by and between **VSI INTERNATIONAL, LLC**, a Florida limited liability company ("Surviving Entity") and **VSI INTERNATIONAL INC.**, a Florida corporation ("Merged Corporation").

RECITALS:

WHEREAS, Merged Corporation has determined that it is in its best interests to operate as a limited liability company under the laws of the State of Florida and, to accomplish the foregoing, it has caused to be organized the Surviving Entity as a single-member Florida limited liability company owned by Merged Corporation; and

WHEREAS, Surviving Entity and Merged Corporation now desire to merge into a single Florida limited liability company subject to the terms and conditions set forth herein.

NOW, THEREFORE, the parties to this Agreement, in consideration of the mutual covenants, agreements and provisions hereinafter contained, do hereby prescribe the terms and conditions of said merger and mode of carrying the same into effect as follows:

FIRST: Surviving Entity shall merge the Merged Corporation into itself and said Merged Corporation shall be merged into Surviving Entity (the "Merger").

SECOND: The Articles of Organization of Surviving Entity as in effect on the effective date of the Merger, as provided for in this Agreement (the "Merger Date"), shall continue in full force and effect as the Articles of Organization of the Surviving Entity following the Merger, until amended or modified in accordance with applicable law.

THIRD: The manner of converting the outstanding shares of the capital stock of the Merged Corporation into member interests (the "Member Interest[s]") of the Surviving Entity shall be as follows:

(a) Immediately prior to the Merger Date, the issued and outstanding capital stock of the Merged Corporation was held by the persons set forth on **Exhibit A** hereto in the percentage set forth opposite their respective names on **Exhibit A** hereto (as applicable to each such shareholder, his "Percentage Interest").

(b) Upon consummation of the Merger on the Merger Date, all issued and outstanding capital stock of the Merged Corporation ("Shares") shall be canceled without any further action by any of the parties hereto or any of the shareholders of the Merged Corporation and without any compensation.

(c) Upon consummation of the Merger on the Merger Date, all Member Interests in the Surviving Entity existing immediately prior to the Merger Date shall be canceled without any further action by any of the parties hereto or any of the members of the Surviving Entity and without any compensation, and the shareholders of the Merged Corporation, upon submission to the Surviving Entity of their stock certificates for their Shares in the Merged Corporation, shall be issued a Member Interest in the Surviving Entity, which Member Interest in the Surviving Entity shall be equal to that former shareholder's Percentage Interest in the Merged Corporation.

(d) Notwithstanding anything to the contrary in this Agreement, Shares outstanding immediately prior to the Merger Date and held by a shareholder who has not voted in favor of the Merger and who has dissented from the Merger in accordance with Florida Statute Section 607.1301 et seq. ("Dissenting Shares") shall not be entitled to receive Member Interests as provided in this THIRD part hereof, unless and until such shareholder fails to perfect or withdraws or otherwise loses his right to payment under the Florida Statutes. If, after the Merger Date, any such shareholder fails to perfect or withdraws or loses his right to such payment, such Dissenting Shares shall thereupon be treated as if they had been converted as of the Merger Date into the right to receive Member Interests, if any, to which such holder is entitled, without interest thereon. If any of the shareholders of the Merged Corporation exercise appraisal rights with respect to their Shares and thus do not become members of the Surviving Entity, the Percentage Interests of the other shareholders as members of the Surviving Entity will be proportionately increased.

FOURTH: The terms and conditions of the Merger are as follows:

(a) The operating agreement of the Surviving Entity prior to the Merger Date is attached hereto as Exhibit B-1 (the "Original Agreement"). Upon the Merger Date, the Original Agreement shall automatically be amended and superseded by the First Amended and Restated Operating Agreement attached hereto as Exhibit B-2 (the "Operating Agreement"). The Operating Agreement shall be and remain the operating agreement of the Surviving Entity until the same shall be altered, amended or repealed as therein provided.

(b) The Manager of the Surviving Entity shall be as set forth in the FIFTH part hereof.

(c) This Merger shall become effective upon the date and time specified in the Articles of Merger, in the form attached hereto as Exhibit C, which shall be filed with the Florida Department of State.

(d) Upon the Merger becoming effective, all the property, rights, privileges, and other assets of every kind and description of the Merged Corporation and all of the debts, liabilities and duties of the Merged Corporation shall be transferred to, vested in and devolve upon the Surviving Entity without further act or deed, and all property, rights, and every other interest of the Surviving Entity and the Merged Corporation shall be as effectively the property of the Surviving

Entity as they were of the Surviving Entity and the Merged Corporation respectively. The Merged Corporation hereby agrees from time to time, as and when requested by the Surviving Entity or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the Surviving Entity may deem necessary or desirable in order to vest in and confirm to the Surviving Entity title to and possession of any property of the Merged Corporation acquired or to be acquired by reason of or as a result of the Merger herein provided for and otherwise to carry out the intent and purposes hereof and the proper officers and directors of the Merged Corporation and the Manager of the Surviving Entity are fully authorized in the name of the Merged Corporation or otherwise to take any and all such action.

FIFTH: The Surviving Entity shall be managed by one or more managers, as set forth in the Articles of Organization of the Surviving Entity. The name and business address of the manager of the Surviving Entity (the "Manager") is Myron Orlinsky, whose business address is 3451 Commerce Parkway, Miramar, Florida 33025. The Manager shall continue as the Manager of the Surviving Entity until his successor shall have been elected or appointed as provided in the Operating Agreement.

SIXTH: Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and abandoned by the Board of Directors of the Merged Corporation or the Manager of the Surviving Entity at any time prior to the date of filing Articles of Merger with the Florida Department of State. This Agreement may be amended by the Board of Directors of the Merged Corporation and by the Manager of the Surviving Entity at any time prior to the date of filing Articles of Merger with the Florida Department of State, provided that an amendment made subsequent to the date of adoption of this Agreement by the Merged Corporation and the Surviving Entity shall not (1) change the amount or kind of interests, shares, obligations, other securities, cash, rights, or other property to be received in exchange for or on conversion of all or any of the shares of any class or series of the Merged Corporation, (2) change any term of the Articles of Organization or Operating Agreement of the Surviving Entity, except for changes that otherwise could be adopted without the approval of the members of the Surviving Entity, or (3) change any of the terms and conditions of this Agreement if any such change, alone or in the aggregate, would materially and adversely affect the Merged Corporation or the holders of the Shares of such Merged Corporation or the members, or any class or group of members, of the Surviving Entity.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same instrument.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties to this Agreement, pursuant to the approval and authority duly given by resolutions of the Board of Directors and the consent of Shareholders owning a majority of the Shares of the Merged Corporation and the written consent of the sole Manager and sole Member of the Surviving Entity have caused these presents to be executed as of the date first set forth above.

VSI INTERNATIONAL, LLC
a Florida limited liability company

By: Myron Orlinsky
Myron Orlinsky, as Manager

VSI INTERNATIONAL INC.
a Florida corporation

By: Myron Orlinsky
Myron Orlinsky, as President

EXHIBIT A
PERCENTAGE INTERESTS

Shareholder Name	Number of Shares Owned	Percentage * Interest
Myron Orlinsky	5,917	59.17%
Peter Patraaka	2,583	25.83%
Scott Orlinsky	1,500	15.00%
Total	10,000	100%

*** Note 1:** Certain litigation styled *Peter Patraaka v. Myron Orlinsky*, Case No. 99-26994 CA 5 pending in the circuit court in and for the 11th judicial circuit of Florida (the "Litigation") may, by settlement or final adjudication (either, a "Disposition"), affect the Percentage Interest of the shares in the Merged Corporation owned by each of its shareholders. The member interests in the Surviving Entity shall automatically be adjusted to comply with the holdings of any Disposition of the Litigation.

*** Note 2:** The Percentage Interest ownership of the Surviving Entity is subject to change as a result of any Shareholders identified above which dissent to the Merger and exercise their appraisal rights to be paid the fair value of their Shares.

EXHIBIT B-1

ORIGINAL OPERATING AGREEMENT

See attached.

OPERATING AGREEMENT
OF
VSI INTERNATIONAL, LLC

THIS OPERATING AGREEMENT ("Agreement") of VSI International, LLC (the "Company") is made and entered into effective as of the 18th day of December, 2003, by and between VSI INTERNATIONAL INC., a Florida corporation, as the sole member ("Member") and MYRON ORLINSKY, as the initial manager ("Manager") of the Company.

WITNESSETH:

WHEREAS, Articles of Organization ("Articles") legally creating the Company were filed with the Secretary of State of the State of Florida on the 18th day of December, 2003, and the Articles are approved and the filing thereof ratified; and

WHEREAS, the Member desires to operate its business as a limited liability company formed under the Florida Statutes to engage in any and all businesses and activities permitted by the laws of the State of Florida, and has formed the Company in order to merge the Member with and into the Company ("Merger");

WHEREAS, the Member desires to express in writing the Member's understanding and agreement with respect to the formation and operation of the Company.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions contained herein, the undersigned, intending to be legally bound, hereby agrees as follows:

ARTICLE ONE

INCORPORATION BY REFERENCE; PURPOSE; DEFINITIONS

1.1 Incorporation by Reference. The foregoing recitals are hereby acknowledged to be true and are incorporated herein by reference.

1.2 Purpose of the Company. The purpose for which the Company is organized is to engage in any and all businesses and activities permitted by the laws of the State of Florida, specifically including to participate in the Merger. The Company shall have all of the powers vested in a limited liability company organized and existing by virtue of such laws.

1.3 Certain Definitions. As used in this Agreement, the following terms shall have the meanings hereinafter set forth, except as otherwise provided herein:

(a) Available Cash. Cash funds of the Company, excluding cash proceeds from a Terminating Capital Transaction, if any, and after provision for (i) payment of all outstanding and unpaid current obligations, expenses and charges of the Company as of such

time (including all amounts of any principal or interest payable with respect to any loans from the Member); and (ii) a reasonable working reserve as determined by the Manager for the management and operation of the Company's business, determined from time to time by the Manager to be available for distribution to the Member.

(b) Capital Contribution. The amount of cash or the agreed fair market value of property contributed by the Member to the capital of the Company, as reflected in the books of the Company.

(c) Capital Transaction. An Interim Capital Transaction or a Terminating Capital Transaction.

(d) Code. The Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of any federal internal revenue law enacted in substitution of the Internal Revenue Code of 1986.

(e) Company. The "Company" shall mean the single member Florida limited liability company described in the recitals hereof.

(f) Event of Termination. Any of the events that result in dissolution of the Company as set forth in Section 7.1 hereof.

(g) Interim Capital Transaction. A transaction pursuant to which the Company borrows funds or refinances existing debt, a sale, condemnation, exchange, abandonment or other disposition of a portion (which is less than substantially all) of the assets of the Company, an insurance recovery or any other transaction, other than a Terminating Capital Transaction, that, in accordance with generally accepted accounting principles, is considered capital in nature.

(h) Law. The Florida Limited Liability Company Act, as amended from time to time.

(i) Manager. Myron Orlinsky, or any entity or person who may be appointed as Manager after the date hereof in accordance with this Agreement.

(j) Member. VSI INTERNATIONAL INC., or such other entity or person as may be hereafter admitted as a Member pursuant to this Agreement.

(k) Member Interest or Interests. The entire ownership interest of a Member in the Company at any particular time, including such Member's rights to any and all distributions, allocations and other incidents of participation in the Company to which such Member may be entitled as provided in this Agreement and under applicable law, together with the obligations of such Member to comply with all of the terms and provisions of this Agreement and the Law, and further including its Capital Account hereunder.

(l) Member Percentages. The percentage interest of a Member in the Company. As of this date, the sole Member has a one hundred percent (100%) Member Percentage.

(m) Regulations. Regulations shall mean regulations issued by the United States Treasury Department under the Code.

(n) Term. The period commencing as of the date of this Agreement and ending upon the occurrence of an Event of Termination.

(o) Terminating Capital Transaction. A sale, condemnation, exchange or other disposition (whether by foreclosure, abandonment or otherwise) of all or substantially all of the then remaining assets of the Company or a transaction that will result in a dissolution of the Company.

ARTICLE TWO

MEMBER; MEMBERSHIP INTEREST

2.1 Name and Address of Member; Principal Office.

(a) The sole Member is VSI INTERNATIONAL INC.

(b) The principal office and mailing address of the Company shall be 3451 Commerce Parkway, Miramar, Florida 33025, or at such other location as may be determined by the Manager.

2.2 Admission of Additional Members. Other than as a result of the Merger, additional Member(s) will be admitted to the Company only upon the written consent of the Member, and upon the terms agreed to by the Member and the Manager.

2.3 Liability and Indemnification of the Member. The Member, its directors, officers, agents, employees and affiliates (collectively, the "Indemnified Parties", and individually, an "Indemnified Party"), shall not be liable to the Company for any loss or liability incurred in connection with any act or omission in the conduct of the business of the Company in accordance with the terms hereof, except for any loss or liability which the Company incurs in connection with the fraud, willful and wanton misconduct or gross negligence of any Indemnified Party. The Company, to the fullest extent permitted by law, hereby agrees to defend, indemnify and hold harmless, the Indemnified Parties from and against any and all liability, loss, cost, action, cause of action, expense or damage incurred or sustained by reason of any act or omission in the conduct of the business of the Company in accordance with the terms hereof, including, but not limited to, reasonable attorneys' and paralegals' fees through any and all negotiations, and trial and appellate levels and post-judgment proceedings; provided, however, the Company shall not indemnify an Indemnified Party with respect to any of the foregoing incurred in connection with the fraud, willful and wanton misconduct or gross negligence of such Indemnified Party. Subject to the foregoing, the Company shall advance all sums required to indemnify and hold each Indemnified Party harmless as provided herein from the initiation of any claim against such Indemnified Party, subject to acknowledgment in writing by such Indemnified Party of the obligation to reimburse the Company in the event that, following the entry of a final, non-

appealable judgment, it is determined that the Company was not permitted to indemnify such Indemnified Party pursuant to this Agreement or the law. The provisions of this Section 2.3 shall survive the termination of the Company.

ARTICLE THREE

MANAGEMENT OF THE COMPANY

3.1 Rights, Powers and Duties of the Manager. The overall management and control of all aspects of the day-to-day business and affairs of the Company shall be vested exclusively in the Manager. Any action taken by the Manager shall constitute the act of and serve to bind the Company, and no decision shall be made or action taken with respect to the Company unless such decision or action has been approved by the Manager. Without limiting the generality of the foregoing, the Manager is hereby authorized, on behalf of the Company:

(a) To execute, on behalf of the Company, any and all agreements, contracts, documents, certificates and instruments necessary or convenient in connection with the Company's business, specifically including those necessary or desirable to participate in the Merger;

(b) To keep all books of accounts and other records required by the Company, keep vouchers, statements, receipted bills, invoices and all other records, covering all collections, disbursements and other data in connection with the Company's business;

(c) To hire, retain or employ, fire and coordinate the services of all employees, supervisors, attorneys, accountants, consultants, independent contractors and other persons necessary or appropriate to carry out the business of the Company;

(d) To make any purchases for, on behalf of, or in the name of, the Company in the ordinary course of the Company's business;

(e) Establish and maintain reserves, in such amount as the Manager, in his sole discretion, shall determine; and

(f) To do any and all other things that are necessary, incidental or required in giving effect to all of the foregoing duties and responsibilities that are permitted under the Law.

3.2 Exercise of Rights and Powers.

(a) The Manager shall not be liable personally for the return of the Capital Contributions of the Member or any portions thereof, it being expressly understood that any such returns shall be made solely from the assets of the Company.

(b) The Manager shall be obligated to devote only such time to the Company as he shall determine shall be required to carry out his duties to the Company. Except to the

extent expressly provided elsewhere in this Agreement, the Manager may delegate all or any of his powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any person or entity, including any of his affiliates, for the transaction of the business of the Company, which person, entity or affiliate may, under the supervision of the Manager, perform any acts or services for the Company as the Manager may approve, and may receive such compensation from the Company on account of such services as the Member deems proper. Except as expressly provided herein, the Manager, in his discretion, is hereby authorized, empowered and directed to appoint any and all officers for the Company. The Manager and the Member, except as they may otherwise agree in writing, may have active business interests other than the Company and shall have no obligation to permit the Company or the Member to participate in any such business interest or any other business opportunity.

3.3 Right to Rely on Authority of the Manager. No person or entity dealing with the Manager shall be required to determine the Manager's authority to make any undertaking on behalf of the Company, or to determine any fact or circumstance bearing upon the existence of the Manager's authority.

3.4 Removal of the Manager. The Manager may be removed by the Member at any time, with or without cause. The decision to remove the Manager shall be in the Member's sole and absolute discretion. Upon removal, the Manager shall immediately cease to have any authority to act as Manager for the Company. Any of the Company funds or other property in the possession or under the control of the Manager shall immediately be released and transferred to its successor. The Manager shall cooperate in the orderly transition of affairs to his successor.

3.5 Indemnification of the Manager. Neither the Manager nor his affiliates, designees, successors or assigns (the "Indemnified Principals") shall be liable to the Company or the Member for any loss or damage incurred by reason of any act performed or omitted in connection with the activities of the Company or in dealing with third parties on behalf of the Company, unless such act or omission constitutes fraud, gross negligence or willful breach of this Agreement. The Company, its receiver or its trustee, to the fullest extent permitted by law, hereby agrees to defend and indemnifies and holds harmless the Indemnified Principals from and against any and all liability, loss, cost, action, cause of action, expense or damage incurred or sustained by reason of any act or omission in the conduct of the business of the Company in accordance with the terms hereof, including, but not limited to, reasonable attorneys' and paralegals' fees through any and all negotiations, and trial and appellate levels and post-judgment proceedings; provided, however, the Company shall not indemnify the Indemnified Principals with respect to any of the foregoing incurred in connection with the fraud, gross negligence or willful breach of this Agreement. The Company shall advance all sums required to indemnify and hold the Indemnified Principals harmless as provided herein from the initiation of any claim against such Indemnified Principals, subject to acknowledgment in writing by the Indemnified Principals of the obligation to reimburse the Company in the event that, following the entry of a final, non-appealable judgment, it is determined that the Company was not permitted to indemnify the Indemnified Principals, pursuant to this Agreement or the Law. The provisions of this Section 3.5 shall survive the termination of the Company.

ARTICLE FOUR

CAPITAL CONTRIBUTIONS

4.1 Capital Contributions. Capital Contributions may be made in the discretion of the Member.

4.2 Loans; Other Matters Relating to Capital Contributions. From time to time, at the Member's sole discretion, the Member may make loans to the Company upon such terms as the Member may determine. Loans by the Member to the Company shall not be considered Capital Contributions.

ARTICLE FIVE

DISTRIBUTIONS

5.1 Distributions of Available Cash and Net Proceeds from Interim Capital Transactions. The Available Cash of the Company and net proceeds from Interim Capital Transactions, if any, shall be distributed to the Member at such times and in such amounts as the Manager shall determine from time to time.

5.2 Distribution Following Terminating Capital Transaction. Distributions following a Terminating Capital Transaction shall be distributed in the manner set forth in Section 7.2 hereof.

ARTICLE SIX

TAX STATUS

Solely for United States federal income tax purposes, as a "single member limited liability company," the Company shall be disregarded as an entity separate from the Member pursuant to the default classification prescribed under Section 301.7701-3(b)(1)(ii) of the Regulations. Accordingly, the Company shall be treated for federal tax purposes in the same manner as a sole proprietorship, branch, or division of the Member, shall not have a separate existence, and all tax attributes of the Company shall be reported by the Member. The Member shall take, or refrain from taking, any and all actions as may be necessary or appropriate to ensure the treatment of the Company as a disregarded entity for federal income tax purposes.

ARTICLE SEVEN

DISSOLUTION; TERMINATION

7.1 Dissolution. The Company shall be dissolved, its assets shall be disposed of, and its affairs wound up only upon the occurrence of one or more of the following events ("Event of Termination"):

(a) The written election by the Member that the Company should be dissolved; or

(b) Any event pursuant to which the Company is required to be dissolved under the Law.

7.2 Wind-Up. Upon the dissolution of the Company, the Manager shall make a final accounting of the business and affairs of the Company and shall proceed with reasonable promptness to liquidate the business, property and assets of the Company and to distribute the proceeds in the following order of priority:

(a) To the payment of expenses of any sale, disposition or transfer of the Company assets in liquidation of the Company;

(b) To the payment of just debts and liabilities (including any accrued, but unpaid interest) of the Company (including debts or obligations due to the Member), in the order of priority provided by law;

(c) To the establishment of any reserve that the Manager may determine to be reasonably necessary and adequate for any contingent liabilities and obligations of the Company or the Member arising out of or in connection with the business of the Company; and

(d) To the Member.

The Member may elect to distribute the remaining property and assets of the Company, if any, in kind, in lieu of selling such property and distributing the proceeds.

ARTICLE EIGHT

GENERAL PROVISIONS

8.1 Gender and Use of Singular and Plural. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the party or parties, or their personal representatives, successors and assigns may require.

8.2 Headings. The article and section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

8.3 Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State of Florida. Agreed upon venue for any action arising out of or related to this Agreement shall be Broward County, Florida.

8.4 Provisions Severable. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the parties do business. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason or to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

8.5 Entire Agreement; No Amendment; Waiver. This Agreement represents the entire agreement between the parties as to the subject matter hereof, and supersedes all previous discussions and agreements, whether oral or written. This Agreement and its provisions may not be waived, amended or modified except by an instrument in writing signed by the party against which such waiver, amendment or modification is sought to be enforced, and such written instrument shall set forth specifically the provision of this Agreement which is to be so waived, amended or modified. No failure or delay on the part of any party in exercising any right or remedy shall constitute a waiver thereof, and no single or partial waiver by any party of any default shall operate to waive any other default.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Agreement effective as of the day and year first above written.

COMPANY:

VSI INTERNATIONAL, LLC

By: Myron Orlinsky
Myron Orlinsky, Manager

MEMBER:

VSI INTERNATIONAL INC.

By: Myron Orlinsky
Myron Orlinsky, President

MANAGER:

Myron Orlinsky
MYRON ORLINKSY

EXHIBIT B-2

FIRST AMENDED AND RESTATED OPERATING AGREEMENT

See attached.

ARTICLE I
INCORPORATION; DEFINITIONS

1.01 Incorporation. The foregoing recitals are true and correct and, together with any Schedules and Exhibits attached hereto, are hereby incorporated herein and made a part hereof.

1.02 Definitions. Capitalized terms used, but not otherwise defined, herein shall have the meanings hereafter set forth.

(a) Additional Capital Contributions. This shall have the meaning set forth in Section 3.02 hereof.

(b) Adjusted Capital Account Deficit. With respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) The deficit shall be decreased by any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5) (i.e., the Member's share of Minimum Gain and Member Minimum Gain); and

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

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(c) Affiliate. When used with reference to a specified Person, (a) any Person who, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person, (b) any Person who is an officer, director, member or manager of, partner in or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the specified Person is an officer, director, manager, member, partner or trustee, or with respect to which the specified Person serves in a similar capacity, (c) any Person who, directly or indirectly, is the legal or beneficial owner of more than ten percent (10%) of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified Person or of which the specified Person is directly or indirectly the legal or beneficial owner of more than ten percent (10%) of any class of equity securities or in which the specified Person has a substantial beneficial interest, (d) any Person which owns more than ten percent (10%) of the voting interests of the specified Person, or in which the specified Person owns more than ten percent (10%) of the voting interests, or (e) any Person who is a Family Member of a specified Person.

(d) Agreement. This Agreement or any restatements hereof, as originally executed or as may be amended from time to time.

(e) Assignee. Any Person who acquires (by purchase, gift, inheritance, judgment, Transfer or otherwise), or has an ownership or security interest (including any charging lien) in or against the Company or any Member Interest, but who has not been admitted as a Member of the Company in accordance with this Agreement.

(f) Available Cash. The cash funds, including debt, equity and tax exempt income, generated by Company operations during a Fiscal Year (or other specified period), without deduction for non-cash expenses, but after deduction of cash funds used to pay all other expenses and obligations of the Company whether or not deductible for tax purposes, including, without limitation, principal and interest payments on Company indebtedness (including any loans made by a Member or its Affiliates), capital expenditures, operating expenditures, prepayments of indebtedness, any fees or costs payable to the Manager, and any reasonable amounts set aside for Reserves by the Company in the discretion of the Manager, whether for current operations or future investment. Available Cash shall not include or reflect Capital Contributions or any proceeds received or expenses incurred in connection with a Capital Transaction.

(g) Bankruptcy. As used in this Agreement, the term "Bankruptcy," with respect to the Company or a Member, as the case may be, shall refer to: (i) the appointment of a receiver, conservator, rehabilitator or similar officer for the Company or Member, unless the appointment of such officer shall be challenged in an application filed within thirty (30) days after the appointment and the appointment is vacated and such officer discharged within one hundred twenty (120) days of the appointment; (ii) the taking of possession of, or the assumption of control over, all or any substantial part of the property of the Company or Member by any receiver, conservator, rehabilitator or similar officer or by the United States government or any agency thereof, unless such possession or control is challenged in an application filed within thirty (30) days after such possession or control is taken and property is relinquished within one hundred twenty (120) days of the taking; (iii) the filing of a petition in bankruptcy or the commencement of any proceeding under any present or future federal or state law relating to bankruptcy, insolvency, debt relief or reorganization of debtors by or against the Company or Member, provided, if filed against (and not by) the Company or Member, such petition or proceeding is not challenged within thirty (30) days after it is filed and if so challenged is not dismissed within one hundred twenty (120) days of the filing of the petition or the commencement of the proceeding; or (iv) the making of an assignment for the benefit of creditors or a private composition, arrangement or adjustment with the creditors of the Company or Member.

(h) Business Day. This shall mean any weekday on which banks and all federal, state and local government offices are open for business in Broward County, Florida.

(i) Capital Account. An account that, throughout the full term of the Company, shall be established, determined and maintained separately for each Member in accordance with the following provisions:

(i) To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and any

items in the nature of income or gain which are specially allocated pursuant to Sections 4.05, 4.06 or 4.07 hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any Company property distributed to such Member.

(ii) To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Company property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Sections 4.05, 4.06 or 4.07 hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(iii) In the event all or a portion of an interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of (i) and (ii) of this definition, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulation Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulation. In the event the Manager shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or the Members), are computed in order to comply with such Regulations, the Manager may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Section 9.02 hereof upon the dissolution of the Company. The Members shall (1) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulation Section 1.704-1(b)(2)(iv)(g), and (2) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulation Section 1.704-1(b).

(j) Capital Contribution. The amount of cash or the agreed fair market value of property contributed by each Member to the capital of the Company, as reflected in the books of the Company and provided in ARTICLE III hereof.

(k) Capital Transaction. A Capital Transaction refers to an "Interim Capital Transaction" or a "Terminating Capital Transaction." An Interim Capital Transaction shall mean a transaction pursuant to which the Company borrows funds (including a refinancing), a sale, condemnation, exchange, abandonment, or other disposition of a portion (which is less than substantially all) of the assets of the Company, or an insurance recovery or any other transaction which, in accordance with generally accepted accounting principles, is considered capital in

nature, other than a Terminating Capital Transaction. A Terminating Capital Transaction shall mean a sale, condemnation, exchange, or other disposition, whether by foreclosure, abandonment, or otherwise, of all or substantially all of the then remaining assets of the Company or a transaction that will result in a dissolution of the Company.

(l) Code. The Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of any federal internal revenue law enacted in substitution of the Internal Revenue Code of 1986.

(m) Company. VSI International, LLC, a Florida limited liability company, and any successor limited liability company.

(n) Company Accountants. Such independent accountants as may be selected, from time to time, by the Manager.

(o) Company's Business. This term shall have the meaning set forth in Section 2.04 hereof.

(p) Company Minimum Gain. This term shall have the meaning set forth in Regulation Sections 1.704-2(b) and (d) for "partnership minimum gain."

(q) Distributions. Any cash or the fair market value of property distributed to the Members in their capacities as Members, whether from Available Cash, Net Proceeds of a Capital Transaction, or distributions following dissolution of the Company.

(r) Effective Date. The effective date of this Agreement, as set forth in the opening paragraph hereof.

(s) Event of Dissolution. Any of the events that result in a dissolution of the Company as set forth in Section 9.02 hereof.

(t) Family Member. With reference to a specified Person, this term shall mean that Person's spouse, lineal ancestors or descendants, or siblings (all whether by blood, law or marriage), and trusts for the exclusive benefit of that specified Person or any of the foregoing relatives of that specified Person.

(u) Fiscal Year. The annual accounting period of the Company which, unless hereafter changed by the Manager, shall be the calendar year.

(v) Gross Asset Value. With respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Manager.

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager as of the following times: (1) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (2) the distribution by the Company to a Member of more than a de minimis amount of property as consideration for an interest in the Company; and (3) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (1) and (2) shall be made only if the Manager reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the Member and the Manager; and

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m) and Section 4.07(a) hereof; provided, however, that Gross Asset Values shall not be adjusted to the extent the Member determines that an adjustment pursuant to subparagraph (ii) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraphs (i), (ii) or (iv) of this definition, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

For purposes of the foregoing provision, "Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the depreciation, amortization or other cost recovery deduction for income tax purposes for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

(w) Interim Capital Transaction. This term shall have the meaning ascribed to it in the definition of Capital Transaction in this Section.

(x) IRS. The Internal Revenue Service of the Department of Treasury of the United States of America, or if the Internal Revenue Service ceases to exist, such other, subsequent

or successor governmental agency that is charged with the task of, or is otherwise responsible for, collecting taxes and administering the Code.

(y) Law. The Florida Limited Liability Company Act, as amended from time to time.

(z) Manager. Myron Orlinsky, and/or any other individual (whether or not a Member) who may be appointed as a Manager after the date hereof. If, at any time there is more than one (1) Manager of the Company as provided in ARTICLE V hereof, all references to the Manager herein shall be deemed references to the Managers, and all actions by the Managers shall be taken by the Required Vote of the Managers.

(aa) Member. A Person who, as of the Effective Date, is identified on Schedule A hereto, and such other Persons to whom a Member Interest is issued or Transferred after the Effective Date

(bb) Member Interest or Interests. The entire ownership interest of a Member in the Company at any particular time, including such Member's rights to any and all Distributions, allocations and other incidents of participation in the Company to which such Member may be entitled as provided in this Agreement and under applicable law, together with the obligations of such Member to comply with all of the terms and provisions of this Agreement and the Law, and further including its Capital Account hereunder.

(cc) Member Minimum Gain. An amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in the same manner as "partner minimum gain" pursuant to Regulation Section 1.704-2(i).

(dd) Member Nonrecourse Debt. Any nonrecourse debt (for the purposes of Regulation Section 1.1001-2) of the Company for which any Member bears the "economic risk of loss" within the meaning of Regulation Section 1.752-2.

(ee) Member Nonrecourse Deductions. This term shall have the meaning set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions." The amount of Member Nonrecourse Deductions with respect to Member Nonrecourse Debt for any Fiscal Year shall equal the excess, if any, of (i) the net increase, if any, in the amount of Member Minimum Gain attributable to such Member Nonrecourse Debt during such Fiscal Year, over (ii) the aggregate amount of any distributions during that Fiscal Year to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent such distributions are from the proceeds of such Member Nonrecourse Debt and are allocable to an increase in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulation Section 1.704-2(i).

(ff) Member Percentages. The respective percentage interest of each Member in the Company as set forth on Schedule A hereto, as same may be amended from time to time.

(gg) Merger. This term shall have the meaning set forth in the recitals hereto.

(hh) Net Proceeds of a Capital Transaction. The proceeds received by the Company in connection with a Capital Transaction after (i) payment of all costs and expenses incurred by the Company in connection with such Capital Transaction, including, without limitation, brokers' commissions, loan fees, loan payments, and other closing costs, (ii) payment of any Company indebtedness intended to be repaid if the Capital Transaction is a financing or refinancing, and further reduced by (iii) any Reserves deemed necessary or appropriate by the Manager in its sole discretion, and (iv) by any amounts reinvested or held for reinvestment by the Manager.

(ii) Nonrecourse Deductions. Deductions of the Company described in Regulation Section 1.704-2(b)(1).

(jj) Nonrecourse Liability. A liability of the Company with respect to which no Member has personal liability, as determined in accordance with Code Section 752 and the Regulations promulgated thereunder.

(kk) Officer. The Persons, if any, appointed by the Manager to perform specified executive functions for the Company, as specified further in ARTICLE V hereof. The Company's initial Officers are listed on Schedule B attached hereto.

(ll) Person. Any individual, partnership, corporation, limited liability company, trust, estate, unincorporated or incorporated association, or other entity.

(mm) Profits and Losses. Profits and Losses means, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, including gain or loss from Capital Transactions, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of "Depreciation";

(vi) To the extent an adjustment to the adjusted 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)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's Member Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provision of this Section, any items which are specially allocated pursuant to Sections 4.05 or 4.06 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 4.05 and 4.06 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) above.

(nn) Regulation. Regulation shall mean a regulation interpreting the Code, including any temporary regulations, from time to time promulgated under the Code.

(oo) Required Vote. The Required Vote of the Members shall mean the affirmative vote or consent of the Members owning more than fifty percent (50%) of the Member Percentages of all the Members entitled to vote. The Required Vote of the Managers shall mean the affirmative vote or consent of a majority of the Managers, or if there is only one (1) Manager, the consent of that Manager. Each Member and Manager shall be entitled to vote on every matter as to which the Members or Managers, respectively, are to vote, regardless of whether the Member or Manager has a personal interest or other conflict of interest with respect to the outcome of such vote.

(pp) Reserves. Reserves shall mean, with respect to any fiscal period, funds set aside during such period which shall be maintained in amounts deemed sufficient by the Manager for working capital, to pay taxes, insurance, debt service, replacements, capital improvements or repairs, contingent liabilities, or other costs and expenses, incident to the ownership or operation of the Company's assets.

(qq) Securities Laws. The Securities Act of 1933, as amended, and any other applicable securities laws of any other jurisdiction, including, in each case, the rules and regulations promulgated thereunder.

(rr) Term. This term shall have the meaning set forth in Section 2.06 hereof.

(ss) Terminating Capital Transaction. This term shall have the meaning ascribed to it in the definition of Capital Transaction in this Section.

(tt) Transfer. The sale, transfer, conveyance, gift, assignment, syndication, pledge, hypothecation, encumbrance or other disposition of all or any part of a Member Interest, either voluntarily, involuntarily, by operation of law or otherwise.

ARTICLE II **FORMATION, NAME, BUSINESS, TERM**

2.01 Formation. The Company has been formed for the purposes set forth herein. The Manager may execute any and all certificates or other documents, and take whatever action is required, in order to authorize the Company to conduct business as a limited liability company under the Law and the laws of other jurisdictions applicable to the business of the Company. The rights and liabilities of the Members shall be as provided in the Articles and the Act, except as otherwise provided herein.

2.02 Name. The business of the Company shall be conducted under the name of the Company and under any other name(s) which the Manager selects in its sole discretion. If the Company does business under a name other than the name of the Company as set forth in its Articles, the Company shall file a fictitious name registration as required by applicable law.

2.03 Principal Place of Business; Recordkeeping Office; Registered Agent. The principal place of business for the transaction of the business of the Company shall be at such location as hereinafter may be determined by the Manager. The registered agent and registered office for the service of process on the Company in the State of Florida shall be the Person at the address set forth in the Articles on file at the Florida Secretary of State's office, as same may be amended from time to time. In the event the registered agent ceases to act as such for any reason, or the registered office changes for any reason, the Manager shall have the power and authority to designate a replacement registered agent and cause the required documents to be filed with any appropriate governmental agencies to reflect any such changes.

2.04 Purposes of the Company. The Company may engage in any lawful business permitted by the Law and any other laws of any jurisdiction in which the Company conducts its business ("Company's Business").

2.05 Scope and Jurisdiction. The Company is authorized to engage in all business permitted by the Law. If the Company qualifies to do business in a foreign jurisdiction, then it may transact all business permitted in that jurisdiction. There shall be no jurisdictional

restriction upon the property or activity of the Company. The Company may do business in foreign jurisdictions.

2.06 Term. The term of the Company as a limited liability company shall commence on the Effective Date and shall continue in full force and effect until terminated in accordance with ARTICLE IX of this Agreement or as otherwise provided by the Law.

2.07 Title. Legal title to Company property, whether real, personal or mixed, shall be held in the name of the Company.

2.08 Interested Transactions with the Company. The fact that any Manager, Officer, Member or Affiliate of any such Person is directly or indirectly interested in or connected with any Person employed by the Company to render or perform services, or any Person from which or to which the Company may buy or sell merchandise, services, material or other property, shall not prohibit the Company from employing such Person or from otherwise dealing with such Person, provided that, in each case, the terms of such employment, retention, purchase or sale are comparable to what the Company would obtain in an arm's length transaction with a Person not a Manager, Officer, Member or Affiliate of any such Person.

2.09 Outside Activities. Unless otherwise provided in this Agreement, or agreed in a separate agreement, document or other instrument with the Company, no Manager, Officer, Member, nor any of their respective Affiliates shall be required to devote their full time or efforts to the business of the Company. Unless otherwise stated in this Agreement, an employment agreement, non-competition agreement, or other agreement with the Company, the Manager, Officers, Members and their respective Affiliates shall be permitted to conduct any other business or activity whatsoever, independent of the Company and the other Members, and they shall not be accountable to the Company or to any other Member with respect to that business or activity; and neither the Company nor the other Members shall have any interest or rights with respect to any such business interest, and the Manager, Officers, Members and their respective Affiliates shall not be deemed to have breached their duty of care, duty of loyalty, or duty of good faith and fair dealing under the Law by participating in such activities or by failing to present any such opportunity to the Company; provided, however, that if such business or activity competes with the Company's Business, then no Member, Manager or Officer, or their respective Affiliates, shall engage in such competing business or activity.

2.10 Certificates of Member Interest.

(a) Certificate of Interest. The Member Interests issued by the Company may, but are not required to, be certificated. If the Manager elects to certificate Member Interests, the interest of each Member shall be evidenced by a certificate of limited liability company interest ("Certificate of Interest"). Certificates of Interest representing Member Interests in the Company shall be in such form, consistent with law, as shall be determined by the Manager, and shall include a legend as provided in Section 2.10(h) hereof. Such Certificates of Interest shall be signed by the Manager. All Certificates of Interest for Member Interests shall be consecutively numbered or otherwise identified. The name and address of the Person to whom the Member Interests represented thereby are issued, with the Percentage Interest and the date of issue, shall

be entered on the transfer books of the Company. All Certificates of Interest surrendered to the Company for transfer shall be canceled. No new Certificate of Interest shall be issued until the former Certificate of Interest for a like Percentage Interest of Member Interests has been surrendered and canceled, except as provided in Section 2.10(d) hereof. Each Member understands that its Member Percentage represents a portion of all the Company's Member Interests as of a particular time, and is subject to change from time to time upon the Company's issuance of new Member Interests or redemption or repurchase of existing Member Interests. Therefore, the Member Percentage of a Member specified on a Certificate of Interest is conclusive as to such Member's Member Percentage at the time such Certificate of Interest is issued, but shall not be conclusive as to such Member's Member Percentage at any subsequent time.

(b) Facsimile Signatures. The signatures upon a Certificate of Interest may be facsimiles if the Certificate of Interest is counter-signed by a transfer agent, or registered by a registrar, other than the Company itself or an employee of the Company.

(c) Transfer of Member Interests. Prior to due presentment of a Certificate of Interest for registration or transfer, the Company may treat the registered owner of such Certificate of Interest as the Person exclusively entitled to vote, to receive notifications and Distributions, and otherwise to exercise all the rights and powers of the owner of such Certificate. If a Certificate of Interest is presented to the Company with a request to register or transfer the ownership of such Certificate neither the Company nor any Manager, Officer, Member or other Person shall be liable to the owner of such Certificate or to any other Person suffering loss as a result of such registration or transfer if (i) such Certificate of Interest were properly endorsed, and (ii) neither the Company nor its authorized representatives shall have any duty to inquire into adverse claims regarding any such Certificate; provided that the Company and its representatives shall have the absolute right, but not the obligation, to take no action whatsoever if it or they reasonably believe that taking no action with respect to the registration or Transfer of such Certificate would be appropriate under the circumstances. The Company may require reasonable assurance that any endorsements are genuine and effective and comply with such regulations as may be prescribed under the authority of the Manager.

(d) Lost, Destroyed or Stolen Certificate of Interest. If the owner claims that his Certificate of Interest has been lost, destroyed or wrongfully taken, a new Certificate of Interest shall be issued in place thereof if the owner (i) submits proof in affidavit form that the Certificate has been lost, destroyed, or wrongfully taken, (ii) so requests before the Company has notice that such Certificate of Interest has been acquired by a bona fide purchaser, (iii) files with the Company an indemnity bond, sufficient in amount in the sole discretion of the Company, and (iv) satisfies such other reasonable requirements as the Manager may prescribe.

(e) Consideration for Member Interests. The consideration to be paid to the Company for issuance of Member Interests shall be paid in cash or property at a value acceptable to the Company. When payment of the consideration for which Member Interests are to be issued shall have been received by the Company, the Certificate of Interest relating to each Member Interest shall be deemed to be fully paid and nonassessable by the Company.

(f) Capital Regulations. The Manager shall have the power and authority to make all such further rules and regulations not inconsistent with the statutes of the State of Florida as it may deem expedient concerning the issuance, transfer and registration of Certificates of Interest representing Member Interests in the Company.

(g) Lien for Member Indebtedness. The Company shall have a lien upon the Member Interests of any holder thereof who is indebted to the Company in any way, and it shall have the right to cancel the holder's right in such amount of the Member Interests or other as is equivalent to such indebtedness in payment and satisfaction thereof and the discharge of such lien. Further, the Company shall have the right to not accept any transfer of Certificate of Interest by the holder thereof which will impair the security of its lien for the balance of the indebtedness then owing by such holder to the Company.

(h) Legend on Certificate. The Members agree that, so long as this Agreement shall remain in force, any Certificates evidencing their Member Interests shall be inscribed conspicuously with a legend in the following form:

"The Member Interests represented by this Certificate of Interest have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities laws. They may not be sold, offered for sale, pledged or hypothecated in the absence of a registration in effect with respect to the securities under the Securities Act and registration or qualification under applicable state securities laws or, if reasonably requested by the Company, an opinion of counsel satisfactory to the Company and/or its counsel that such registration or qualification is not required. The Member Interests are also subject to that certain Operating Agreement, dated as of the 31st day of December, 2003, by and among all the Members of VSI International, LLC, a Florida limited liability company, and all amendments thereto, copies of which are on file at the principal office of the Company."

ARTICLE III **CAPITAL CONTRIBUTIONS; LOANS**

3.01 Capital Contributions. The Members, pursuant to the Merger, have exchanged all their shares in VSI Corporation for their Member Interests in the Company. Based upon the negative net worth of VSI Corporation and the valuation of zero recently assigned to VSI Corporation by an independent business appraiser, a nominal Capital Contribution value of One Hundred and No/00 Dollars (\$100.00) has been assigned to the Member Interests issued in the Merger, allocated among the Members as set forth in Schedule A hereto.

3.02 Additional Capital Contributions; Adjusted Member Percentages.

(a) Except as otherwise provided in this Agreement or the Law, no Member shall be required to make any Capital Contributions in addition to the Members' initial Capital Contributions ("Additional Capital Contributions"), and the Company shall not be required to

accept any Additional Capital Contributions, without the consent of the Manager and the contributing Member.

(b) If any Member makes an Additional Capital Contribution to the Company with the Manager's consent, or otherwise acquires additional Member Interests of the Company, the Members' Member Percentages shall be adjusted so that each Member's Member Percentage is equal to a fraction, the numerator of which is that Member's total Capital Contributions to date and the denominator of which is the total Capital Contributions of all Members, and in such event the Manager shall amend Schedule A accordingly. This remedy is in addition to any other remedies allowed by law or by this Agreement.

3.03 Loans.

(a) Subject to the limitations provided herein, if at any time or from time to time, additional funds in excess of the Capital Contributions of the Members are required by the Company for or in respect of its business or any of its obligations, the Manager may, but shall not be obligated to, apply on behalf of the Company to borrow such required additional funds, with interest payable at the then prevailing rates, from commercial banks, savings and loan associations or other lending institutions. Any Member may, but is not required to, provide security or personal guarantees for such loans, in exchange for which such Member may be compensated in such amount as shall be agreed to by such Member and the Manager.

(b) In the event that the Manager is unable or chooses not to cause the Company to borrow said required additional funds from a commercial bank, savings and loan association or other lending institution, any Member (or an Affiliate of any Member) may, but is not required to, lend such funds to the Company. In the event that a Member or an Affiliate of a Member elects to provide the additional funds in the form of a loan to the Company, any such loan may be evidenced by a negotiable promissory note of the Company and shall bear interest at a rate per annum specified in such note, or if no note is issued, at a rate and upon such other terms as is agreed by the Manager and the lending Member or Affiliate. In no event shall any such loan bear interest at a rate in excess of the highest lawful nonusurious rate permitted by the law applicable to the loan. Any interest paid on a loan made pursuant to this Section 3.03(b) shall be deemed an expense of the Company and repayment of such loan(s) shall not affect the Capital Account of the Member.

3.04 Other Matters Relating to Capital and Loans.

(a) Interest earned on Company funds shall inure solely to the benefit of the Company, and, except as specifically provided herein, no interest shall be paid upon any contributions or advances to the capital of the Company or upon any undistributed or reinvested income or profits of the Company.

(b) The Capital Contributions of the Members shall be utilized for carrying out the purposes of the Company as set forth in this Agreement and for payment of any expenses incurred in connection therewith, including payment or reimbursement of expenses paid or

incurred on behalf of the Company, whether prior or subsequent to the execution of this Agreement.

(c) Loans by a Member to the Company (including those arising by virtue of payment under a guaranty or indemnity of the Company's obligations) shall not be considered Capital Contributions and shall not increase the Capital Account of the lending Member. Subject to the limitations contained in Section 4.07 or as otherwise provided by applicable law, the Company's deduction for interest paid in respect to any loan from any Member shall be allocated to that Member.

(d) Except as may be specifically provided herein, no Member shall be entitled to withdraw its Capital Contribution, or to a return of any part of its Capital Contribution or to receive property or assets other than cash in return thereof without the consent of the Manager, and the Manager shall not be liable for the return of all or any portion of a Member's Capital Contribution.

(e) No Member shall be entitled to priority over any other Member, either with respect to a return of his Capital Contribution or to allocations of taxable income, gains, losses or credits, or to Distributions, except as may be provided in this Agreement.

ARTICLE IV **ALLOCATIONS AND DISTRIBUTIONS**

4.01 Distribution of Available Cash; Net Proceeds from Interim Capital Transactions. The Available Cash and Net Proceeds from Interim Capital Transactions, if any, may be distributed to the Members at such times as determined in the sole and absolute discretion of the Manager, in accordance with the provisions of this Section 4.01. In the event any such Distributions are made, Available Cash and Net Proceeds from Interim Capital Transactions shall be distributed to the Members, pro rata, in accordance with their then existing respective Member Percentages.

4.02 Distribution of Net Proceeds from a Terminating Capital Transaction. The Distribution of Net Proceeds from a Terminating Capital Transaction shall be made in accordance with the provisions of Section 9.02 hereof.

4.03 Form of Distributions. No Member shall have the right to demand or receive property from the Company for any reason whatsoever, and no Member shall have the right to sue for partition of the Company or for any of the Company's assets. The Company may make Distributions in cash, notes, property, or other form of Distribution, or any combination thereof, at the sole and absolute discretion of the Manager. Distributions of property, other than cash, may be made to liquidation trusts for the benefit of the Members, in accordance with their respective interests in such Distribution, and the Manager, or designees of the Manager, shall serve as the liquidation trustee(s).

4.04 Allocations of Profits and Losses. Profits and Losses shall be allocated to the Members, pro rata in accordance with their respective Member Percentages.

4.05 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Regulation Section 1.704-2(f), and notwithstanding any other provision of this ARTICLE IV, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulation Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section is intended to comply with the minimum gain chargeback requirement in Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Regulation Section 1.704-2(i)(4) and notwithstanding any other provision of this ARTICLE IV, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulation Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulation Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulation Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section is intended to comply with the minimum gain chargeback requirement in Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset; Loss Limitation.

(i) If any Member unexpectedly receives any adjustment, allocation, or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which causes or increases a deficit capital account balance ("Adjusted Capital Account Deficit") in such Member's Capital Account (as determined in accordance with such Regulations), items of Company income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member, provided that such allocations shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this ARTICLE IV have been tentatively made as if this Section were not in the Agreement. This provision is intended to be a "qualified income offset," as defined in

Regulation Section 1.704-1(b)(2)(ii)(d), such Regulations being specifically incorporated herein by reference.

(ii) The Losses allocated pursuant to Section 4.04 hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 4.04 hereof, the limitation set forth in this Section 4.05(c)(ii) shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations.

(d) Gross Income Allocation. In the event any Member has a deficit in its Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess, provided that an allocation pursuant to this Section shall be made only if and to the extent that such Member would have a deficit in its Capital Account in excess of such sum after all other allocations provided for in this ARTICLE IV have been made as if Section 4.05(c) hereof and this Section 4.05(d) were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated to each Member based upon their respective Member Percentages.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulation Section 1.704-2(i)(1).

(g) Excess Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulation Section 1.752-3(a)(3), the Members' interests in Company profits are based upon their respective Member Percentages.

(h) Distributions with Respect to Nonrecourse Liabilities. To the extent permitted by Regulation Section 1.704-2(h)(3), the Manager shall endeavor to treat distributions of Available Cash as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt only to the extent that such distributions would not cause or increase an Adjusted Capital Account Deficit for any Member.

(i) Code Section 754 Adjustments. To the extent an adjustment to the adjusted 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)(2) or Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a Distribution to a Member in complete liquidation of its Member Interest, the amount of such

adjustment to 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 such basis) and such gain or loss shall be specially allocated to the Members in accordance with their Member Percentages in the event that Regulation Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event that Regulation Section 1.704-1(b)(2)(iv)(m)(4) applies.

4.06 Curative Allocations. The allocations set forth in Section 4.05 (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section. Therefore, notwithstanding any other provision of this ARTICLE IV (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Section 4.04.

4.07 Tax Allocations: Code Section 704(c).

(a) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with subparagraph (i) of the definition of "Gross Asset Value").

(b) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (ii) of the definition of "Gross Asset Value," subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

(c) Any elections or other decisions relating to such allocations shall be made by the Manager in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or Distributions pursuant to any provision of this Agreement.

(d) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the Fiscal Year.

4.08 Other Allocation Rules.

(a) Profits, Losses and any other items of income, gain, loss or deduction shall be allocated to the Members pursuant to this ARTICLE IV as of the last day of each Fiscal Year; provided that Profits, Losses and such other items shall also be allocated at such times as the Gross Asset Values of Company property are adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Manager using any permissible method under Code Section 706 and the Regulations thereunder.

(c) All allocations to the Members pursuant to this ARTICLE IV shall, except as otherwise provided, be divided among them in proportion to the Member Percentages held by each.

(d) The Members are aware of the income tax consequences of the allocations made by this ARTICLE IV and hereby agree to be bound by the provisions of this ARTICLE IV in reporting their shares of Company income and loss for income tax purposes, except to the extent otherwise required by law.

4.09 Allocations to Transferred Interests. Company Profits and Loss which are allocable to a Member Interest that was Transferred or assigned during a Fiscal Year pursuant to this Agreement shall be further allocated between or among the transferor and transferee Members in proportion to the number of days during the Fiscal Year that each such transferee/transferor/Assignee/assignor owned said Member Interest or in any other proportion authorized by the Code and selected by the Manager, without regard to the actual Company Profits or Losses as of the date of such Transfer or assignment and without regard to any Distributions made with respect to such Member Interest.

ARTICLE V

MANAGEMENT OF THE COMPANY

5.01 Company Management.

(a) Manager.

(i) Rights, Powers and Duties. Subject to Sections 5.01(b) and 5.02 hereof, the overall management and control of all aspects of the business and operations of the Company shall be vested exclusively in one or more Managers, the exact number of which shall be determined by the Required Vote of the Members as set forth in Section 5.02(b) hereof. All actions referenced in this Agreement to be taken by the Company shall mean by the Manager, or by the Required Vote of the Managers if there be more than one Manager. For purposes of this Section 5.01(a), Myron Orlinsky is the initial Manager of the Company. A Manager shall hold such office until he resigns or is removed pursuant to Section 5.01(a)(vi) hereof. The Manager

shall have all the rights and powers provided in this Agreement, the Law and the Articles and any action taken by the Manager shall, except as expressly otherwise provided in Section 5.02 hereof or elsewhere in this Agreement, the Articles or the Law, constitute the act of and serve to bind the Company. The Manager shall use good faith efforts to carry out the business of the Company as set forth herein. With respect to all of its obligations, powers and responsibilities and the limitations thereon as provided in this Agreement, the Manager is authorized to execute and deliver, for and on behalf of the Company, such agreements or instruments as the Manager may deem necessary or desirable, all on such terms and conditions as it may deem necessary or desirable, and the execution of such agreements, instruments or other documents by the Manager shall be sufficient to bind the Company. Without limiting the generality of the foregoing, but subject to Sections 5.01(b) and 5.02 hereof, the Manager has the right, power and authority, on behalf of the Company, to:

(A) Enter into transactions on behalf of the Company with a Manager, a Member or one or more of their Affiliates;

(B) Make any purchases for, on behalf of, or in the name of, the Company, in the ordinary course of the Company's Business;

(C) Sell, dispose, trade, lease, or exchange Company assets in the ordinary course of the Company's Business, or as part of a sale-leaseback transaction;

(D) Enter into Interim Capital Transactions;

(E) Pay from Company assets, extend, renew, modify, adjust, submit to arbitration, prosecute, defend or compromise upon such terms as it may determine, and upon such evidence as it may deem sufficient, any obligation, suit, liability, cause of action or claim, including taxes, either in favor of or against the Company;

(F) Make or have made for the Company such market research reports, economic and statistical data, evaluations, analyses, opinions and recommendations as it may deem necessary or desirable with respect to the business of the Company;

(G) Purchase, at the expense of the Company, liability and other insurance to protect a Manager, an Officer, the Company, the Company's Business, its employees, properties and its assets;

(H) Invest the Company's assets in bank and savings and loan association savings accounts, commercial paper, government securities, certificates of deposit, bankers' acceptances, other short term interest bearing obligations and any other investments in the sole and absolute discretion of the Manager;

(I) Declare and make Distributions of capital or income, in cash or property, to Members, in accordance with ARTICLE IV hereof;

(J) Change the Fiscal Year of the Company;

(K) Subject to the provisions of ARTICLE VII hereof, admit Persons as Members, including substituted Members;

(L) Arbitrate or consent to arbitrate any dispute or controversy affecting the Company's Business;

(M) Execute and deliver releases and discharges on behalf of the Company;

(N) Maintain, at the expense of the Company, adequate records and accounts of all operations and expenditures and furnish the Members with annual statements of accounts as of the end of each Company Fiscal Year, together with tax reporting information;

(O) Accept Additional Capital Contributions from Member(s) pursuant to Section 3.02 hereof;

(P) Amend the Member Percentages of the Members as set forth on Schedule A attached hereto, to give effect to changes in Member Percentages whether pursuant to a provision of this Agreement or the Law;

(Q) Repurchase all or a portion of the Member Interest of a Member, with such Member's consent;

(R) Make, refrain from making, or revoke such elections under the tax laws of the United States, the several States and other relevant jurisdictions as to the treatment of items of Company income, gain, loss, deduction, and credit and as to all other relevant matters (including, without limitation, elections under Section 754 of the Code), as it believes necessary or desirable, in its sole and absolute discretion;

(S) Establish and maintain Reserves, in such amount as the Manager determines to be appropriate, in its sole and absolute discretion; and

(T) Take any and all other action permitted under the Law and that is reasonably related to Company purposes.

(ii) Compensation. In exchange for its services as Manager, a Manager shall be entitled to receive such compensation, additional Distributions and allocations from the Company as may be determined by the Manager from time to time, and approved by the Required Vote of the Members.

(iii) Meetings; Voting. If at any time there is more than one (1) Manager, then whenever the Managers are entitled, by this Agreement or otherwise, to vote on any particular matter, each Manager shall be entitled to one (1) vote. Except as specifically provided to the contrary herein, all actions of the Managers shall be authorized by the Required Vote of the Managers, either (i) at a duly convened meeting in person, or (ii) by written consent

executed by Managers sufficient to constitute the Required Vote. The Managers may establish a regular schedule for meetings of the Managers, in which event no notice of such meetings shall be required. The President of the Company or any Manager may call for a special meeting of the Managers on not less than five (5) Business Days' notice to all Managers. If action is taken by the Managers by written consent in lieu of a meeting, notice of such action shall be given to the Managers that did not execute such written consent within ten (10) days after such action is effective; provided that failure to give such notice shall not affect the validity and binding effect of any such action taken by written consent.

(iv) Contractual Provisions. A Manager shall have the right and authority to require a provision in all Company contracts that it not be personally liable thereon and that the Person contracting with the Company shall look solely to the Company and its assets for satisfaction.

(v) Delegation of Duties. A Manager shall have the right and authority to delegate, at the Company's expense, to one or more Persons (including, but not limited to, delegation among the other Managers, one or more Officers and/or one or more Members) the Manager's rights and powers to manage and control the businesses, investments and affairs of the Company, including the right to delegate powers to agents, agents, employees and Affiliates of a Manager or the Company.

(vi) Removal; Resignation.

(A) The Members may at any time, and from time to time, by Required Vote remove a Manager in its capacity as Manager of the Company, with or without cause.

(B) Upon the death, dissolution, permanent disability or Bankruptcy of a Manager, such Manager shall be automatically removed as a Manager.

(C) A Manager may resign as Manager of the Company at any time upon written notice to the Company and the other Managers.

(D) Upon removal or resignation of a Manager, the removed/resigned Manager shall immediately cease to have any authority to act as a Manager for the Company. Any of the Company funds or other property in the possession or under the control of such removed/resigned Manager shall immediately be released and transferred to its successor or to the Company. The removed/resigned Manager shall cooperate in the orderly transition of affairs to its successor.

(E) The removal or resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member, and shall not constitute a withdrawal of the Member or redemption of the Member's Member Interests.

(vii) Election of New or Successor Manager. The Members may, at any time, and from time to time, by Required Vote, elect a Person, whether or not a Member, to be a

Manager of the Company. Within ninety (90) days after the removal or resignation of the sole remaining Manager, the Members shall by Required Vote elect a successor Manager. The failure of the Members to so elect a successor Manager shall constitute an Event of Dissolution under Section 9.01 hereof.

(viii) Committees.

(A) The Managers may appoint from among the Managers an executive committee and other committees, composed of one or more Managers, to serve at the pleasure of the Managers.

(B) The Managers may delegate to committees appointed under Section 5.01(a)(viii)(A) any of the powers of the Managers, except as prohibited by Law.

(C) In the absence of any member of any committee, the members of that committee present at any meeting, whether or not they constitute a quorum, may appoint a Manager to act in the place of the absent member.

(D) Members of a committee of the Managers may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

(E) Any action required or permitted to be taken at any meeting of a committee of the Board of Managers may be taken without a meeting, if a consent in writing to the action is signed by each member of the committee and the written consent is filed with the minutes of proceedings of the committee.

(b) Officers.

(i) Appointment of Officers. Pursuant to the Articles, the Company is authorized to have one or more offices. The Company is not required to appoint Officers. If appointed in the Manager's discretion, the Officers of the Company may consist of a President, a CEO, one or more Vice Presidents, a Treasurer, a Secretary, and one or more Assistant Treasurers and Assistant Secretaries, all as determined by the Manager. The scope of authority of each Officer shall be as set forth in Section 5.01(b)(ii) hereof or as otherwise established by the Manager and shall at all times be subject to the control and supervision of the Manager. Officers need not be Members, but must be natural persons, as is otherwise required in a corporation governed by the Florida Business Corporation Act, Florida Statutes Chapter 607, as amended ("Florida's Corporate Laws"). The Officers of the Company, if any, shall be appointed by the Manager, and shall hold office until the Officer's death, resignation, replacement or removal in accordance with this Agreement. A Person may hold more than one office at the same time, except that the offices of President and Vice President may not be held by the same Person. Appointment of an Officer or agent shall not of itself create contract rights between the Company and that Officer or agent. A vacancy in any office may be filled by the Manager.

(ii) Authority of Officers. Subject to limitations or other variances that may be imposed from time to time by the Manager, the Officers of the Company shall have the authority described below after such Officer's title, and may generally exercise the same scope of authority to control and manage the day-to-day operations of the Company, and to act for and bind the Company without the authorization of the Manager or the Members, as the officers of the same or similar titles in a corporation governed by Florida's Corporate Laws have to control and manage the day-to-day operations and to bind and act for the corporation without the approval of the corporation's board of directors. Unless expressly agreed in writing by the Manager, the Officers shall at all times act in a fiduciary capacity for the Company as officers have to a corporation governed by Florida's Corporate Laws.

(A) President. The President shall in general supervise and control all of the business and affairs of the Company. Unless the President is not also a Manager, the President shall preside as Chairman at all meetings of the Managers and of the Members. If a Chief Executive Officer has not been designated by the Manager, the President shall be the Chief Executive Officer and shall be ex officio a member of all committees that may, from time to time, be constituted by the Managers. The President may execute any deed, mortgage, bond, contract or other instrument which the Manager has authorized to be executed, except in cases where execution shall be expressly delegated by the Manager or by this Agreement to some other Officer or agent of the Company or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of President and any other duties prescribed by the Manager from time to time.

(B) Vice President. In the absence of the President or in the event of a vacancy in that office, the Vice President (or if there is more than one Vice President, the Vice Presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President; and shall perform all other duties assigned from time to time by the President or by the Manager. The Manager may designate one or more Vice Presidents as Executive Vice President or as Vice President for particular areas of responsibility.

(C) Secretary. The Secretary shall (1) attend all proceedings of the Members and committees of the Managers; (2) record and keep the minutes of the proceedings of the Members, the Managers and committees of the Managers in one or more books provided for that purpose; (3) see that all notices are duly given in accordance with the provisions of this Agreement or as required by the Law; (4) be custodian of the Company records; (5) keep a register of the mailing address of each Member, which shall be furnished to the Secretary by each Member; and (6) in general perform all other duties assigned from time to time by the President or by the Manager, under whose supervisions the Secretary shall serve.

(D) Treasurer. The Treasurer shall have custody of the Company's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in those depositories designated by the Manager. The Treasurer shall disburse the funds of the Company as may be ordered by the

Manager, taking proper vouchers for the disbursements, and shall render to the President and Manager, whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Company. If required by the Manager, the Treasurer shall give the Company a bond in an amount and with a surety or sureties which are satisfactory to the Manager for the faithful performance of the duties of the Treasurer's office and for the restoration to the Company, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, moneys and other property of whatever kind in the Treasurer's possession or control belonging to the Company.

(E) Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, in general, shall perform the duties assigned to them by the Secretary and Treasurer, respectively, or by the President or the Manager. The Assistant Treasurers shall, if required by the Manager, give bonds for the faithful performance of their duties in amounts and with a surety or sureties which are satisfactory to the Manager.

(iii) Compensation of Officers. The Officers shall receive such compensation, if any, in the amounts and at the times, as determined from time to time by the Managers.

(iv) Removal and Resignation of Officers.

(A) The Manager may at any time, and from time to time, with or without cause, at its sole discretion, remove an Officer as an officer of the Company, but the removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

(B) Unless stated otherwise herein or in any written agreement between the Company and an Officer, an Officer may resign as an Officer of the Company at any time upon written notice to the Manager or President.

(C) Upon removal or resignation, a removed/resigned Officer shall immediately cease to have authority to act as an Officer of the Company. Any Company funds or other property in the possession or under the control of such removed/resigned Officer shall immediately be released and transferred to the Company. A removed/resigned Officer shall cooperate in the orderly transition of affairs to its successor.

(D) The removal or resignation of an Officer who is also a Member shall not affect the Officer's rights as a Member, and shall not constitute a withdrawal or redemption of the Member, unless provided otherwise in this Agreement.

5.02 Limitations on Authority. Notwithstanding anything to the contrary contained herein, without the prior written consent of the Required Vote of the Members, neither a Manager nor an Officer shall have authority to:

(a) Do any act in contravention of this Agreement;

- (b) Change the number of Managers, remove a Person as Manager, or fill any Manager vacancy;
- (c) Initiate a voluntary Bankruptcy of the Company;
- (d) Sell all or substantially all of the assets of the Company in a single transaction or a series of related transactions;
- (e) Enter into any merger or consolidation of the Company with or into any other entity;
- (f) Enter into any other Terminating Capital Transaction; or
- (g) Dissolve or terminate the Company, and wind-up its affairs, or convert the Company into any other form of business entity.

5.03 Approval of Actions. From time to time in its sole discretion, a Manager may seek approval of the Required Vote of the Members before taking an action in the Manager's capacity as Manager. Notwithstanding anything to the contrary in this Agreement, any action taken by the Manager with the prior approval and consent of the Required Vote of the Members shall be final and binding on the Company as a valid action.

5.04 Liability and Indemnification of the Managers and Officers.

(a) Neither the Manager, its designees, the Officers, nor any of their Affiliates, designees, successors or assigns (the "Indemnified Principals") shall be liable to the Company or the Members for any loss or damage incurred by reason of any act performed or omitted in connection with the activities of the Company or in dealing with third parties on behalf of the Company, unless such act or omission constitutes fraud, gross negligence or willful or intentionally breach of this Agreement, in violation of the limits on the authority of the Indemnified Principal set forth in this Agreement.

(b) The Company, its receiver or its trustee, shall indemnify and save harmless the Indemnified Principals from any claim, liability, loss, judgment or damage incurred by them by reason of any act performed or omitted to be performed in connection with the activities of the Company or in dealing with third parties on behalf of the Company, including costs and attorneys' and paralegals' fees (which costs and fees may be paid as incurred) and any amounts expended in the settlement of any claims of liability, loss or damage, provided that the act or omission of the Indemnified Principal is not found, by a final, non-appealable ruling of a court of competent jurisdiction to have resulted from an act or omission of the Indemnified Principal, that constitutes fraud, gross negligence or willful breach of this Agreement by the Indemnified Principal in violation of the limits on the authority of the Indemnified Principal set forth in this Agreement. The Company shall advance all sums required to indemnify and hold the Indemnified Principals harmless as provided herein from the initiation of any claim against such Indemnified Principals, subject to acknowledgment in writing by such Indemnified Principals of the obligation to reimburse the Company in the event that, following the entry of a final, non-

appealable judgment, it is determined that the Company was not obligated to indemnify such Indemnified Principal pursuant to this Agreement. All judgments against the Company and any one or more Indemnified Principals, wherein an Indemnified Principal is entitled to indemnification, must first be satisfied from Company assets before the Indemnified Principal shall be responsible for such obligations. The provisions of this Section shall survive the expiration or termination of this Agreement and the Term of the Company.

ARTICLE VI

MATTERS REGARDING MEMBERS

6.01 Liability of Members. Except as may be provided in ARTICLE III and ARTICLE V hereof, or is otherwise required by law, the Members shall not be bound by, or personally liable for, obligations or liabilities of the Company beyond the amount of their initial Capital Contributions and any Additional Capital Contributions to the Company.

6.02 Management. No Member is an agent of the Company solely by virtue of being a Member. No Member has the right, power or authority to sign for, act for or bind the Company solely by virtue of being a Member. Except for their right to consent to certain actions as provided herein, and in particular Section 5.02 hereof, the Members, in such capacity, shall not participate in the operation or management of the business of the Company, or transact any business for or in the name of the Company. Any Member, in such capacity, who signs for, takes any action for, or binds the Company in violation of this Section 6.02 shall be solely responsible for any loss and expense incurred as a result of the unauthorized action and shall indemnify and hold the Company harmless with respect to the loss or expense. However, in the sole discretion of the Manager, the Company is entitled to keep any benefit to the Company (including but not limited to any revenue, income or profit) resulting from any action taken by a Member in violation of this Section 6.02.

6.03 Personal Service. Unless approved by the Manager, or otherwise set forth in a written agreement with the Company, no Member, in such capacity, shall be entitled to perform services for the Company or receive compensation for services performed for the Company.

6.04 Limitation of Certain Rights. The Members shall not have the right or power to: (i) withdraw or reduce their Capital Contributions to the Company except as a result of the dissolution of the Company or as otherwise provided in this Agreement or required by the Law; (ii) bring an action for partition against the Company or with respect to any of its property; or (iii) cause, or request any court or other governmental agency or body to cause, the termination or dissolution of the Company by court decree or as may otherwise be permitted by the Law, such rights being specifically waived by the Members.

6.05 Voting. Whenever the Members are entitled by this Agreement to vote on any particular matter, each Member shall be entitled to vote in proportion to the then-existing Member Percentage of such Member as set forth on Schedule A, as amended. Except as specifically provided to the contrary herein, all actions of the Members shall be authorized by Required Vote of the Members, either (i) at a duly convened meeting in person, pursuant to

Section 6.06 hereof, or (ii) by written consent executed by Members owning the Member Interest sufficient to constitute the Required Vote. If action is taken by the Members by written consent in lieu of a meeting, notice of such action shall be given to the Members that did not execute such written consent within ten (10) days after such action is effective; provided that failure to give such notice shall not affect the validity and binding effect of any such action by written consent.

6.06 Meetings of the Members.

(a) Meetings of the Members for any purpose may be called by the Manager, and shall be called by the Manager upon receipt of a request in writing signed by Members owning at least ten percent (10%) of the Member Percentages of the Members. Such request shall state the purpose or purposes of the proposed meeting and the business to be transacted. Such meetings shall be held at a location specified by the Manager, which shall be in Palm Beach County, Miami-Dade County or Broward County, Florida. Notice of any such meeting shall be delivered to all Members entitled to vote at such meeting in the manner prescribed in Section 10.02 of this Agreement within ten (10) days after receipt of such request by the Manager and no fewer than fifteen (15) days or more than ninety (90) days before the date of such meeting. The notice shall state the place, date, hour and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives objections to the place, date, hour and purpose of the meeting if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or participates in the meeting in person or by proxy other than for the sole purpose of objecting to the notice. At each meeting the Members present or represented by proxy shall adopt such rules for the conduct of such meeting as they shall deem appropriate. A list of the names and addresses of all Members shall be maintained as part of the books and records of the Company.

(b) The presence in person or by proxy of the Required Vote of the Members shall constitute a quorum at all meetings; provided, however, that if there be no such quorum, Members (or their proxies) owning more than fifty percent (50%) of the Member Percentages of the Members present at such meeting may adjourn the meeting from time to time without further notice, until a quorum shall be obtained.

(c) Each Member may authorize any Person(s) to act for it by proxy in all matters in which a Member is entitled to participate. Every proxy must be signed by the Member or its attorney-in-fact. Unless a proxy is expressly stated to be irrevocable, is coupled with an interest, and is approved, in writing, by the Manager, every proxy shall be deemed to be revocable and shall no longer be valid after the expiration of six (6) months from the date thereof. Every revocable proxy shall be recoverable and rescindable (if rescinded prior to any vote) by the Member executing it.

6.07 Special Power of Attorney.

(a) Each Member, by accepting a Member Interest in the Company, irrevocably makes, constitutes and appoints the Manager, as such Person may exist from time to time, with full power of substitution, as its true and lawful attorney-in-fact ("Attorney-in-Fact"),

for it and in its name, place and stead, to make, execute, sign, acknowledge, swear to, deliver, record and file any document or instrument which may be considered necessary or desirable by the Manager to carry out the provisions of this Agreement, including, without limitation, the following:

(i) Any amendment to this Agreement made with such consents, if any, of the Members as provided herein, any separate certificate of membership, any certificate of doing business under any assumed name, and any other certificate, instrument or document which may be required to be filed, or which the Attorney-in-Fact deems advisable to file, under the laws of any state or the regulations of any governmental agency, as well as any amendments to the foregoing;

(ii) Any instrument or document which may be required or appropriate to carry out the purposes of the Agreement, or to effect the continuation of the Company; and

(iii) Any instrument or document which may be required to approve the choice of and admit any additional or substituted Member, dissolve and terminate the Company, or consent to the return to the Members of all or a part of their respective Capital Contributions by reason of Distributions to the Members, or as may be required or helpful to effectuate a transaction approved by the Members pursuant to Section 5.02 hereof.

(b) The foregoing special power of attorney granted by each Member shall be one which:

(i) Is a special power of attorney coupled with an interest, is irrevocable and shall survive the death, disability or legal incapacity of the granting Member;

(ii) May be exercised by the Attorney-in-Fact for each Member by a facsimile signature or by executing any instrument with a single signature as attorney-in-fact for all Members; and

(iii) Shall survive the delivery of any attempted Transfer or assignment by a Member of any of its Member Interest, except that where the transferee or Assignee has been approved for admission to the Company as a substituted Member pursuant to ARTICLE VII, this special power shall survive the delivery of such assignment for the sole purpose of enabling the Attorney-in-Fact to execute, acknowledge and file any instrument or document necessary to effect such substitution.

(c) Each Member shall be bound by any representations made by the Attorney-in-Fact acting in good faith pursuant to this power of attorney, and each Member hereby waives any and all defenses which may be available to contest, negate, or disaffirm the action of the Attorney-in-Fact taken in good faith under this power of attorney.

6.08 Withdrawal of Members. No Member may voluntarily withdraw or resign as a Member of the Company, prior to the dissolution and winding up of the Company, without the Manager's prior written consent.

6.09 Nature of Members' Interest. The Member Interests of the Members in the Company shall be personal property for all purposes. No Member, successor, representative or assign of such Member shall have any right, title or interest in specific Company property.

ARTICLE VII

ISSUANCE AND TRANSFERS OF MEMBER INTERESTS

7.01 Transfers. A Member may at any time and from time to time Transfer all, or any portion of, its Member Interest, or any interest or rights therein. If a Member Transfers all of the Member's Member Interest, the transferee shall be admitted to the Company as a Member upon compliance with Section 7.04 hereof.

7.02 Rights of Assignee. An Assignee shall be entitled to share in such Profits and Losses, to receive such Distribution(s), and to receive such allocation of income, gain, loss, deduction, or credit or similar item to which the assignor was entitled, to the extent assigned. Any interest in the Company or any Member Interest acquired by an Assignee is subject to the terms and conditions of this Agreement and the Articles. An Assignee has no rights or entitlements in respect to the Company or any Member Interest except as specifically granted to the Assignee in this Agreement or the Articles. By way of illustration and not limitation, an Assignee shall have no (i) voting or consent rights of any nature or kind, or (ii) rights to require any information or accounting of the Company's transactions or finances or to inspect Company books. If, however, an Assignee is admitted to the Company as a Member pursuant to this Section and Section 7.04, such admission shall vest in such Assignee all rights, powers, authorities, obligations and responsibilities inuring to and imposed upon Members hereunder.

7.03 Issuance of Additional Member Interests. Other than pursuant to Section 7.01 or 7.02 hereof, no additional Members shall be admitted into the Company by creation of additional Member Interests without the prior written consent of the Manager, which consent may be withheld in its sole and absolute discretion, with or without reason. The Manager is authorized to issue additional Member Interests to Persons ("Potential New Member"), from time to time when it is determined by the Manager. The Capital Contributions to be required, the Member Percentage to be given, and the other terms and conditions of any issuance of additional Member Interests shall be determined by the Manager, and the Member Percentages of all Members existing prior to such issuance shall be diluted proportionately as required to issue the new Member Interests.

7.04 Admission of Members. An Assignee or Potential New Member will be admitted to the Company as a successor or additional Member only if all of the following conditions are met:

(a) The Manager consents in writing, in accordance with Section 7.02 hereof as to the Assignee, or Section 7.03 hereof as to a Potential New Member, to the admission of the Assignee or Potential New Member as a Member;

(b) The Assignee or Potential New Member agrees in writing to be bound by the provisions of this Agreement;

(c) The Assignee or Potential New Member executes any and all documents, including an amendment to this Agreement, required to effectuate or evidence its admission to the Company as a Member, and delivers to the Company its (A) taxpayer identification number, and (B) initial tax basis in the Transferred Interest;

(d) The Assignee or Potential New Member reimburses the Company for all reasonable costs and expenses (including reasonable attorney's fees) incurred in connection with the Transfer and admission, if applicable;

(e) The Assignee or Potential New Member is not a minor or legally incompetent;

(f) The Transfer of the existing Member Interest or issuance of additional Member Interest does not constitute a default under any agreement to which the Company, assignor, Assignee or Potential New Member is bound; and

(g) If deemed necessary by the Manager, an opinion of counsel is delivered to the Manager in form, substance and from counsel satisfactory to the Manager to the effect that the proposed Transfer or issuance of the Member Interest: (A) does not require registration under the Securities Laws; (B) will not result in the Company being subject to the Investment Company Act of 1940, as amended; and (C) will not cause the Company's election for pass through tax treatment to be terminated for federal income tax purposes pursuant to Code Section 708.

7.05 Rights of Member's Representatives. Upon the death, disability or Bankruptcy of an individual who is a Member, his personal representative or trustee, as the case may be, shall have all of the rights of a Member for the purpose of settling or managing his estate, and such power as the decedent, incompetent, or bankrupt possessed to constitute a successor as an Assignee and to join with such Assignee in making application under this ARTICLE VII to substitute such Assignee as a Member. Upon the adjudication of Bankruptcy, dissolution or other cessation of existence as a legal entity of a Member which is not an individual, the authorized representative of such entity shall have all of the rights of a Member for the purpose of effecting the orderly winding-up and disposition of the business of such entity and such power as such entity possessed to constitute a successor as an Assignee and to join with such Assignee in making application to substitute such Assignee as a Member. However, such personal representative, trustee, or other authorized representative of a Member shall not have the right to become a substituted Member in the place of its predecessor in interest unless the Manager otherwise agrees.

ARTICLE VIII
FISCAL MATTERS

8.01 Books and Records. The Manager shall keep, or cause to be kept, full and accurate books and records of all transactions of the Company using such method of accounting as determined by the Manager in consultation with the Company Accountants. All organizational records of the Company and other records required to be kept by the Company under the Law, shall, at all times, be maintained at the Company's record keeping office, and shall be open during ordinary business hours for inspection and copying upon the reasonable request and at the expense of the Member(s) so requesting and its/their authorized representatives.

8.02 Reports and Statements.

(a) Within ninety (90) days after the end of each Fiscal Year or such greater period of time as the Manager shall determine to be necessary, the Company shall, at its expense, cause to be delivered to any Person who was a Member at any time during the preceding Fiscal Year the following audited or unaudited financial statements, which obligation may be satisfied by delivery to such Persons of a copy of the Company's federal tax return:

- (i) A profit and loss statement for such period; and
- (ii) A balance sheet of the Company as of the end of such period.

(b) The Manager shall, at the expense of the Company, prepare, or cause to be prepared, for delivery to the Members prior to the due date thereof, including any extensions thereof, all federal and any required state and local income tax returns for the Company for each Fiscal Year of the Company.

8.03 Appointment of Tax Matters Partner. The Manager is hereby designated pursuant to Code Section 6231(a)(7) as the Company's "Tax Matters Partner," and is responsible for acting as the liaison between the Company and the IRS. The Tax Matters Partner shall have the duties of a tax matters partner as provided in the Code, in addition to such other duties as are provided under this Agreement. The Tax Matters Partner shall be reimbursed by the Company for all out-of-pocket expenses, costs and liabilities expended or incurred by the Tax Matters Partner in acting as the Company's Tax Matters Partner. Each Member shall be responsible for any costs incurred by such Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company.

8.04 Tax Status. Any provision hereof to the contrary notwithstanding, solely for United States federal income tax purposes, each of the Members hereby recognizes that the Company will be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code. The Members intend that the Company be taxed as a partnership for United States income tax purposes. The Members intend that all special allocations be considered to have economic effect under the "qualified income offset" provisions described in Regulation Section 1.704-

1(b)(2)(ii)(d). All questions of construction and interpretation shall be resolved consistently with that intent.

8.05 Tax Elections. The Manager shall, at its sole discretion, from time to time determine whether or not to make or attempt to revoke any and all tax elections, including without limitation methods of depreciation and recovery periods, capitalization of construction period expenses, amortization of organizational and start-up expenditures, basis adjustments upon admission or retirement of Members, and any other federal, state, or local income tax elections.

8.06 Bank Accounts. All funds of the Company shall be deposited in one or more bank account(s) opened in the Company's name. The Manager shall determine the institution(s) 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.

ARTICLE IX **DISSOLUTION**

9.01 Dissolution. The Company shall be dissolved only upon the occurrence of any of the following:

(a) The written election by the Manager and the Required Vote of the Members, pursuant to Section 5.02 hereof, that the Company should be dissolved;

(b) The sole remaining Manager has resigned, withdrawn or been removed as such, and the Members did not elect a successor Manager pursuant to and within the time required by Section 5.01(a)(vii) hereof;

(c) The date on which the Company has no Members;

(d) The date on which the Company suffers a Bankruptcy; or

(e) The Company is required to be dissolved under the Law.

Unless expressly stated otherwise in this Agreement, the Members agree that the Company shall not be dissolved upon any of the following events, without the need for any consent of the Members at or after the time of any such event: (i) the death, withdrawal, retirement, resignation, expulsion, Bankruptcy, dissolution or permanent disability of a Member, or (ii) the Company's purchase of a Member's entire Member Interest.

9.02 Wind-Up of Affairs.

(a) Upon dissolution of the Company, the Manager shall proceed with dispatch and without any unnecessary delay to sell or otherwise liquidate the Company's assets. The Capital Account of each Member shall be determined. Profits or Losses to the date of

termination, including realized profits or losses arising from a sale of all of the assets of the Company (whether or not recognized for federal income tax purposes), and unrealized profits and losses on any assets to be distributed in kind (determined as if such assets had been sold by the Company for prices equal to their respective fair market value) shall be allocated as set forth in ARTICLE IV and credited or charged to the Capital Accounts of the Members. After paying or duly providing for all liabilities to creditors of the Company, the Manager shall distribute the net proceeds and any other liquid assets of the Company among the Members in the manner hereinafter set forth:

- (i) First, to the expenses of any such sale or disposition;
- (ii) Next, to the payment of just debts and liabilities of the Company payable to Persons other than Members;
- (iii) Next, to the debts and liabilities of the Company to its Members (including without limitation all amounts of any principal or interest payable with respect to any loans from Members) in the order of priority as provided by the Law;
- (iv) Next, to the establishment of any reserves that the Manager may deem reasonably necessary for any contingent or unforeseen liabilities and other obligations of the Company or of the Members arising out of or in conjunction with the Company's affairs; and
- (v) Finally, to the Members, an amount equal to their then existing positive Capital Account balances, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which such liquidation occurs.

(b) The wind-up of the affairs of the Company shall be conducted exclusively by the Manager, which is hereby authorized to do any and all acts and things authorized by law for such purposes. Notwithstanding anything to the contrary in this ARTICLE IX, if the event causing the dissolution is that pursuant to Section 9.01(b) hereof, the Members shall by Required Vote select one (1) Person to wind-up the affairs of the Company, and if the Members cannot so select within ten (10) Business Days following the effective date of the event causing the dissolution pursuant to Section 9.01(b) hereof, then any Member may petition a court of competent jurisdiction to appoint a receiver to wind-up the affairs of the Company. The Person(s) conducting the wind-up of the affairs of the Company shall receive no separate compensation for conducting the wind-up of the affairs of the Company, unless a court appoints a receiver and orders that such receiver be paid certain compensation. In liquidating the assets of the Company, all tangible assets of a saleable value shall be sold at such price and terms as the Manager in good faith determines to be fair and equitable. Any Person in which all or any of the Members are in any way interested may purchase such assets at such sale. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to enable the Company to minimize the losses normally occurring upon a liquidation.

(c) If any assets of the Company are to be distributed in kind, such assets shall be distributed on the basis of the then fair market value thereof (after adjusting the Capital Accounts of all Members for any unrealized gain or loss inherent in such property, as set forth above). The fair market value shall be determined by the Manager, or, if requested by the Required Vote of the Members, by an independent appraiser who shall be selected by the Manager. In the discretion of the Manager, all or any portion of the Distributions that would otherwise be made to the Members pursuant to this ARTICLE IX may be:

(i) Distributed to a trust established for the benefit of the Members solely for the purposes of liquidating Company property, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company or of the Members arising out of or in connection with the Company. The assets of any such trust shall be distributed to the Members from time to time, in the sole and absolute discretion of the Manager in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to this ARTICLE IX; or

(ii) Withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to allow for the collection of the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Members as soon as practicable.

The portion of the Distributions that would otherwise have been made to each of the Members that is instead distributed to a trust or withheld to provide a reserve pursuant hereto shall be determined in the same manner as the expense or deduction would have been allocated if the Company had realized an expense equal to such amounts immediately prior to Distributions being made pursuant to this ARTICLE IX.

9.03 Termination. The Company shall terminate when all Company assets shall have been disposed of.

ARTICLE X **MISCELLANEOUS**

10.01 Amendments. This Agreement may be amended at any time with written consent of, in each case, the Manager and (a) the Required Vote of the Members in every instance other than those described in clauses (b) and (c); (b) all of the Members, if an amendment affects, in a manner not then authorized by this Agreement, a Member's obligations to make Capital Contributions or a Member's allocable share of Profits and Losses or share of Distributions; and (c) without the consent of any of the Members if the amendment is (i) to substitute or add Members, or modify the Member Percentages, to the extent provided for in this Agreement; (ii) to add to the representations, duties or obligations of the Manager or Officers or surrender any right or power granted to the Manager or Officers herein, for the benefit of the Members; (iii) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or

questions arising under this Agreement which will not be inconsistent with the provisions of this Agreement; (iv) to preserve the status of the Company as a "partnership" for federal income tax purposes; (v) to delete or add any provision of this Agreement required to be so deleted or added by the staff of the Securities and Exchange Commission or other federal agency or by a state "blue sky" commission or official or similar such official, which addition or deletion is deemed by such commission, agency or official to be for the benefit or protection of the Members; or (vi) if such amendment is, in the opinion of counsel for the Company, necessary or appropriate to satisfy the requirements of Code Section 704(b) or the Regulations promulgated thereunder. If amended, the Manager shall file, or cause to be filed, an amendment of the Articles with the appropriate authorities, in the event that the Manager determines the filing of such amendment to be necessary or appropriate to comply with the Securities Laws or the Law.

10.02 Notices. Any notice, demand, consent, election, offer, approval, request, or other communication (collectively, a "Notice") required or permitted to be delivered to any party hereto under the provisions of this Agreement shall be deemed to have been duly given (a) upon hand delivery thereof, (b) on the first (1st) Business Day after mailing by any nationally recognized overnight delivery company (e.g. Federal Express), or (c) on the third (3rd) Business Day after mailing United States registered or certified mail, return receipt requested, postage prepaid. All Notices shall be addressed to such party at the party's last known address on the records of the Company or, if to the Company, at the Company's principal office. 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.

10.03 Agency. Except as otherwise provided herein, nothing herein contained shall be construed to constitute any Member hereof the agent of any other Member hereof or to limit in any manner the Members in the carrying on of their own respective businesses or activities. Except as otherwise provided herein, any Member may engage in and/or possess any interest in other business ventures of every nature and description, independently or with others, whether existing as of the date hereof or hereafter coming into existence; and neither the Company nor any Member hereof shall have any rights in or to any such independent ventures or the income or profits derived therefrom.

10.04 Further Assurances. The Members will execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purposes of this Agreement.

10.05 Headings. The headings of the various sections of this Agreement are intended solely for convenience of reference, and shall not be deemed or construed to explain, define, limit, modify or place any construction upon the provisions hereof.

10.06 Binding Effect; Successors and Assigns. This Agreement and any amendments hereto are binding upon and, to the extent expressly permitted by the provisions hereof, inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns.

10.07 Applicable Law; Venue; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to the principles of conflicts of law thereof. Agreed upon venue, to the extent permitted by law, shall be Broward County, Florida. Each party consents to the jurisdiction of the federal courts of the United States located in the Southern District of the State of Florida and the state courts of the State of Florida located in Broward County, Florida.

10.08 Entire Agreement. This Agreement, including any Schedules and Exhibits attached hereto, sets forth all (and is intended by all parties hereto to be an integration of all) of the promises, agreements, conditions, understandings, warranties and representations among the parties hereto with respect to the Company, the Company's Business and the Company's assets, and supersedes all prior negotiations, representations or agreements, either written or oral.

10.09 Signatures; Counterparts. This Agreement shall be binding on the Company and its Members even if it is not executed by one or more Members and/or the Company. If any Member and/or the Company executes this Agreement, or any amendments hereto, such executions may be in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

10.10 Gender. Wherever the context requires, any noun or pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter in form thereof and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural and vice versa as the case may require.

10.11 Remedies; Specific Performance. Each of the Members acknowledges and agrees that in the event that a Member shall violate any of the restrictions or fails to perform any of the obligations hereunder, the Company and/or the other Members will be without adequate remedy at law and will therefore be entitled to enforce such restrictions or obligations by temporary or permanent injunctive or mandatory relief obtained in an action or proceeding instituted in any court of competent jurisdiction without the necessity of proving damages and without prejudice to any other remedies it may have at law or in equity.

10.12 No Third Party Beneficiary. This Agreement is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns subject to the express provisions hereof relating to successors and assigns, and no other Person shall have any rights, interest or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

10.13 No Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted, and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

10.14 No Recordation. Neither this Agreement nor any memorandum thereof shall be recorded amongst the public records of any governmental authority without the prior written consent of the Manager.

10.15 Provisions Severable. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdictions in which the parties do business. If any provision of this Agreement, or the application thereof to any Person or circumstance shall, for any reason or to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall remain in full force and effect, and be construed and enforced to the greatest extent permitted by law as if such invalid or unenforceable provision(s) were omitted.

10.16 Legal Representation. The Company may retain one or more legal counsel ("Law Firm"), from time to time, to represent the Company on specified matters and the Members hereby recognize and acknowledge that representation of the Company shall not establish any attorney-client relationship between the Members and the Law Firm. It is further expressly acknowledged and agreed by the Members, that any Law Firm representing the Company may also represent the Manager or any Affiliates of the Manager.

10.17 Conflict Waiver. The Members hereby acknowledge and agree that: (i) Ruden, McClosky, Smith, Schuster & Russell, P.A. ("Firm") has represented the Company in the preparation of this Agreement and may hereafter represent the Company in other matters; (ii) the Firm has also represented one or more Managers, Officers and Members, and one or more of their Affiliates, in the past and may do so in the future; (iii) each Member has waived any conflict of interest that exists as a result of such representation; and (iv) each Member has been advised by the Firm to consult with independent legal counsel before entering into this Agreement.

10.18 Survival of Terms. The expiration or termination of this Agreement for any reason shall not release any party from any liabilities or obligations set forth in this Agreement which (a) the parties have expressly agreed shall survive any such expiration or termination, (b) remain to be performed, or (c) by their nature would be intended to be applicable following any such expiration or termination. The expiration or termination of this Agreement shall not affect or limit any of the parties' indemnification obligations or any other matters set forth in this Agreement that should survive in order to carry out their intended purpose.

10.19 Construction. It is acknowledged that each party to this Agreement had the opportunity to be represented by legal counsel in the preparation of this Agreement and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing same shall not apply herein due to the joint contributions of the parties hereto.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, pursuant to the Articles of Merger, this Agreement shall be effective and binding on the Company as of the day and year first above written.

COMPANY:

VSI INTERNATIONAL, LLC

By: _____
Myron Orlinsky, as Manager

MEMBERS:

Print Name: Myron Orlinsky

SSN: _____

Address: _____

Print Name: Scott Orlinsky

SSN: _____

Address: _____

Print Name: Peter Patraka

SSN: _____

Address: _____

** This Agreement shall be binding on the Company and its Members, by virtue of the Merger being effective, even if it is not executed by one or more Members and/or the Company.*

SCHEDULE A

MEMBERS

<u>Name</u>	<u>Capital Contribution</u>	<u>Member Percentage *</u>
Myron Orlinsky	\$59.17	59.17%
Peter Patraka	\$25.83	25.83%
Scott Orlinsky	\$15.00	15.00%

*** Note 1:** Certain litigation styled *Peter Patraka v. Myron Orlinsky*, Case No. 99-26994 CA 5 pending in the circuit court in and for the 11th judicial circuit of Florida (the "Litigation") may, by settlement or final adjudication (either, a "Disposition"), affect the percentage interest of the shares of VSI Corporation owned by each of its shareholders. The Member Interests of the Company shall automatically be adjusted to comply with the holdings of any Disposition of the Litigation.

*** Note 2:** The Member Percentages of the Members on the Effective Date of this Agreement is subject to change as a result of any shareholders of VSI Corporation which dissent to the Merger and exercise their appraisal rights to be paid the fair value of their shares of VSI Corporation.

SCHEDULE B

OFFICERS

Myron Orlinsky - President