

CAPITAL CONNECTION, INC.

417 E. Virginia St., Suite 1, Tallahassee, FL 32301, (904) 224-8870
 Mailing Address: Post Office Box 10349, Tallahassee, FL 32302
 TOLL FREE No. 1-800-342-8062
 FAX (904) 222-1222

NAME _____
 FIRM _____
 ADDRESS _____

PHONE () _____

Service: Top Priority _____ Regular _____
 One Day Service Two Day Service

To us via _____ Return via _____

Mailor No.: _____ Express Mail No. _____

State Fee \$ _____ Our \$ _____

95 MAR 23 1995

REQUEST TAKEN CONFIRMED APPROVED
 DATE _____
 TIME _____ CK No. _____
 BY SW _____

WALK-IN
 Will Pick Up 3:25 112

RE. Margaret Village Homes, Inc.

	C.C. FEE.	DISBURSED
Capital Expense™		
Art of Inc. File		
Corp. Record Search		
Ltd. Partnership File		
Foreign Corp. File		
() Cert. Copy(s)		
Art of Amend. File		
Dissolution/Withdrawal		
C U S-		
Fictitious Name File		
Name Reservation		
Annual Report/Reinstatement		
Reg. Agent Service		
Document Filing		
Corporate Kit		
Vehicle Search		
Driving Record		
Document Retrieval		
UCC 1 or 3 File		
UCC 11 Search		
UCC 11 Retrieval		
File No.'s _____ Copies		
Courier Service		
Shipping/Handling		
Phone ()		
Top Priority		
Express Mail Prep.		
FAX () pgs		

1101001440151
 -03/23/95-01023-020
 ****337.50 ****337.50

SUBTOTALS

FEE.....	\$
DISBURSED.....	\$
SURCHARGE.....	\$
TAX on corporate supplies.....	\$
SUBTOTAL.....	\$
PREPAID.....	\$
BALANCE DUE.....	\$

Please remit invoice number with payment
 TERMS: NET 10 DAYS FROM INVOICE DATE
 1 1/2% per month on Past Due Amounts
 Past 30 Days, 15% per Annum

THANK YOU
 from
 Your Capital Connection

**ARTICLES OF ORGANIZATION
OF
MAGNOLIA VILLAGE HOMES, L.C.**

THE UNDERSIGNED member of Magnolia Village Homes, L.C. hereby certifies that the persons named herein have associated themselves together for the purpose of becoming a limited liability company under the laws of the State of Florida, providing for the formation, rights, privileges and immunity of limited liability companies for profit. It is further declared that the following Articles shall be the 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 Magnolia Village Homes, L.C.

ARTICLE II - DURATION

The period of duration for this limited liability company shall be perpetual or until dissolved in a manner provided by law, or as provided in the regulations adopted by the members. In the event of the death, retirement, resignation, expulsion, bankruptcy, or dissolution of a member or the occurrence of any other event which terminates continued membership of a member in the company, the company shall be dissolved unless the remaining members, by a majority vote, elect to continue the business of the company.

**ARTICLE III - COMPANY ADDRESS;
REGISTERED OFFICE ADDRESS; REGISTERED AGENT**

The mailing address and the street address of the principal office of this limited liability company shall be Suite 212, 4400 Highway 20 East, Niceville, FL 32578. The street address of the initial registered office of the company is Suite 212, 4400 Highway 20 East, Niceville, FL 32578 and the name of its initial registered agent at such address is Carol Lumsden.

ARTICLE IV - RESTRICTIONS ON MEMBERSHIP

Members shall have the right to admit new members only by unanimous consent. Contributions required of new members shall be determined as of the time of admission to the limited liability company.

A member's interest in the limited liability company may not be sold or otherwise transferred except with unanimous written consent of all of the other members.

ARTICLE V - MANAGEMENT

Management of this limited liability company is reserved to its members whose names and addresses are as follows: Ernst C. Krienke, 205 Windsong Ct., Niceville, FL. 32578, Rolf Klam, 154 Baywind Drive, Niceville, FL. 32578 and Peter Bickhardt, 4305D Sunset Beach Blvd., Niceville, FL. 32578

Rolf Klam, 154 Baywind Dr., Niceville, FL. 32578 and Ernst C. Krienke, 205 Windsong Ct., Niceville, FL. 32578 have each been designated as a Managing Member and as such each of them have been given 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 Managing Member deems appropriate. The term of each initial Managing Member shall expire on April 30, 1996 with each initial Managing Member to continue to serve until his successor shall have been elected by a majority vote of the members.

ARTICLE VI - PURPOSE

The purpose of this limited liability company is to acquire, own and sell real estate, to construct and sell improvements thereon and to engage in any activities or business permitted under the laws of the United States and the State of Florida.

IN WITNESS WHEREOF, the undersigned, being a member of the limited liability company, hereby certifies that the foregoing constitutes the proposed Articles of Organization of Magnolia Village Homes, L.C. These Articles of Organization were executed by the undersigned at Niceville, Florida on March 21, 1995.



Rolf Klam

AFFIDAVIT

The undersigned, after taking an oath and having been duly sworn, gives the following Affidavit in connection with filing of the Articles of Organization of Magnolia Village Homes, L.C. a Florida Limited Liability Company

1. The undersigned is a member of said company
2. Magnolia Village Homes, L.C. has at least two members.
3. The members have agreed to contribute cash to the company in the total amount of \$600,000 as follows: Ernst C. Krienke, Rolf Klam and Peter Bickhardt have each agreed to contribute cash in the amount of \$200,000. No additional amounts are required to be contributed by the members.

IN WITNESS WHEREOF, the undersigned has executed this Affidavit this 21 day of March, 1995.

Witnesses:

Gail E. Cartenuto
Linda G. Davis

Rolf Klam
Rolf Klam

STATE OF FLORIDA

COUNTY OF OKALOOSA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, personally appeared Rolf Klam to me well known to be the person described in and who executed the foregoing Affidavit and acknowledged before me that he executed the same. He is personally known to me and did take an oath.

WITNESS my hand and official seal in the County and State last aforesaid this 21 day of March, 1995.

Gail E. Cartenuto
Notary Public-GAIL E. CARTENUTO

My Commission Expires:

March 17, 1997

(SEAL)

OFFICIAL NOTARY SEAL
GAIL E. CARTENUTO
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC267851
MY COMMISSION EXP. MAR. 17, 1997

DESIGNATION OF REGISTERED AGENT

Pursuant to Section 608.407(d), Florida Statutes, the following is submitted

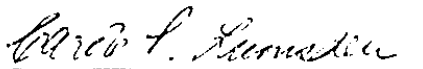
Magnolia Village Homes, L.C., a limited liability company duly organized and existing under the laws of the State of Florida with its principal office as indicated in the Articles of Organization in Niceville, Florida, has named:

Carol Lumsden
4400 Highway 20 East, Suite 212
Niceville, FL 32578

as its registered agent to accept service of process in the State.

ACCEPTANCE

Having been named as registered agent for the above stated corporation for the purpose of accepting service of process for the above stated corporation at the place designated in this certificate, I hereby accept such appointment, and I hereby state that I am familiar with and accept the obligations of being registered agent.




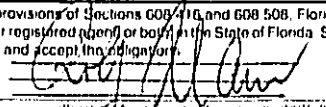
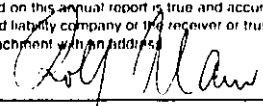
Carol Lumsden
Registered Agent

FILE NOW: Fee after May 1, will be \$263.75

**APPROVED
AND
FILED**

1996 APR -5 AM 9:00

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

LIMITED LIABILITY COMPANY ANNUAL REPORT 1996		 FLORIDA DEPARTMENT OF STATE Sandra B. Morham Secretary of State DIVISION OF CORPORATIONS	
FILING FEE \$ 238.75		Annual Report \$100.00 + \$138.75 Corporation Supplemental Fee Make Check Payable To: FLORIDA DEPARTMENT OF STATE	
1. Name and Mailing Address of Limited Liability Company DOCUMENT #L95000000232 MAGNOLIA VILLAGE HOMES, L.C. 4400 HIGHWAY 20 EAST SUITE 212 NICEVILLE FL 32578		1a. Principal Place of Business Address 4400-HIGHWAY-20-EAST-SUITE-21 NICEVILLE FL 32578	
<small>If above mailing address is correct in any way, line through incorrect information and enter correction in Block 2a</small>			
2. Principal Place of Business 4502 Highway 20 East Suite, Apt. #, etc. Suite B City & State Niceville, FL Zip 32578		2a. Mailing Address P.O. Box 5277 Suite, Apt. #, etc. City & State Niceville, FL Zip 32578	
Country USA		Country USA	
3. Date Organized or Qualified 03/23/1995		3a. State of Formation FL	
4. FEI Number 59-3298425		<input type="checkbox"/> Applied For <input type="checkbox"/> Not Applicable	
5. Date of Last Report		6. Certificate of Status Desired <input type="checkbox"/> \$0 Fee Additional Fee Required	
7. Name and Address of Current Registered Agent LUMSDEN, CAROL 4400-HIGHWAY-20-EAST-SUITE-212 NICEVILLE FL 32578		8. Name and Address of New Registered Agent Name Street Address (P.O. Box Number is Not Acceptable) 4502 Highway 20 East, Suite B Suite, Apt. #, etc. Suite B City Niceville, FL Zip Code 32578	
9. Pursuant to the provisions of Sections 608.16 and 608.508, Florida Statutes, the above-named limited liability company submits this statement for the purpose of changing its registered office or registered agent or both in the State of Florida. Such change was authorized by affirmative vote of a majority of the members. I hereby accept the appointment as registered agent, and accept the responsibility. SIGNATURE:  DATE:			
<small>(The person(s) Agent, Accepting Appointment, (State) they intend to appoint as an agent, when required)</small>			
10. Title	Managing Members/Managers	Business Street Address	City, State and Zip Code
MGRM	KRIENKE, ERNST C	205 WINDSONG CT	NICEVILLE FL
MGRM	KLAM, ROLF	154 BAYWIND DRIVE	NICEVILLE FL
MGRM	C. BIRKHARDT, PETER	4305D SUNSET BEACH BLVD.	NICEVILLE FL
			7000001776387 -04/11/96-01000-028 ***238.75 ***238.75
11. I do hereby certify that the information supplied with this filing is voluntarily furnished and does not qualify for the exemption stated in Section 119.07(3)(k), Florida Statutes. I further certify that the information indicated on this annual report is true and accurate and that my signature shall have the same legal effect as if made under oath, that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 608, Florida Statutes, and that my name appears in Block 10, or on an attachment with an address. SIGNATURE:  NICEVILLE 4/2/1996 (141)977-123			