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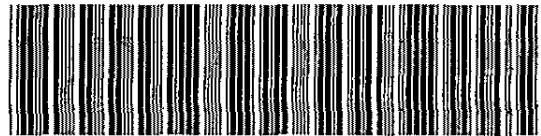
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

2005 JAN -5 P 12:45

FILED

Palm Beach Land Trust
Real Estate Investment Broker
348 Park Ave. North • Suite 4
Winter Park, FL 32789
Tel: (407) 644-6550
Fax: (407) 644-9337



PALM BEACH
LAND TRUST
an affiliate of
Florida Land Company

January 3, 2004

Registration Section
Division of Corporations
409 E. Gaines Street
Tallahassee, Florida 32399

Via: UPS Ground

SUBJECT: PALM BEACH LAND TRUST, LLC

The enclosed Articles of Organization and fee are submitted for filing.

Please return all correspondence concerning this matter to the following:

Ronald D. Campbell
Palm Beach Land Trust
348 Park Avenue North
Suite 4
Winter Park, Florida 32789

For further information concerning this matter, please call:

Ronald D. Campbell at (407) 644-6550

Enclosed is a check for \$125.00 Filing Fee.

Cordially,

Ronald D. Campbell

Enclosures

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

PALM BEACH LAND TRUST, LLC

ARTICLES OF ORGANIZATION

The undersigned, for the purpose of forming a limited liability company under the Florida Limited Liability Company Act, F.S. Chapter 608, hereby make, acknowledge, and file the following Articles of Organization as of the 3rd day of January, 2005.

ARTICLE 1

NAME

Name. The name of the Limited Liability Company is: **PALM BEACH LAND TRUST, LLC**

ARTICLE 2

ADDRESS

Principal Place of Business. The principal office and place of business of the Company shall be located at 348 Park Avenue North, Suite 4, Winter Park, Florida 32789 or at such other place as the Board of Directors may from time to time determine and specify by written notice to the parties hereto. The records of the Company required to be maintained under the Act shall be maintained at the aforesaid office.

ARTICLE 3

REGISTERED AGENT, REGISTERED OFFICE, & REGISTERED AGENT'S SIGNATURE

Registered Office and Agent. The initial registered office of the Company in Florida shall be located at 348 Park Avenue North, Suite 4, Winter Park, Florida 32789. The name of the initial registered agent of the Company at such address shall be Ronald D. Campbell.

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, Florida Statutes.


Ronald D. Campbell

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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ARTICLE 4

DIRECTORS

The Company shall have two directors initially. The number of directors may be increased or diminished from time to time by the Bylaws. The Members shall have the right and power at any regular meeting or at any special meeting called for such purpose to remove any director of the Company with or without cause.

ARTICLE 5

INITIAL DIRECTORS

The name and post office address of the initial directors who shall hold office until their successors are elected and have qualified, are as follows:

John David Barley
348 Park Avenue North
Suite 4
Winter Park, Florida 32789

Ronald D. Campbell
348 Park Avenue North
Suite 4
Winter Park, Florida 32789

ARTICLE 6

FORMATION AND PURPOSE

- 6.1 Formation.** The parties hereby agree to form a limited liability company and agree to conduct the Company as a limited liability company pursuant to the Act. The organizer of the Company has executed the Articles of Organization and caused the same to be filed with the Secretary of State of the state of Florida as required by the Act.
- 6.2 Term.** The Company shall commence on the date of the filing of the Organization Certificate and shall continue until December 31, 2075, unless terminated prior to such date pursuant to Article 13.
- 6.3 Purposes and Powers of Company.** The general purpose for which the Company is organized is to operate as a licensed real estate brokerage firm, including property management, project/development management and to transact any lawful business for which a limited liability company may be organized under the laws of the State of Florida. The Company shall have all the powers granted to a limited liability company under the laws of the State of Florida.

ARTICLE 7

CAPITALIZATION

- 7.1 **Units of Member Interest.** Units shall represent the entire Member Interest of the Members in the Company.
- 7.2 **Units.** Record Holders of Units shall have all of the rights, powers and obligations of members of Florida limited liability companies granted by the Act, except as expressly set forth herein.
- 7.3 **Initial Capital Contributions and Units.** The Members shall be the sole Record Holders of the Units. On the date of this Agreement, the Members shall contribute to the capital of the Company an aggregate of One Hundred Dollars (\$100.00) for each Unit acquired by such Member. The amount contributed by each Member and the number of Units acquired by each Member shall be set forth beside their respective names on **Exhibit A** attached to this Agreement. Initially there shall be one hundred (100) Units issued. No additional Units shall be issued without the written consent of all Members.
- 7.4 **No Interest on Contributions.** Except as otherwise provided herein, no Member shall be entitled to receive interest from the Company on its Capital Contributions to the Company or on balances in such Member's Capital Account.
- 7.5 **Loans by Members.** If, in connection with the management and operation of the Company for the purposes authorized hereunder, the Company shall borrow money from any Member, such loan shall bear interest at a commercially reasonable rate. The Company shall pay all principal and interest of the loan due and payable pursuant to the terms thereof before making any distribution of funds to the Members under the provisions of this Agreement. If any funds are available for payment of amounts due pursuant to loans from Members, but such funds are not adequate to pay all such amounts due in full, payment shall be made pro rata according to the respective amounts due (including both principal and interest) on all Member loans. Except as otherwise provided in this Agreement, any Member who lends money to the Company hereunder shall be deemed a general creditor of the Company and not a Member for the purpose of paying interest and principal of any such loan.

ARTICLE 8

PROFITS AND LOSSES

The Company shall allocate Net Profits or Net Losses for each Fiscal Year to the Members on a pro rata basis.

ARTICLE 9

DISTRIBUTIONS OF CASH FLOW

The Company shall distribute any Cash Flow from time to time as determined by the Board of Directors to the Members on a pro rata basis.

ARTICLE 9

POWERS, RIGHTS AND LIABILITIES OF MEMBERS: MEETINGS

- 9.1 Powers and Rights.** Except as expressly set forth herein, no Member shall take part in, or interfere in any manner with, the conduct or control of the Company business and no Member shall have any right or authority to act or sign for, or to obligate the Company. No Member shall at any time be entitled to withdraw all or any part of its Capital Contributions except to the extent it is entitled to distributions pursuant to the provisions of Article 8 hereof. The Members shall have no right to demand and receive any property other than cash in return for their Capital Contributions, and prior to the dissolution and liquidation of the Company pursuant to Article 13 and Article 14 hereof, their right to distributions shall be limited to the rights set forth in Article 8 hereof.
- 9.2 Limitation of Liability.** Notwithstanding anything to the contrary contained in this Agreement, no Member shall be liable for any liabilities, indebtedness, duties or obligations of the Company in excess of the sum of (a) the Member's Capital Contributions actually made to the Company which have not been returned or refunded; and (b) all amounts to which the Member is entitled to distribution pursuant to Article 8 hereof which have not yet been distributed to the Member.
- 9.3 Meetings of Members.**
- (a) Members who hold in the aggregate twenty-five percent (25%) of the total Units of the Members may call a formal meeting of the Members ("Formal Meeting") on not less than fifteen (15) days written notice to each other Member. The Members shall hold each Formal Meeting at the principal office of the Company, or elsewhere, as the Chairman of the Board shall designate. Attendance of Members owning Units representing a majority of the Units of all Members shall be required to constitute a quorum for any Formal Meeting of the Members, unless otherwise agreed by the Members in writing, which agreement shall be placed within the minutes of the meeting. Participation in a Formal Meeting by telephone shall be attendance by a Member at the meeting for purposes of constituting a quorum or otherwise.
 - (b) The Chairman of the Board shall preside over and conduct any Formal Meeting. In the event that the Chairman of the Board is not able to attend such Formal Meeting, the Members shall select by Majority Approval a Person to preside over and conduct the Formal Meeting.
 - (c) The Members also may take actions without a Formal Meeting, provided that consent to such action is obtained from all Members. Such consent may be given by telephone or otherwise orally, provided that the Member so consenting thereafter confirms such oral consent in writing.
 - (d) Except as otherwise provided in this Agreement, all actions shall be deemed approved or carried upon receipt of Majority Approval from the Members.
- 9.4 Outside Investments.** The fact that a Member is directly or indirectly interested in, or connected with, any Person employed or retained by the Company to render or perform services or to furnish goods and other property, shall not prohibit the Company from doing business with such Person, even if such Person is a Member, as long as all material facts, terms and conditions of the transaction are disclosed to the Board of Directors.

- 9.5 **Activities of Members and Affiliates.** The Members acknowledge that the Members and their Affiliates are presently, or may become in the future, general partners of partnerships, managers of other limited liability companies, or associated in some manner with other businesses. The Members and their Affiliates may engage in all such other business ventures, including, without limitation, ventures involving activities and business ventures in direct competition with the Company, independently or with others. Neither the Company nor any Member shall have any rights, by virtue of this Agreement or the organization of the Company, in or to such independent ventures, or to the income or profits derived therefrom.

ARTICLE 10

ACCOUNTING, BOOKS AND RECORDS

- 10.1 **Accounting Methods.** The Board of Directors shall determine whether the accounting for the Company shall be on a cash, tax or accrual basis, and shall be empowered to make any changes of accounting method that they shall deem advisable at any time and from time to time.
- 10.2 **Books and Records.** The Company shall keep or cause to be kept, at Company expense, full, complete and accurate books of account and other records showing the assets, liabilities, costs, expenditures, receipts, Net Profits, Net Losses, items of income, gain, loss and deduction, Cash Flow of the Company, the respective Capital Accounts of the Members and such other matters as the accountants for the Company shall deem appropriate. Such books of account shall be the property of the Company, shall be kept in accordance with sound accounting principles and procedures consistently applied, and shall be open to the reasonable inspection and examination of the Members or their duly authorized representatives. The books of account shall be maintained at the principal office of the Company.
- 10.3 **Financial Reports and Tax Returns.** Within one hundred twenty (120) days after the end of each Fiscal Year, the Company shall cause to be prepared a full, detailed and complete set of financial statements of the Company for such Fiscal Year, including a cash receipts and disbursements statement, a profit and loss statement and a statement showing all distributions of Cash Flow to each Member and allocations to each Member of Net Profits, Net Losses and other items specifically allocated herein. The Company shall also cause the preparation of the Company's income tax returns. The Company shall deliver copies of such financial statements, Schedule K-1 of Form 1065 (or a comparable schedule) and tax returns to the Members as soon as practicable after they are completed after the end of each Fiscal Year. In addition to the foregoing, the Manager shall deliver to the Members detailed financial reports once each quarter detailing cash flows and other relevant financial information.
- 10.4 **Tax Matters Partner.** Ronald D. Campbell is hereby designated as the "tax matters partner," pursuant to Code section 6231 and the Regulations thereunder. The tax matters partner shall represent the Company in all federal income tax matters, and the Company shall hire attorneys, accountants and other professionals at Company expense, as it deems necessary to defend the positions taken by the Company for federal income tax purposes.
- 10.5 **Adjustment of Tax Basis.** In the event of a transfer of Units in accordance with the terms of this Agreement, upon the request of any Member, the Company shall elect, pursuant to Code section 754 (the "Section 754 Election"), to adjust the basis of the Company property if (a) the effect of such adjustment is to increase the adjusted basis of

Company property and (b) the requesting Member or the Member's transferee agrees to bear any additional expense attributable to accounting and record keeping required as a result of the Company's Section 754 Election.

10.6 Bank Accounts. The Board of Directors shall cause one or more accounts to be maintained in such depository or depositories as the Board of Directors shall select, which accounts shall be used for the payment of the expenditures of the Company authorized by this Agreement, and in which account or accounts shall be deposited all Company receipts, all amounts contributed to the capital of the Company or loaned by a Member under this Agreement, and all amounts borrowed by the Company. All amounts required by this **Section 10.6** to be deposited in such accounts shall be and remain the property of the Company, and shall be received, held and disbursed by the Manager only for the purposes specified in this Agreement.

10.7 Unit Certificates.

(a) Form. Every Member of fully-paid Units in the Company shall be entitled to have a certificate in such form as the Board of Directors may from time to time prescribe in accordance with applicable law.

(b) Required Signature. Each certificate shall be signed by any two officers of the Company.

(c) Lost Certificates. The Board of Directors may direct that a new Unit certificate be issued in place of any certificate theretofore issued by the Company and alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Manager may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Company a bond in such sum and on such conditions as it may direct as indemnity against any claim that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed, and/or satisfy any other reasonable requirements imposed by the Manager.

(d) Transfers.

(i) Transfers of Units of the Company shall be made only on the books of the Company by the registered holder thereof, or by his duly authorized attorney, and on surrender of the certificate or certificates for such Units properly endorsed and the payment of all taxes thereon.

(ii) The Company shall be entitled to recognize the exclusive right of a person registered on its books as the owner of Units to receive distributions, and to vote as such owner, and for all other purposes, and shall not be bound to recognize any equitable or other claim to or interest in such Unit or Units on the part of any other person, whether or not it has express or other notice thereof, except as otherwise provided by law.

(iii) Units of the Company may be transferred in accordance with the terms of this Agreement by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificates or by separate power of attorney to sell, assign and transfer the same, signed by the Record Holder thereof, or by his duly authorized attorney-in-fact,

and accompanied by such evidence that all such signatures are genuine as the Company may, at its option, request, but no transfer shall affect the right of the Company to pay any distribution upon the Units to the holder of record as the holder in fact thereof for all purposes, and no transfer shall be valid, except between the parties thereto, until such transfer is made upon the books of the Company as herein provided.

- (iv) The Board of Directors may, from time to time, make such additional rules and regulations as it deems expedient, not inconsistent with this Agreement, concerning the issue, transfer and registration of certificates for Units of the Company, and nothing contained herein shall limit or waive any right of the Company with respect to such matters under applicable law or any subscription or other agreement.

ARTICLE 11

DISSOCIATION OF MEMBERS

11.1 Effect of Dissociation. The dissociation of any Member shall cause the dissolution of the Company, unless, within ninety (90) days after such event of dissociation, the Members elect by Majority Approval to continue the Company. Upon the dissociation of a Member and the continuation of the Company pursuant to the preceding sentence, the dissociated Member shall cease to be a Member of the Company for all purposes of this Agreement and the successor-in-interest of such Member, if any, shall become a transferee of such Member's Interest, provided that no successor-in-interest shall become a substituted Member without first (a) obtaining the consent of all remaining Members and (b) complying with the provisions of Section 13.2 hereof.

11.2 Dissociation. For the purposes of this Agreement, the occurrence of any of the following events shall constitute the "dissociation" of a Member.

- (a) if the Member is a natural person, upon (i) such Member's death or (ii) the entry of an order by a court of competent jurisdiction adjudicating such Member to be incompetent to manage his or her person or property;
- (b) if the Member is not a natural person, upon (i) its voluntary dissolution or liquidation, (ii) its filing a petition seeking its reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law (a "Dissolution Proceeding"), (iii) its filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in a Dissolution Proceeding, or (iv) one hundred twenty (120) days after the commencement of any Dissolution Proceeding against it, if after such 120-day period, no dismissal of such Dissolution Proceeding has occurred; or
- (c) with respect to any Member, upon (i) the withdrawal by the voluntary act of the Member, (ii) the Member's making an assignment for the benefit of creditors, (iii) the Member's filing a voluntary petition in bankruptcy, (iv) the Member's being subject to an adjudication as bankrupt or insolvent, (v) the Member's seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties, if with the later of (A) such 90-day period or (B) ninety (90) days after the expiration of any stay of such appointment, no vacation or the appointment occurs.

ARTICLE 12

TRANSFER AND ASSIGNMENT OF UNITS; ADMISSION OF ADDITIONAL MEMBERS

- 12.1 Restrictions on Pledges, Transfers.** No Member may (i) pledge, mortgage, hypothecate or otherwise transfer as security, or (ii) sell, assign, convey or otherwise dispose of, all or any part of its Units, without the prior written consent of the Board of Directors, which consent may be withheld arbitrarily
- 12.2 Transfer to Member.** Notwithstanding the provisions of Section 12.1, a Member may at any time and from time to time, transfer all or any part of its Units to another Member.
- 12.3 Liability for Acts or Omissions Prior to Transfer.** Anything herein to the contrary notwithstanding, no sale, transfer, assignment or conveyance of a Unit shall, without the prior written consent of all other parties hereto, relieve the selling or transferring party of its liability for acts or omissions of such part which occurred, or obligation or liabilities which accrued, prior to such sale, transfer, assignment or conveyance.
- 12.4 Conditions of Transfer of Units.** In the event that written consent is given to the transfer of a Unit or Units, and before any Person shall be admitted to the Company as a successor to any party hereto (any such Person being herein referred to as a "Transferee"), the following conditions must be met:
- (a) the Transferee must be legally competent and lawfully empowered to own the Unit(s) of the transferor;
 - (b) the transferor shall have executed a written instrument of transfer of such Unit(s) in form and substance satisfactory to the Company and the other parties hereto;
 - (c) the Transferee shall have executed a written agreement, in form and substance satisfactory to the Company and the remaining parties hereto, to assume all of the duties and obligations of the transferor under this Agreement and to be bound by and subject to all of the terms and conditions of this Agreement;
 - (d) the transferor and the Transferee shall have executed a written agreement, in form and substance satisfactory to the Company and the remaining parties hereto, to indemnify and hold the Company and the remaining parties hereto harmless from and against any loss or liability arising out of the transfer;
 - (e) the Transferee shall execute such other documents and instruments as the Company may deem necessary to effect the admission of the Transferee as a Member;
 - (f) the Transferee or the transferor shall have paid the expenses incurred by the Company in connection with the admission of the Transferee to the Company, including, without limitation, any liability arising by reason of violation of any securities laws of the United State, any State of the United States, or any foreign country;
 - (g) if the Transferee is a corporation, it shall provide to the Company a certified copy of a resolution of its Board of Directors authorizing it to become a Member under the terms and conditions of this Agreement.

- 12.5 Obligations of Assignee.** Any assignee, irrespective of whether such assignee has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of such assignment to have agreed to be subject to the terms and provisions of this Agreement in the same manner as its assignor.
- 12.6 Unadmitted Transferee.** Upon a transfer of a Unit permitted by this Agreement, if the transferee does not become a substituted Member, (a) the transferor shall cease to be a Member for all purposes of this Agreement, and (b) the transferee shall be entitled to receive only that portion of distributions or allocations to which the transferor of the interest would be entitled, but the transferee shall not have any other rights of a Member pursuant to this Agreement or otherwise.
- 12.7 Unauthorized Transfer.**
- (a) Any purported transfer of any Unit or Units not expressly permitted by this Article 12 or any other provision of this Agreement shall be null and void and of no effect whatsoever, provided that, (i) if a court of competent jurisdiction issues a final judgment requiring the Company to recognize such transfer, or (ii) if the Company in its sole discretion elects to recognize such transfer, the transferee shall have the right to receive only that portion of distributions or allocations to which the transferor of the interest would be entitled, but such transferee shall not have any other rights of a Member pursuant to this Agreement or otherwise.
 - (b) In the event of a transfer or purported transfer not permitted by this Article 12 or any other provision of this Agreement, the transferor (or purported transferor) and the transferee (or purported transferee) shall indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of the Company or such Members may incur, including, without limitation, any incremental tax liability, or any professional fees and costs, as a result of such transfer or purported transfer and efforts to enforce this Agreement and this indemnity.

ARTICLE 13

DISSOLUTION OF COMPANY

- 13.1 Events of Dissolution.** The Company shall be dissolved upon the happening of any of the following events:
- (a) the sale or other disposition of all or substantially all of the Company assets other than cash;
 - (b) the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member of the Company or any other event of dissociation under the Act which terminates the continued membership of a Member unless, within ninety (90) days of the occurrence of any such event, all of the remaining parties hereto consent in writing to the continuance of the Company;
 - (c) the expiration of the term of the Company set forth in Section 5.2;
 - (d) the election to dissolve the Company by the Board of Directors and by Members holding a majority in interest of the Units; or
 - (e) the entry of a decree of judicial dissolution under the Act.

- 13.2 No Action for Dissolution or Partition.** The Members acknowledge that the Company will suffer irreparable damage (on account of a premature liquidation of the Company's assets, loss of goodwill and reputation, and other factors) if any Member seeks to dissolve, terminate or liquidate the Company, or seek partition of Company assets by litigation or otherwise. The Members further acknowledge that the parties have drawn this Agreement carefully to provide fair treatment of all parties and equitable payments in liquidation of the Interests of all Members, and that the Members entered into this Agreement with the intention that the Company continue until dissolved and liquidated in accordance with the terms of this Agreement. Accordingly, each Member hereby waives and renounces any right to dissolve, terminate, partition or liquidate the Company, or to obtain the appointment of a receiver or trustee to liquidate the Company, or to obtain partition of Company assets, except as specifically set forth in this Agreement.

ARTICLE 14

DISTRIBUTIONS UPON DISSOLUTION

14.1 Liquidation.

- (a) Upon the dissolution of the Company, the Company immediately shall commence to wind up its affairs. A reasonable period of time shall be allowed for the orderly termination of the Company's business, the discharge of its liabilities and the distribution or liquidation of its remaining assets so as to enable the Company to minimize the normal losses attendant to the liquidation process. The Board of Directors shall cause the accountant or accounting firm then employed by the Company to make a complete and final evaluation of the books, records and accounts of the Company and all final adjustments among the parties hereto shall be made on the basis of such evaluation.
- (b) In the event of a dissolution on account of a sale or other disposition of all or substantially all of the Company's assets other than the cash and payment of a portion of the proceeds from the sale or disposition is deferred, through the Company receiving a purchase money note or otherwise, the Company shall not be finally liquidated until the deferred portion of the purchase price is collected in full (or deemed worthless by the Board of Directors), and the Board of Directors shall not be required to distribute the indebtedness representing the deferred portion of the purchase price to the Members. In the event that following a sale of all or substantially all of the Company's assets, the Company reacquires title to all or a portion of the assets, by foreclosure, sale under power of sale, deed in lieu thereof or otherwise, the Company shall be reformed and reinstated on the terms contained in this Agreement, notwithstanding the prior dissolution under Article 13 hereof.
- (c) Upon the termination of the Company, the Board of Directors shall have the responsibility for expeditiously dissolving and liquidating the Company. The Board of Directors shall promptly proceed to wind up the affairs of the Company, and shall distribute the Company's property and assets, or the proceeds from the liquidation thereof in the following order of priority:
 - (i) payment of the debts and liabilities of the Company incurred in accordance with the terms of this Agreement, in order of priority provided by law, and the payment of expenses of liquidation;

- (ii) establishment of reserves as the Members may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company or any obligation or liability not then due and payable; provided, any unspent balance of the reserves shall be distributed in the manner hereinafter provided when deemed reasonably prudent by the Members or liquidating trustee;
 - (iii) distribution to the Members, on a pro rata basis, of the positive balances of their Capital Accounts, adjusted to the date of distribution.
- (d) In the event of the liquidation of the Company within the meaning of Regulations section 1.704-1(b)(2)(ii)(g), the Company shall make the distributions pursuant to this Section 14.1 in compliance with Regulations section 1.704-1(b)(2)(ii)(b)(2), provided that if any Member has a deficit Capital Account balance (after giving effect to all contributions, distributions, and allocations for all Fiscal Years, including such Fiscal Year in which such liquidation occurs), such Member shall have no obligation to make any contribution to the capital of the Company to restore such deficit Capital Account balance to zero in compliance with Regulations section 1.704-1(b)(2)(ii)(b)(3).
- (e) In the event of the liquidation of the Company within the meaning of Regulations section 1.704-1(b)(2)(ii)(g) without the dissolution of the Company pursuant to Section 13.1 above, the Company shall be deemed to distribute the Company's property to the Members in accordance with this Article 14, and the Members shall be deemed to assume and take such property subject to the Company's liabilities, all in accordance with the balances of their respective Capital Accounts. Immediately thereafter, the Members shall be deemed to recontribute such property in kind to the Company, which shall be deemed to assume and take such property subject to all such liabilities.

14.2 No Further Claim. Except as expressly provided in this Agreement, each Member shall look solely to the assets of the Company for the return of his investment in the Company (including Capital Contributions and loans for a Member to the Company), and no Member shall have any liability or obligation to the Company or to any other Member to repay any unreturned Capital Contributions or loans made by any Member to the Company.

ARTICLE 15

INDEMNIFICATION

The Company shall indemnify and hold harmless each Member to the fullest extent permitted by Chapter 608.4229, Florida Statutes, from any liability, whether civil or criminal, and any loss, damage, or expense incurred by such Member, including reasonable attorneys' fees (including appeals) as incurred, by reason of any action in good faith taken or omitted to be taken by it on behalf of the Company in furtherance of the Company's interests in accordance with this Agreement, provided such act or omission was not the result of gross negligence, intentional misconduct, knowing violation of law, knowing misrepresentations or a transaction for which such Member received a personal benefit in violation or breach of the provisions of this Agreement.

Indemnification under this Article 15 shall be made solely from the assets of the Company and no Member shall be personally liable to the indemnitee under this Article 15 nor shall any Member be required to make any additional capital contributions to satisfy the Company's indemnification obligation arising hereunder.

ARTICLE 16

REPRESENTATIONS AND WARRANTIES

16.2 Warranties. Each party hereto hereby represents and warrants to the others as follows:

- (a) there are no approvals from any governmental agency or authority in the jurisdiction of its creation and organization which are required for the execution, delivery and performance by such party of this Agreement and the transactions contemplated hereby; and
- (b) this Agreement has been duly authorized, executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable in accordance with its terms, and all necessary corporate action has been taken by any such party that is a corporation in order to authorize the execution, delivery and performance of this Agreement.

16.2 Tax Matters. Each party represents, warrants and covenants with the other parties hereto that it will not take a position on its United States income tax return, on any claim for refund, or in any administrative or legal proceeding, which is inconsistent with the provisions of this Agreement, without obtaining the prior written consent of the other parties hereto.

ARTICLE 17

DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

17.1 “Act” shall mean the Florida Limited Liability Company Act set forth in Chapter 608, Florida Statutes, et seq.

17.2 “Affiliate” shall mean with respect to any Member: (a) a spouse, descendant or ancestor of such Member; (b) any partnership of which such Member is a general partner; (c) any trust or estate in which such Member has a substantial beneficial interest, or of which such Member serves as trustee or in some other fiduciary capacity, or of which such Member is the grantor; (d) any corporation, partnership, limited liability company or organization (i) of which such Member is an officer, member, or partner or in which such Member is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity interest therein, or (ii) which is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity interest in such Member, and (e) any officer or director of such Member.

17.3 “Capital Account” shall mean, with respect to any Member, the account maintained by the Company for the Member in accordance with the following provisions:

- (a) The Company shall credit to each Member's Capital Account (i) the Member's Capital Contributions, (ii) the Member's distributive share of Net Profits and any items in the nature of income or gain that the Company specially allocates pursuant to Article 7 of this Agreement, and (iii) the amount of any Company liabilities that the Member assumes or that any Company property distributed to the Member secures;
- (b) The Company shall debit to each Member's Capital Account (i) the amount of cash and the Capital Account Asset Value of property other than cash distributed

to the Member pursuant to Article 8 or Section 14 of this Agreement, (ii) the Member's distributive share of Net Losses and any items in the nature of expenses or losses that the Company specially allocates pursuant to Article 7 of this Agreement, and (iii) the amount of the Member's liabilities that the Company assumes or that any property contributed by the Member to the Company secure;

- (c) In the event that a Member transfers all or a portion of an Interest in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent that the Capital Account relates to the transferred Interest;
- (d) In determining the amount of any liability for purposes of computing a Member's Capital Account, the Company shall take into account Code section 752(c) and any other applicable provisions of the Code and Regulations.

The Company intends that the foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts comply with Regulations section 1.704-1(b), and the Company shall interpret and apply such provisions in a manner consistent with such Regulations.

17.4 **"Capital Contribution"** shall mean with respect to any Member the amount of cash and the Capital Account Asset Value of property other than cash (less liabilities secured by such property that the Company assumes or to which the Company takes such property subject) contributed by a Member to the Company pursuant to Article 6 of this Agreement.

17.5 **"Cash Flow"** for a Fiscal Year shall mean all cash received during the Fiscal Year by the Company from any source that becomes available from reserves during the Fiscal Year, after deducting therefrom the following items for the Fiscal Year:

- (a) the sum of all cash operating expenses of the Company, as determined in accordance with sound accounting principles and procedures, including interest paid on any Company indebtedness;
- (b) all amounts paid by the Company for capital expenditures that are not deductible on a current basis;
- (c) all payments of principal on indebtedness of the Company for borrowed money, including, without limitation, loans from Members;
- (d) any increase in the amount that the Manager determines to be reasonable for (i) working capital needs, capital reserves and replacement reserves, and (ii) the payment of other costs and expenses incident to the purposes of the Company which are anticipated to be incurred, or to become due and payable, or both, in the future and for which cash sufficient to pay the costs and expenses at the time they become due and payable may not be generated by the Company.

17.6 **"Code"** shall mean the Internal Revenue Code of 1986, as amended.

17.7 **"Company"** shall mean PALM BEACH LAND TRUST, LLC, the limited liability company created pursuant to the Act by the filing of the Certificate.

17.8 **"Depreciation"** shall mean for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income

tax purposes with respect to an asset for the Fiscal Year or other period; provided, however, that if the Capital Account Asset Value of an asset differs from that asset's adjusted basis for federal income tax the same ratio to the beginning Capital Account Asset Value of such asset as the federal income tax purposes at the beginning of a Fiscal Year or other period, Depreciation shall be an amount that bears depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period bears to the beginning adjusted tax basis of such year or other period; provided, further, that if the federal income tax depreciation, amortization or other cost recovery deduction for such period is zero, the Company shall determine Depreciation with reference to such beginning Capital Account Asset Value using a reasonable method selected by the Company.

- 17.9 **"Fiscal Year"** of the Company shall be the calendar year; provided, however, that the first Fiscal Year shall commence on the date of this Agreement and shall end on the December 31 next following date.
- 17.10 **"Majority Approval"** shall mean the affirmative vote of Members owning Interests representing a majority of the Units in the Company of all Members present and voting with respect to any action or matter of the Company submitted to the Members for a vote.
- 17.11 **"Members"** shall mean, collectively, the Record Holders of Units, and reference to a "Member" shall mean any one of the Members.
- 17.12 **"Member Interest"** or **"Interest"** shall mean a Member's ownership interest in the Company, including any and all benefits to which the Member is entitled pursuant to this Agreement, together with all obligations of such Member to comply with the terms and conditions of this Agreement.
- 17.13 **"Member Nonrecourse Debt"** shall have the meaning of "Partner Nonrecourse Debt" specified in Regulations section 1.704-2(b)(4).
- 17.14 **"Member Nonrecourse Debt Minimum Gain"** shall have the meaning of "Partner Nonrecourse Debt Minimum Gain" specified in Regulations section 1.704-2(i)(3).
- 17.15 **"Member Nonrecourse Deductions"** shall have the meaning of "Partner Nonrecourse Deductions" specified in Regulations section 1.704-2(i)(2).
- 17.16 **"Minimum Gain"** shall mean the sum of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain. A Member's share of Minimum Gain shall be the sum of its share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain.
- 17.17 **"Net Profits"** or **"Net Losses"** shall mean the Company's taxable income or loss determined in accordance with Code section 703(a) for each of its Fiscal Years or other periods, with the following adjustments:
- (a) The Company shall treat such Net Profits or Net Losses as if it included items of tax-exempt income and nondeductible, noncapital expenditures under Code sections 705(a)(1)(B) and 705(a)(2)(B) in the computation of taxable income or loss. For purposes of calculating Net Profits or Net Losses, the Company shall treat the following items as Code section 705(a)(2)(B) expenditures: (i) amounts paid or incurred to organize the Company, except for amounts with respect to which the Company properly makes an election under Code section 709(b); and (ii) any deduction for a loss on a sale or exchange of Company property that Code sections 267(c)(1) or 707(b) disallow to the Company;

- (b) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, the Company shall take into account Depreciation for such Fiscal Year;
- 17.18 **"Nonrecourse Deductions"** shall have the meaning specified in Regulations section 1.704-2(b)(1).
- 17.19 **"Organization Certificate"** shall mean the certificate of formation filed with the Secretary of State of Florida pursuant to the Act.
- 17.20 **"Person"** shall mean an individual, partnership, joint venture, limited liability company, association, corporation, trust or any other legal entity.
- 17.21 **"Pro Rata"** shall mean the result obtained, expressed as a fraction or percentage, by dividing (i) the number or Units, or a specified class or series of Units, as applicable, held by such party, by (ii) the total number of Units, or a specified class or series of Units, as applicable, held by all parties in the specified class (i.e., Investor Members, etc.) with whom such party's holding of Units, or a specified class or series of Units, as applicable, is being measured. Unless specifically stated otherwise, all allocations to or within a specified class of Units shall be made on a pro rata basis in accordance with the number of Units within such class.
- 17.22 **"Regulations"** shall mean Treasury Regulations promulgated under the Code, as such Regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).
- 17.23 **"Record Holder"** shall mean a Person shown on the books and records of the Company as the owner of Units as of the close of business on any day on which Record Holders are to be determined.
- 17.24 **"Unit"** shall mean the ownership interest of a Member in the capital and profits of the Company that is acquired by making the Capital Contributions specified in Article 7.

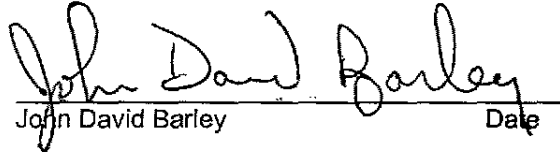
ARTICLE 18

MISCELLANEOUS

- 18.1 **Applicable Law.** This Agreement shall be governed by, construed under, and enforced and interpreted in accordance with, the laws of the State of Florida.
- 18.2 **Notices.** Any notices required by this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered in person, (b) if mailed postage prepaid, by certified or registered mail with return receipt requested, (c) if transmitted by telex or facsimile, or (d) if sent by Federal Express or other nationally recognized overnight courier service or overnight express U.S. Postal Service, postage prepaid, to the Member at the address set forth on Exhibit A attached to this Agreement, or to such other address of which the Member subsequently notifies the Company in writing at the address of its principal office. Notices personally delivered or transmitted by telex or facsimile shall be deemed to have been given on the date so delivered or transmitted. Notices mailed shall be deemed to have been given on the date three (3) business days after the date posted, and notices sent in accordance with (d) above shall be deemed to have been given on the next business day after delivery to the courier service or U.S. Postal Service (in time for next day delivery).

- 18.3 Creditors Not Benefited.** Nothing contained in this Agreement is intended or shall be deemed to benefit any creditor of the Company or of any Member, and no creditor or the Company shall be entitled to require the Company or the Members to solicit or accept any Capital Contribution for the Company or to enforce any right which the Company or any Member may have against any Member under this Agreement or otherwise.
- 18.4 Severability.** If any provision of this Agreement is held illegal or unenforceable, the Members hereby covenant and agree that such provision is absolutely and completely severable from all other provisions of this Agreement and such other provisions shall constitute the agreement of the Members with respect to the subject matter hereof.
- 18.5 Successors.** Subject to the provisions hereof imposing limitations and conditions upon the transfer, sale or other disposition of Units in the Company, all the provisions hereof shall inure to the benefit of and be binding upon the heirs, successors, legal representative and assigns of the parties hereto.
- 18.6 Counterparts.** This Agreement may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement.
- 18.7 Section Headlines.** Section and other headings contained in this Agreement are for reference purposes only and are in no way intended to define, interpret, describe or limit the scope, extent or intent of this Agreement or any provision hereof.
- 18.8 Acceptance of Prior Acts.** Each Person becoming a Member, by becoming a Member, ratifies, affirms and confirms, and agrees to be bound by, all actions duly taken by the Company, pursuant to the terms of this Agreement, prior to the date such Person becomes a Member.
- 18.9 Time.** Time is of the essence of this Agreement.
- 18.10 Pronouns.** All pronouns used in this Agreement in reference to any Member shall include the neuter, masculine and feminine genders and the singular and the plural, as the context requires.
- 18.11 Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes any prior understanding or agreement between them respecting the subject matter hereof. There are no representations, arrangements, understanding or agreements, oral or written, between the parties hereto relating to the subject matter of this Agreement, except those fully expressed herein. No change or modification of this Agreement or waiver of any provision hereof shall be valid or binding on the parties hereto, unless such change, modification or waiver shall be in writing and signed by or on behalf of the parties hereto, and no waiver on one occasion shall be deemed to be a waiver of the same or any other provision hereof in the future.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.


John David Barley Date


Ronald D. Campbell Date 1/3/05

FILED

2005 JAN -5 P 12:45
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT "A"

to the Articles of Organization of PALM BEACH LAND TRUST, LLC
dated January 3, 2005

Members

John David Barley 348 Park Avenue North, Suite 4, Winter Park, Florida 32789
49 Units

Ronald D. Campbell 348 Park Avenue North, Suite 4, Winter Park, Florida 32789
49 Units

John David Barley and 348 Park Avenue North, Suite 4, Winter Park, Florida 32789
Ronald D. Campbell, as
Joint tenants with right of
survivorship
2 Units

FILED

2005 JAN -5 P 12:45

SECRETARY OF STATE
TALLAHASSEE, FLORIDA