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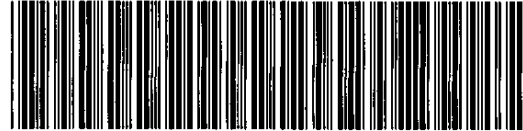
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CORPORATION SERVICE COMPANY

ACCOUNT NO. : 072100000032

REFERENCE : 480733 7463632

AUTHORIZATION :

[Signature]

COST LIMIT : \$ 160.00

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TALLAHASSEE, FLORIDA

ORDER DATE : September 26, 2006

ORDER TIME : 1:31 PM

ORDER NO. : 480733-005

CUSTOMER NO: 7463632

DOMESTIC FILING

NAME: CAYO GRANDE APARTMENTS-I, LLC

EFFECTIVE DATE:

____ ARTICLES OF INCORPORATION
____ CERTIFICATE OF LIMITED PARTNERSHIP
XX ARTICLES OF ORGANIZATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY
____ PLAIN STAMPED COPY
XX CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Doreen Wallace - EXT. 2928

EXAMINER'S INITIALS: _____

**ARTICLES OF ORGANIZATION
OF
Cayo Grande Apartments-I, LLC**

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TALLAHASSEE, FLORIDA

THE UNDERSIGNED, being all of the members and being duly authorized to act as the organizer of Cayo Grande Apartments-I, LLC, pursuant to the provisions of Chapter 608 of the Florida Statutes, hereby form a limited liability company under the laws of the State of Florida and adopt these Articles of Organization filed with the office of the Secretary of State of the State of Florida, and declare that the following Charter and authority for the conduct of business of such limited liability company.

ARTICLE I - NAME

The name of the limited liability company shall be Cayo Grande Apartments-I, LLC (the "Company").

ARTICLE II - PURPOSE

The purpose of the Company is to serve as the manager of a limited liability company known as Cayo Grande Apartments-II, LLC ("CGAII"), and will manage only CGAII and only engage in such activities directly related to the foregoing purpose as may be necessary, advisable, or appropriate, in the reasonable opinion of the Manager of the Company, to further the foregoing purpose; and to exercise any powers permitted under Chapter 608 of the Florida Statutes which are incidental to the foregoing or necessary or appropriate to accomplish the foregoing. The Company shall not engage in any business or activity other than as permitted in this Article II. The Company shall not incur debt other than debt incurred in connection with the transactions contemplated by this Article II and debt incurred in connection with ordinary operating expenses. The Company shall not acquire, own, hold, operate, maintain, lease, manage, mortgage, assign, pledge, finance or dispose of any real property other than its activities in connection with real or personal property owned by CGAII. The Company shall not commingle its assets with those of any other person. The Company shall maintain its financial and accounting books and records separate from those of any other entity or person. The Company shall pay from its assets all obligations and indebtedness of any kind incurred by the Company, and shall not pay from its assets any obligations or indebtedness of any other entity or person. Any financial transactions between the Company and any of its Affiliates shall be governed by policies and procedures established by the Company's Manager. The Company's Manager shall maintain appropriate minutes or other records including, without limitation, written consents of all appropriate actions, and shall conduct meetings if deemed necessary to approve any Company action. The Company shall operate its business generally so as to not be substantively consolidated with any of its Affiliates.

The term "Affiliates" shall mean, with respect to any entity, any other entity controlling or controlled by or under common control with such entity, and "control" means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise.

ARTICLE III - RESTRICTIONS ON ACTION; CERTAIN DEFINITIONS

So long as the Note (defined below) remains issued, outstanding and unpaid, the Company shall not:

- A. file or consent to the filing of any bankruptcy, insolvency or reorganization case or proceeding, institute any proceedings under any applicable insolvency law or otherwise seek any relief under any laws relating to the relief from debts or the protection of debtors generally;
- B. seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for the Company or a substantial portion of its assets;
- C. make any assignment for the benefit of the Company's creditors;
- D. take any action in furtherance of any of the foregoing;
- E. dissolve, liquidate or terminate the existence of the Company; or
- F. amend the provisions specified in Article II or this Article III.

"Noteholder" or "Lender" means the current lawful owner and holder of the Note.

"Note " means that certain Note in the principal amount of \$13,000,000 executed by the Company on behalf of CGAII, which Note is to be secured by a certain Deed of Trust, Security Agreement and Assignment of Lease and Rents and other security documents covering the property owned by CGAII. The "Loan" shall mean that certain loan made to CGAII pursuant to the Loan Commitment, and the "Loan Documents" shall mean any and all documents and agreements executed by or otherwise delivered by the CGAII in connection with the Loan.

ARTICLE IV - DURATION

The period of duration for this limited liability company shall end on December 31, 2046.

ARTICLE V - DISSOLUTION

Upon the occurrence of any Dissolution Event (as defined in the Operating Agreement of the Company), the Company shall be deemed to have dissolved unless, within ninety (90) days after such date, the Members, by majority vote, and the Manager

affirmatively agree in writing to continue the business of the Company. If the consent required to continue the Company's business is not obtained following the occurrence of a Dissolution Event in accordance with the preceding sentence, until the date on which all obligations of this Company or of CGAI in connection with the Loan and under the Loan Documents are indefeasibly and fully satisfied, the Company shall not sell, exchange, transfer or otherwise seek to liquidate or dispose of its assets, its interest in any assets or any other asset which is subject to a lien in favor of the Lender without the Lender's prior written consent pursuant to the Loan Documents.

ARTICLE VI - COMPANY ADDRESS; REGISTERED OFFICE ADDRESS; REGISTERED AGENT

The mailing address and street address of the principal office of this limited liability company is 819 Pinedale Road, Ft. Walton Beach, FL 32547 which shall also be the street address of the initial registered office of the Company. The name of its initial registered agent at such address is Lowell C. Larson, Jr..

ARTICLE VII - CAPITAL CONTRIBUTIONS

The sole Member has agreed to contribute cash in the amount of \$200 and may contribute additional property or cash from time-to-time.

ARTICLE VIII - RESTRICTIONS ON MEMBERSHIP

Manager shall not have the right to admit new members except as set forth in the Operating Agreement. Contributions required of new members shall be determined by the Manager as of the time of admission to the limited liability company.

A Member's interest in the Company may not be sold or otherwise transferred except with unanimous written consent of Manager and only after compliance with the terms of the Operating Agreement.

ARTICLE IX - MANAGEMENT

Management of this limited liability company shall be vested in the Member, Southern Ventures of Okaloosa County, Inc., who is designated as Manager, and whose address is 819 Pinedale Road, Ft. Walton Beach, FL 32547.

The Manager has the authority to exercise all powers typically exercised by the President of a business corporation including the specific power to appoint such other officers of this limited liability company as said Manager deems appropriate. The term of the Manager shall expire on December 31, 2016 and said initial Manager shall continue to serve until a successor shall have been elected by a vote of the Members in the manner as specified in the Operating Agreement.

ARTICLE X - MAINTENANCE OF SEPARATE BUSINESS

The Company shall at all times:

- A. establish and maintain an office through which its business shall be conducted separate and apart from that of any of its partners or affiliates and shall allocate fairly and reasonably any overhead for shared office expense;
- B. maintain the Company's books, financial statements, accounting records and other corporate document and records separate from those of any Affiliate;
- C. observe all limited liability company formalities;
- D. not commingle the Company's assets with those of any Affiliate;
- E. conduct business in its own name;
- F. maintain financial statements separate from any Affiliate;
- G. pay any liabilities out of its own funds, including salaries of any employees, and not out of the funds of any Affiliate;
- H. maintain arm's-length relationship with its Affiliates;
- I. not guarantee or become obligated for the debts of any other entity, including any Affiliate, or hold out its credit as being available to satisfy the obligations of others;
- J. use stationery, invoices and checks separate from any Affiliate;
- K. not pledge its assets for the benefit of any other entity, including any Affiliate;
- L. hold itself out as an entity separate from any Affiliate;

ARTICLE XI - LIMITED LIABILITY COMPANY REGULATIONS

The power to adopt, alter, amend or repeal the Operating Agreement governing this Company shall be vested in the Members, but shall be subject to the limitation on the power to alter, amend or repeal the Operating Agreement as set forth in Article III hereof. Notwithstanding anything to the contrary contained in these Articles of Organization, until the time when all obligations of CGAI under the Loan Documents have been indefeasibly and fully satisfied, the Company shall not amend, alter, change or repeal any Article of these Articles of Organization without the prior written approval of the Lender.

ARTICLE XII - SUBORDINATION

Any obligation which the Company may owe to its Members or to any of its Affiliates, whether characterized as a loan, salary, a fee or indemnification, shall be subject to and subordinate to the prior payment in full of the Loan, provided however, so long as no default or event of default exists under the Loan Documents, to the extent the Company has cash flow or other available liquid assets (exclusive of any of the reserve accounts to be maintained under the Loan Documents) in excess of the amount necessary to make current payments of principal and interest due under the Loan Documents, the Company may pay obligations hereunder, incurred in the ordinary course of its business, due to the Members and to Affiliates of the Company.

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing constitutes the Articles of Organization of Cayo Grande Apartments-I, LLC. These Articles of Organization were executed by the undersigned sole Member at Okaloosa County, Florida on September 25, 2006.

MEMBER:

SOUTHERN VENTURES OF
OKALOOSA COUNTY, INC.

By:


President: Lowell C. Larson, Jr.

STATE OF FLORIDA
COUNTY OF OKALOOSA

On this 25 day of September 2006, before me personally appeared Lowell C. Larson, Jr., President of Southern Ventures of Okaloosa County, Inc., which is a Member of a Florida limited liability company known as Cayo Grande Apartments-I, LLC, to me personally known to be the person who executed the foregoing, and acknowledged before me that he executed the same for the purposes expressed therein.

IN WITNESS WHEREOF, I have hereunto set my hand and seal in the County and State aforesaid.


Notary Public

My Commission Expires:

