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REFERENCE : 793806 00913A

AUTHORIZATION :

Patricia Pajub

COST LIMIT : \$ 285.00

ORDER DATE : January 5, 1996

ORDER TIME : 10:46 AM

ORDER NO. : 793806

CUSTOMER NO: 00913A

CUSTOMER: Denise L. Hutson, Esq
SALTER FEIDER YENSER & MURPHY

100001680521

703 Northeast 1st Street

Gainesville, FL 32601

DOMESTIC FILING

NAME: MAHONE DEVELOPMENT V, L.C.

File
1st

ARTICLES OF INCORPORATION
CERTIFICATE OF LIMITED PARTNERSHIP

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

CERTIFIED COPY
XXX PLAIN STAMPED COPY
CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Karen E. Rozar

EXAMINER'S INITIALS:

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

T. BROWN JAN - 5 1996

Articles of Organization
of
Mahone Development V, L.C.

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TALLAHASSEE, FLORIDA

ARTICLE I

Name and Duration

The name of this Limited Liability Company is Mahone Development V, L.C. (hereinafter referred to as the "Company"). The duration of the Company shall be fifty (50) years commencing as of the date these Articles are filed by the Secretary of State.

ARTICLE II

Principal Office

The address of the principal office of the Company is 210 First Street, S.W., Suite 240, Roanoke, VA 24011, and P. O. Box 8187, Roanoke, VA 24014, or such other place as the Members may determine from time to time.

ARTICLE III

Registered Office and Agent

The address of the registered office of the Company in the State of Florida is Salter, Feiber, Yenser & Murphy, P.A., 703 Northeast 1st Street, Gainesville, Florida 32601. The name of the registered agent at such address is Denise Lowry Hutson.

ARTICLE IV

Company Purposes, Powers and Rights

1. The nature of the business to be conducted or promoted and the purposes of the Company are to engage in any lawful act or activity for which limited liability companies may be organized under the Florida Limited Liability Company Act.

2. In furtherance of its corporate purposes, the Company shall have all of the general and specific powers and rights granted to and conferred on a corporation by the Florida Limited Liability Company Act.

ARTICLE V

Members

The initial members of the Company (the "Members") are:

- (1) The Bradley Company
210 First Street S.W.
Suite 240
Roanoke, Virginia 24011
and
P. O. Box 8187
Roanoke, Virginia 24014
- (2) Paco-Jon Development Corporation
5122 Rosecrest Drive
Pittsburgh, PA 15201

Additional members may be admitted from time to time only upon the written consent of a majority in interest of the Members, and under the terms and conditions upon which such consent may be conditioned.

ARTICLE VI

Management

1. The management of the Company is reserved to the Members. Members shall elect, by a majority in interest of the Members, a managing member of the Company to conduct the business affairs of the Company (the "Managing Member"), in accordance with the Regulations.

2. The following Member is designated to serve as the initial Managing Member of the Company until the first annual meeting of the Members:

<u>Name and address</u>	<u>Title</u>
The Bradley Company 210 First Street, S.W. Suite 240 Roanoke, Virginia 24011 and P. O. Box 8187 Roanoke, Virginia 24014	President/Secretary/ Treasurer

ARTICLE VII

Amendment

The Members shall have the right to amend, alter, change or repeal any provision contained in these Articles of Organization, in the manner now or hereafter prescribed by statute, and all rights conferred upon Members herein are granted subject to this reservation.

ARTICLE VIII

Regulations

The power to adopt, alter, amend or repeal Regulations for the management of this Company shall be vested in the Board of Governors or the Members.

ARTICLE IX

Transferability of Members' Interest

A Member's interest in the Company may be transferred only with the unanimous written consent of all the remaining Members if the transferee intends to become a Member. Without such consent, the transferee shall not be entitled to become a Member or to participate in the management of the Company, but shall be entitled only to the share of profits, other compensation or return of contributions to which the transferor otherwise would be entitled.

ARTICLE X

Withdrawal, Retirement, Dissolution Death, Bankruptcy or Expulsion

In the event of withdrawal, retirement, dissolution, death, bankruptcy or expulsion of a Member, or the occurrence of any other event that terminates the continued membership of a Member, the Company shall terminate and be dissolved unless the remaining Members shall unanimously elect to remain in existence and continue in business.

The undersigned, for the purpose of forming a Limited Liability Company under the laws of the State of Florida, do execute, file and record these Articles of Organization, and do certify that the facts herein stated are true.

DATED as of the 1ST day of December, 1995.

"Member"

THE BRADLEY COMPANY

Anna R. Martin
Witness

K. M. Mc
Witness

By:

Robert N. Bradley
As its: President

STATE OF VIRGINIA)
CITY) SS.
COUNTY OF ROANOKE)

The foregoing instrument was acknowledged before me this 1ST day of December, 1995, by Robert N. Bradley, President of The Bradley Company, a Virginia corporation, He is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

Cynthia E. Dix
(Notary Signature)

CYNTHIA E. DIX
(Notary Name Printed)

NOTARY PUBLIC

Commission No. _____

MY COMMISSION EXPIRES 7-31-98

B:\MAH-V\AOI-LLC.MDS
11/28/95

AFFIDAVIT OF MEMBERSHIP AND CONTRIBUTIONS

STATE OF VIRGINIA)
) SS.
CITY OF ROANOKE)

BEFORE ME, the undersigned personally appeared Robert N. Bradley, as President of The Bradley Company, a Virginia corporation, on behalf of Mahone Development V, L.C., a Florida limited liability company (hereinafter referred to as the "Company"), who upon being duly sworn, certified as follows:

1. The amount of capital contributions to the Company made by each member is as follows:

The Bradley Company \$100.00

Paco-Jon Development Corporation \$100.00

2. The amount of additional capital contributions anticipated to be contributed by each limited partner are as follows:

None.

FURTHER AFFIANT SAYETH NOT.

Under penalties of perjury, we declare that we have read the foregoing and that the facts alleged are true, to the best of our knowledge and belief.

Dated: December 1, 1995.

The Bradley Company, a Virginia corporation

Alma R. Martin
Print Name: ALMA R. MARTIN

By: Robert N. Bradley
Robert N. Bradley

K. M. Meredith
Print Name: KEVIN M. MEREDITH

As its: President

The foregoing instrument was acknowledged before me this
1ST day of December, 1995, by Robert N. Bradley, as President of
The Bradley Company, a Virginia corporation, on behalf of the
corporation. He is personally known to me or has produced _____
_____ as identification.

(NOTARY SEAL)

Cynthia E. Dix
(Notary Signature)

CYNTHIA E. DIX
(Notary Name Printed)

NOTARY PUBLIC

Commission No. _____

MY COMMISSION EXPIRES 7-31-98

REGISTERED AGENT CERTIFICATE

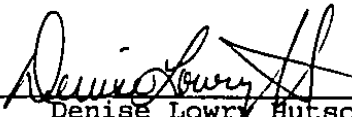
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

In pursuance of the Florida Limited Liability Company Act, the following is submitted, in compliance with the statute:

That MAHONE DEVELOPMENT V, L.C., desiring to organize under the laws of the State of Florida, with its registered office, as indicated in the Articles of Organization, at the City of Gainesville, County of Alachua, State of Florida, has named Denise Lowry Hutson, located at the registered office, as its registered agent to accept service of process and perform such other duties as are required in the State.

ACKNOWLEDGMENT:

Having been named to accept service of process and serve as registered agent for the above-stated Company, at the place designated in this Certificate, the undersigned hereby accepts to act in this capacity, and agrees to comply with the provision of the statute relative in keeping open the office, and further state that I am familiar with §608.415, Florida Statutes.


Denise Lowry Hutson

DATED: December 1st, 1995

REGULATIONS

OF

**MAHONE DEVELOPMENT V, L.C.,
a Florida limited liability company**

by and between

**THE BRADLEY COMPANY,
a Virginia corporation**

and

**PACO-JON DEVELOPMENT CORPORATION,
a Pennsylvania corporation**

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REGULATIONS
OF
MAHONE DEVELOPMENT V, L.C.

THESE REGULATIONS (this "Agreement") of MAHONE DEVELOPMENT V, L.C. (the "Company"), a limited liability company organized pursuant to the Florida Limited Liability Company Act, is executed effective as of the 1st day of December, 1995, by and between THE BRADLEY COMPANY, a Virginia corporation ("Bradley"), and PACO-JON DEVELOPMENT CORPORATION, a Pennsylvania corporation ("Paco-Jon").

ARTICLE I
DEFINITIONS

1.1 Definitions. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Act" means the Florida Limited Liability Company Act, as the same may be amended from time to time.

(b) "Adjusted Capital Account" means, with respect to a Member, the balance in such Member's Capital Account at the end of the relevant fiscal year, as determined in accordance with Treasury Regulation Section 1.704-b(b)(2)(iv).

(c) "Articles of Organization" means the Articles of Organization of the Company filed with the Florida Secretary of State, as amended or restated from time to time.

(d) "Capital Account" means for each Member the account established pursuant to Section 7.2 hereof and maintained in accordance with the provisions of this Agreement.

(e) "Capital Contribution" means any contribution to the capital of the Company in cash or property by a Member whenever made.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(g) "Fiscal Year" means the calendar year.

(h) "Income" means, for each Fiscal Year or other period, all items of income and gain as determined, recognized and classified for federal income tax purposes, provided that any income or gain that is exempt from federal income tax shall be included as if it were an item of taxable income.

(i) "Initial Capital Contribution" means the initial contribution to the capital of the Company made by a Member pursuant to Section 7.1(a) of this Agreement.

(j) "Loss" means, for each Fiscal Year or other period, all items of loss or deduction as determined, recognized and classified for federal income tax purposes, increased by (i) expenditures described in Section 705(a)(2)(B) of the Code, (ii) expenditures contemplated by Section 709 of the Code (except for amounts with respect to which an election is properly made under Section 709(b) of the Code), and (iii) expenditures resulting in a deduction for a loss incurred in connection with the sale or exchange of Company property that is disallowed to the Company under Section 267(a)(1) or Section 707(b) of the Code.

(k) "Majority in Interest" means a combination of Members who, in the aggregate, own more than fifty percent (50%) of the Membership Interests in the Company.

(l) "Managing Member" means and refers to The Bradley Company or any other Person (as hereinafter defined) that succeeds such Managing Member in his capacity as manager or any other Person who is elected to act as manager of the Company as provided herein.

(m) "Member" means a person who has an equity interest in the Company and is designated as a member of the Company on Exhibit "A" hereto, or any additional member admitted as a member of the Company in accordance with Article X. "Members" refers to such Persons as a group.

(n) "Membership Interest" means all of a Member's rights in the Company, including without limitation, the Member's share of the profits and losses of the Company, the right to receive distributions of the Company's assets, any right to vote and any right to participate in the management of the Company as provided in the Act and this Agreement. As to any Member,

Membership Interest shall mean the percentage set forth opposite such Member's name on Exhibit "A" hereto.

(o) "Net Income" means, for each Fiscal Year or other relevant period, the excess of the Income for such period over the Loss for such period.

(p) "Net Loss" means, for each Fiscal Year or other relevant period, the excess of the Loss for such period over the Income for such period.

(q) "Person" means an individual, a trust, an estate, a domestic corporation, a foreign corporation, a professional corporation, a partnership, a limited partnership, a limited liability company, a foreign limited liability company, an unincorporated association or any other entity.

(r) "Secretary of State" means the Secretary of State of Florida.

(s) "Treasury Regulations" means the Income Tax Regulations and Temporary Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of such succeeding regulations).

ARTICLE II

FORMATION OF THE COMPANY

2.1 Formation. The Company was formed as of _____, 1995, pursuant to the filing with the Secretary of State of the Articles of Organization of the Company. In consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the rights and obligations of the parties and the administration and termination of the Company shall be governed by this Agreement, the Articles of Organization and the Act.

2.2 Name. The business and affairs of the Company shall be conducted under the name MAHONE DEVELOPMENT V, L.C. The name of the Company may be changed from time to time by agreement of a Majority in Interest of the Members and by amendment of the Articles of Organization. The Company may transact business under

an assumed name by filing an assumed name certificate in the manner prescribed by applicable law.

2.3 Registered Office and Registered Agent. The Company's registered office shall be 2300 Sun Bank Center, 200 South Orange Avenue, Orlando, Florida 32802, and the name of its initial registered agent at such address shall be A.G.C. Co.

2.4 Principal Place of Business. The principal place of business of the Company within the State of Florida shall be 210 First Street, S.W., Suite 240, Roanoke, VA 24011 and P.O. Box 8187, Roanoke, VA 24014. The Company may locate its place(s) of business and registered office at any other place or places as the Managing Member may from time to time deem necessary or advisable.

2.5 Term. The Company shall continue in existence until the close of the Company's business on December 31, 2045, as specified in the Company's Articles of Organization, unless the Company is earlier dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Act.

2.6 Purposes and Powers.

(a) The Company has been formed initially to design, build and sell student oriented housing projects that are selected by the Managing Member for development by the Company (each unit of which is hereinafter referred to as a "Housing Unit").

(b) As agreed upon from time to time by all Members, the Company may engage in any additional lawful business for which limited liability companies may be organized under the Act.

(c) The Company shall have any and all powers which are necessary or desirable to carry out the purposes and business of the Company, to the extent the same may be legally exercised by limited liability companies under the Act. The Company shall carry out the foregoing activities pursuant to this provisions set forth in the Articles of Organization and this Agreement.

2.7 Nature of Members' Interests. The interests of the Members in the Company shall be personal property for all purposes. Legal title to all Company assets shall be held in the name of the Company. No Member, nor any successor, representative or assign of such Member, shall have any right, title or interest in or to any

Company property or the right to partition any real property owned by the Company. Interests may be evidenced by a certificate of Membership Interest issued by the Company, in such form as the Managing Member may determine, upon request by any Member.

ARTICLE III

RIGHTS AND DUTIES OF THE MANAGING MEMBER

3.1 Management. The business and affairs of the Company shall be managed by the Managing Member. In addition to the powers and authorities expressly conferred by this Agreement upon the Managing Member, the Managing Member shall have full and complete authority, power and discretion to manage and control the business of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary to or incident to the management of the Company's business, except only as to those acts and things as to which approval by the Members is expressly required by the Articles of Organization, this Agreement, the Act or other applicable law.

Except as otherwise expressly provided herein, all actions of the Company shall be authorized by the Managing Member; provided that the Managing Member shall have no authority without the consent in writing of Members to authorize the incurring of any debt, obligation or expense (except in the ordinary course of the Company's business; provided, however, that no such debt, obligation or expense shall be incurred in excess of \$20,000,000.00).

Paco-Jon shall use its best efforts and assist the Managing Member to secure commitments to insure mortgages for purchases of Housing Unit(s) from governmental agencies (FHA and VA).

If, at any time, the Managing Member ceases to be the Managing Member of the Company the affairs of the Company shall be wound up and the Company shall be dissolved.

No Member or Managing Member will take any action, incur any obligation, or make any decision on behalf of the Company, except as provided herein. In addition to the indemnification provided under Article VI hereof, each Member and Managing Member shall be indemnified and held harmless against and from all claims, demands, actions, or rights of action which shall or may arise by virtue of anything done or omitted to be done by a Member

or Managing Member (directly or through or by agents, employees, or other representatives) outside the scope of, or in breach of the terms of, this Agreement, provided such Member or Managing Member shall be promptly notified of the assertion of the claim, demand, action or right of action, and shall be given reasonable opportunity to participate in the defense thereof.

3.2 Reimbursement of Expenses. The Managing Member and Members shall be reimbursed by the Company for any expenses incurred by them to the extent that they incurred such expenses directly and solely on behalf of the Company with the prior authorization of the Managing Member and as authorized by this Agreement.

3.3 Holding of Property; Execution of Instruments; Reliance by Third Parties.

(a) Property owned by the Company shall be held in the name of the Company, in the name of The Bradley Company for the Company or in other nominee name; provided that, Company property may only be held in nominee name other than The Bradley Company upon the written opinion of counsel for the Company satisfactory to all of the Members that the Company, and not the nominee, will be considered the owner of the property for tax purposes.

(b) Any form of execution on behalf of the Company including, without limitation, any note, mortgage, evidence of indebtedness, contract, deed, condominium document or other instrument or writing (including those necessary in order to sell and convey condominium units), or any assignment or endorsement thereof executed or entered into between the Company and any person, corporation or other entity shall be executed on behalf of the Company by the Managing Member. Any person, corporation, trust, partnership or other entity transacting business with the Company shall be entitled to rely on documents, instructions or assignments executed or purporting to be executed on behalf of the Company in accordance with this subsection (b) without inquiry as to the authority of the Managing Member to act on behalf of the Company and any such person, corporation, trust, partnership or other entity shall be entitled to assume that (i) the Company continues in existence under the laws of the State of Florida and (ii) this Agreement continues in full force and effect without amendment; provided that such person, corporation, trust, partnership or other entity has received no actual knowledge to the contrary.

3.4 Limitations on Authority of the Managing Member. The Managing Member, acting alone shall not have the authority, without the consent in writing of all Members, to:

- (a) do any act in contravention of this Agreement;
- (b) confess a judgment against the Company;
- (c) possess property of the Company or assign rights in specific property of the Company for other than a Company purpose;
- (d) admit any person as a Member of the Company; or
- (e) continue the business of the Company after its dissolution, except as permitted by this Agreement.

ARTICLE IV

MEMBERS

4.1 Names and Addresses of Members. The names, addresses and Membership Interests of the Members are as reflected in Exhibit "A" attached hereto and made a part hereof, which Exhibit shall be amended by the Company as of the effective date of any transfer or subsequent issuance of any Membership Interest.

4.2 Admission of Members. In the case of a Person acquiring a Membership Interest directly from the Company, the Person shall become a Member with respect to such Membership Interest upon making the Capital Contributions specified in Section 7.1.

ARTICLE V

MEETINGS OF MEMBERS

5.1 Annual Meetings of Members. An annual meeting of the Members will be held at such time and date at the principal office of the Company or at such other place within or without the State of Florida as shall be designated by the Managing Member from time to time and stated in the notice of the meeting. The purposes of the annual meeting need not be enumerated in the notice of such meeting.

5.2 Special Meetings of Members. Special meetings of the Members may be called by any Member. Business transacted at all special meetings shall be confined to the purpose or purposes stated in the notice.

5.3 Notice of Meetings of Members. Written notice stating the place, day and hour of the meeting and, additionally in the case of special meetings, stating the principal place of business of the Company as the location, unless otherwise designated by the Managing Member, and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each Member of record entitled to vote at such meeting.

5.4 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which such distribution is declared, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

5.5 Quorum. Representation of a Majority-in-Interest of the Membership Interests, but in no event fewer than two (2) Members, shall constitute a quorum at all meetings of the Members, except as otherwise provided by law or this Agreement. Once a quorum is present at the meeting of the Members, the subsequent withdrawal from the meeting of any Member prior to adjournment or the refusal of any Member to vote shall not affect the presence of a quorum at the meeting. If, however, such quorum shall not be present at the opening of any meeting of the Members, the Members entitled to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the holders of the requisite amount of Membership Interests shall be present or represented.

5.6 Actions by Members Other Than for Election of Managing Members. Except for a matter for which the affirmative vote of the holders of a greater portion of the Membership Interests entitled to vote is required by law, the Articles of Organization or this Agreement, the act of Members shall be the affirmative vote of a Majority-in-Interest of the Membership Interests represented and voting at the meeting. All actions of

the Members provided for herein may be taken by written consent without a meeting. Any such action which may be taken by the Members without a meeting shall be effective only if the consents are in writing, set forth the action so taken, and are signed by all Members eligible to vote on such action. Members may participate in any meeting of the Members by means of a telephone conference or similar communications equipment, provided all persons participating in the meeting can hear one another, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE VI

LIMITATION OF LIABILITY AND INDEMNIFICATION OF MANAGING MEMBERS AND MEMBERS

6.1 Limitation of Liability. No Managing Member or Member of the Company shall be liable to the Company or its Members for monetary damages for an act or omission in such person's capacity as a Managing Member or a Member, except as provided in the Act for (i) acts or omissions which a Managing Member or Member knew at the time of the acts or omissions were clearly in conflict with the interests of the Company, (ii) any transaction from which a Managing Member or Member derived an improper personal benefit, or (iii) acts or omissions occurring prior to the date this provision becomes effective. If the Act is amended to authorize action further eliminating or limiting the liability of Managing Members and Members, then the liability of a Managing Member or Member of the Company shall be eliminated or limited to the fullest extent permitted by the Act as so amended. Any repeal or modification of this Section shall not adversely affect the right or protection of a Managing Member or Member existing at the time of such repeal or modification.

6.2 Indemnification. The Company shall indemnify the Managing Members and Members to the fullest extent permitted or required by the Act, as amended from time to time, and the Company may advance expenses incurred by the Managing Member or Member upon the approval of the Managing Members and the receipt by the Company of an undertaking by such Managing Member or Member to reimburse the Company unless it shall ultimately be determined that such Managing Member or Member is entitled to be indemnified by the Company against such expenses. The Company may also indemnify its employees and other representatives or agents up to the fullest extent permitted under the Act or other applicable law, provided

that the indemnification in each such situation is first approved by all Members.

6.3 Other Rights. The indemnification provided by this Agreement shall: (i) be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, agreement, vote of Members or disinterested Managing Members, or otherwise, both as to action in official capacities and as to action in another capacity while holding such office; (ii) continue as to a person who ceases to be a Managing Member or Member; (iii) inure to the benefit of the estate, heirs, executors, administrators or other successors of an indemnitee; and (iv) not be deemed to create any rights for the benefit of any other person or entity.

6.4 Report to Members. The details concerning any action to limit the liability, to indemnify or to advance expenses to a Managing Member, Member or other person, taken by the Company shall be reported in writing to the Members with or before the notice or waiver of notice of the next Members, meeting or with or before the next submission to Members of a consent to action without a meeting or, if sooner, separately within ninety (90) days immediately following the date of the action.

ARTICLE VII

CONTRIBUTIONS TO CAPITAL AND CAPITAL ACCOUNTS; LOANS

7.1 Capital Contribution; Loans.

(a) Upon execution of this Agreement, each Member agrees to contribute cash to the Company in the amount set forth as the Initial Capital Contribution of such Member on Exhibit "A", attached hereto.

(b) If the Managing Member determines that the Initial Capital Contributions and the loans to be made to the Company by Members and by third parties are insufficient to carry out the purposes of the Company, Bradley may make such additional contributions (each an "Additional Capital Contribution").

(c) No Member shall be paid interest on any Capital Contribution to the Company.

7.2 Capital Accounts.

(a) The Company shall maintain a separate capital account (each a "Capital Account") for each Member pursuant to the provisions of this Section 7.2 and Treasury Regulation Section 1.704-1(b)(2)(iv). The Initial Capital Account of each Member shall be the Initial Capital Contribution of such Member. Such Capital Account shall be increased by (i) the amount of the subsequent Capital Contributions of such Member to the Company made pursuant to Section 7.1 and (ii) such Member's allocable share of Income and Net Income pursuant to Section 8.1. Such Capital Account shall be decreased by (i) the amount of cash distributed to the Member by the Company pursuant to Section 9.2 and (ii) such Member's allocable share of Loss and Net Loss pursuant to Section 8.1.

(b) The provisions of this Section 7.2 and other portions of this Agreement relating to the proper maintenance of Capital Accounts are designed to comply with the requirements of Treasury Regulation Section 1.704-1(b). The Members intend that such provisions be interpreted and applied in a manner consistent with such Treasury Regulations. The Managing Members are authorized to modify the manner in which the Capital Accounts are maintained if the Managing Members determine that such modification (i) is required or prudent in order to comply with the Treasury Regulations and (ii) is not likely to have a material effect on the amounts distributable to any Member upon the dissolution of the Company.

7.3 Withdrawal or Reduction of Members' Contributions to Capital.

(a) No Member shall have the right to withdraw all or any part of its Capital Contribution or to receive any return on any portion of its Capital Contribution, except as may be otherwise specifically provided in this Agreement.

(b) No Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Income, Net Losses or distributions; provided that this subsection shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

7.4 Liability of Members. No Member shall be liable for the debts, liabilities or obligations of the Company beyond its respective Initial Capital Contribution and any Additional Capital

Contribution required of such Member pursuant to Sections 7.1(a) and 7.1(b) above, except as specifically required by the terms hereof. Except as otherwise expressly provided herein, no Member shall be required to contribute to the capital of, to loan any funds to or cause funds to be loaned to, the Company.

ARTICLE VIII

ALLOCATIONS, DISTRIBUTIONS, ELECTIONS AND REPORTS

8.1 Allocations. Allocations of Net Income and Net Loss shall be made to the Members in accordance with Exhibit "B" attached hereto and as follows:

(a) Paco-Jon shall be allocated fifty percent (50%) of the Net Loss of the Company, and fifty percent (50%) of the Net Income of the Company; and

(b) All other Net Income and Net Loss shall be allocated to Bradley.

8.2 Distributions.

(a) The Managing Member shall within forty-five (45) days following the end of each fiscal year distribute the Positive Cash Flow of the Company to the Members.

(b) For purposes of Section 8.2 of this Agreement, "Positive Cash Flow" means the gross cash receipts generated from the operation of the Company business from all sources after (i) the payment or accrual for payment of all current expenses in connection therewith, (ii) the payment or accrual for payment of current debt service payments to third party lenders, (iii) making provision in the Managing Member's opinion for the reasonable future cash requirements of the Company, and (iv) repayment of any loans to the Company by any Member. Such distributions shall be distributed as follows:

(1) All cash available for such distribution shall first be distributed to Paco-Jon until its Capital Account is reduced to \$10.00; and

(2) All other cash available for distribution shall be distributed to Bradley.

8.3 Liquidating Distributions. Subject to the provisions of Section 10.4 of this Agreement, upon the liquidation of the Company the Managing Member shall distribute all Company property and the cash proceeds from the sale or liquidation of Company property to each Member in accordance with the positive balance in such Member's Capital Account and the excess, if any, shall be distributed to Bradley.

8.4 Limitation Upon Distributions. No distribution shall be declared and paid if payment of such distribution would cause the Company to violate any limitation on distributions provided in the Act.

8.5 Records and Reports. At the expense of the Company, the Managing Member shall maintain records and accounts of all operations and expenditures of the Company. The Company shall keep all records required by the Act to be maintained at its principal place of business.

8.6 Books of Account.

(a) The Managing Member shall maintain the Company's books and records and shall determine all items of Income, Loss, Net Income and Net Loss in accordance with the method of accounting selected by the Members, consistently applied. All of the records and books of account of the Company, in whatever form maintained, shall at all times be maintained at the principal office of the Company and shall be open to the inspection and examination of the Members or their representatives during reasonable business hours. Such right may be exercised through any agent or employee of a Member designated by it or by an attorney or certified public accountant designated by such Member. Such Member shall bear all expenses incurred in any examination made on behalf of such Member.

(b) All expenses in connection with the keeping of the books and records of the Company and the preparation of financial statements required to implement the provisions of this Agreement or otherwise needed for the conduct of the Company's business shall be borne by the Company as an ordinary expense of its business.

8.7 Company Tax Return and Annual Statement. The Managing Member shall serve as the tax matters partner, and shall cause the Company to file a federal income tax return and all other tax returns required to be filed by the company for each Fiscal

Year or part thereof, and shall provide to each person who at any time during the Fiscal Year was a Member with an annual statement (including a copy of Schedule K-1 to Internal Revenue Service Form 1065) indicating such Member's share of the Company's income, loss, gain, expense and other items relevant for federal income tax purposes. Such annual statement may be audited or unaudited as required by the Members.

8.8 Bank Accounts. The bank account or accounts of the Company shall be maintained in the bank approved by the such accounts shall be determined by the Managing Member and withdrawals from such bank accounts shall only be made by such parties as may be approved by the Managing Member.

ARTICLE IX

TRANSFERABILITY OF INTEREST

9.1 General. No Member shall sell, assign, mortgage, pledge, or otherwise encumber or transfer all or any part of its interest in the Company, without the prior written unanimous consent of the other Members. Without such consent, the transferee shall not be entitled to become a Member or to participate in the management of the Company, but shall be entitled only to the share of profits, other compensation or return of contributions to which the transferor otherwise would be entitled.

9.2 Death, Disability, Bankruptcy or Incompetency. The Company shall be dissolved on the death, disability or adjudication of bankruptcy or incompetency of a Member unless the remaining Members shall unanimously elect to remain in existence and continue in business.

ARTICLE X

DISSOLUTION AND TERMINATION

10.1 Withdrawal. No Member shall at any time retire or withdraw from the Company or withdraw any amount out of its Capital Account. Any Member retiring or withdrawing in contravention of this Section 10.1 shall indemnify, defend and hold harmless the Company and all other Members (other than a Member who is, at the time of such withdrawal, in default under this Agreement) from and against any losses, expenses, judgments, fines, settlements or

damages suffered or incurred by the Company or any such other Member arising out of or resulting from such retirement or withdrawal.

10.2 Dissolution.

(a) The Company shall be dissolved upon the first of the following to occur:

(1) When the period fixed for the duration of the Company in the Articles of Organization shall expire;

(2) Upon the election to dissolve the Company by either of the Members;

(3) Upon the bankruptcy of any Member or the happening of any event of withdrawal (as defined in the Act) with respect to any Member, unless there are at least two remaining Members and the business of the Company is continued by the written consent of all of the remaining Members within ninety (90) days of the action by or affecting the withdrawing Member; or

(4) The entry of a decree of judicial dissolution or the issuance of a certificate for administrative dissolution under the Act.

(b) Upon dissolution of the Company, the business and affairs of the Company shall terminate and be wound up, and the assets of the Company shall be liquidated as provided under this Article X.

(c) Dissolution of the Company shall be effective as of the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until there has been a winding up of the Company's business and affairs and the assets of the Company have been distributed as provided in Section 10.4.

(d) Upon dissolution of the Company, the Managing Member may cause any part or all of the assets of the Company to be sold in such manner as the Managing Member shall determine in an effort to obtain the best prices for such assets; provided, however, that the Managing Member may distribute assets of the Company in kind to the Members to the extent practicable.

10.3 Articles of Dissolution. Upon the dissolution and commencement of the winding up of the Company, the Managing Member shall cause Articles of Dissolution to be executed on behalf of the Company and filed with the Secretary of State, and the Managing Member or authorized Member shall execute, acknowledge and file any and all other instruments necessary or appropriate to reflect the dissolution of the Company.

10.4 Distribution of Assets Upon Dissolution. In settling accounts after dissolution, the assets of the Company shall be paid in the following order:

(a) First, to creditors, in the order of priority as provided by law, except those to Members on account of their Capital Contributions;

(b) Second, an amount equal to the then remaining credit balances in the Capital Accounts of the Members shall be distributed to the Members in proportion to the amount of such balances; and

(c) Third, any remainder shall be distributed to Bradley.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 Competing Business. Except as otherwise expressly provided in this Agreement or the Act, neither the Managing Members nor the Members, nor any of their shareholders, directors, officers, employees, partners, agents, family members or affiliates, shall be prohibited or restricted in any way from investing in or conducting, either directly or indirectly, and may invest in and/or conduct, either directly or indirectly, businesses of any nature whatsoever, including the ownership and operation of businesses or properties similar to or in this same geographical area as those held by the company. Except as otherwise provided in this Agreement or the Act, any investment in or conduct of any such businesses by any such person or entity shall not give rise to any claim for an accounting by any Member or the Company or any right to claim any interest therein or the profits therefrom.

11.2 Notice.

(a) All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing.

(b) All notices, demands and requests to be sent to a Managing Member or Member pursuant to this Agreement shall be deemed to have been properly given or served if addressed to such person at the address as it appears on the Company records and (i) personally delivered, (ii) deposited for next day delivery by overnight courier service, (iii) deposited in the United States mail, prepaid and registered or certified with return receipt requested, or (iv) transmitted via telecopier or other similar device to the attention of such person with receipt acknowledged.

(c) All notices, demands and requests so given shall be deemed received: (i) when actually received, if personally delivered, deposited for next day delivery with an overnight courier or telecopied, or (ii) as indicated upon the return receipt if deposited in the United States mail.

(d) The Managing Members and Members shall have the right from time to time, and at any time during the term of this Agreement, to change their respective addresses by delivering to the other parties written notice of such change in the manner prescribed in Section 12.2(b).

(e) All distributions to any Member shall be made to the address at which notices are sent unless otherwise specified in writing by any such Member.

11.3 No Action. No Member shall have any right to maintain any action for partition with respect to any property of the Company.

11.4 Amendments. This Agreement or the Articles of Organization may only be amended or modified by a writing executed and delivered by such of the Members and delivered to the Managing Members.

11.5 Governing Law. It is Agreement is made in Florida, and the rights and obligations of the Members hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Florida.

11.6 Entire Agreement. This Agreement, including all schedules to this Agreement as amended from time to time in accordance with the terms of this Agreement, contains the entire agreement among the parties relative to the subject matters hereof.

11.7 Waiver. No consent or waiver, express or implied, by any Member to or for any breach or default by any other Member in the performance by such other Member of her, his or its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member of the same or any other obligations of such other Member under this Agreement. Failure on the part of any Member to complain of any act or failure to act of any of the other Members or to declare any of the other Members in default, regardless of how long such failure continues, shall not constitute a waiver by such Member of his or its rights hereunder.

11.8 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

11.9 Binding Agreement. Subject to the restrictions on transferability set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the undersigned Members and their respective legal representatives, successors and assigns.

11.10 Tense and Gender. Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine or neuter gender is used inappropriately in this Agreement, this Agreement shall be read as if the appropriate gender had been used.

11.11 Captions. Captions are included solely for convenience of reference and if there is any conflict between captions and the text of this Agreement, the text shall control.

11.12 Benefits of Agreement. Nothing in this Agreement expressed or implied, is intended or shall be construed to give to any creditor of the Company or any creditor of any Member or any other person or entity whatsoever, other than the Members and the Company, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provisions

herein contained, and such provisions are and shall be held to be for the sole and exclusive benefit of the Members and the Company.

11.13 Firm Name and Goodwill. For the purposes of determining any Member's rights under this Agreement no value shall be placed upon the firm name of the Company, upon the right to its use or upon any goodwill attached thereto.

IN WITNESS WHEREOF, the undersigned, being the initial Managing Member and all of the Members of the Company, have caused this Agreement to be duly adopted by the Company as of the 15th day of December, 1995, and do hereby assume and agree to be bound by and to perform all of the terms and provisions set forth in this Agreement.

"Bradley"

THE BRADLEY COMPANY, a Virginia corporation

Alma R. Martin
Print Name: Alma R. Martin

By:

Robert N. Bradley

As its: President

Kevin M. McAdams
Print Name: Kevin M. McAdams

"Paco-Jon"

PACO-JON DEVELOPMENT CORPORA-
TION, a Pennsylvania corpora-
tion

Mary Jane Clester
Print Name: MARY JANE CLESTER

Barbara Steele
Print Name: BARBARA STEELE

By: Glenn R. Mahone
Glenn R. Mahone

As its: President

MP-2731FSI/24190/94007/REGULATN.002
02/23/95.11t

EXHIBIT "A"

<u>Names and Address of Members</u>	<u>Initial Contribution Contribution</u>	<u>Membership Interest</u>
The Bradley Company 305 McClanahan Street Roanoke, VA 24014-0187		
Paco-Jon Development Corporation 5112 Rosecrest Drive Pittsburgh, PA 15201		
TOTALS	\$ <u> </u>	<u>100%</u>

EXHIBIT "B"

Division of Income and Loss and Tax Allocations. The Net Income and Net Loss of the Company shall be determined each year in accordance with the accounting methods utilized by the Company for federal income tax purposes.

A. Net Loss. Net Loss shall be allocated as follows:

(i) First, to each of the Members in accordance with his or her respective percentage Membership Interest but only to the extent of such Member's positive Capital Account;

(ii) The remainder, if any, to each of the Members in accordance with and to the extent of debt allocated to each of them in accordance with Section 752 of the Code.

B. Net Income. Net Income shall be allocated as follows:

(i) First, proportionately to the Members to the extent that cumulative Net Losses allocated pursuant to subparagraph A.(ii) above exceed prior cumulative allocations of Net Income to the Members pursuant to this subparagraph B.(i).

(ii) Next, to each of the Members to the extent of and in the same ratio as cumulative Net Losses allocated to each Member pursuant to subparagraph A.(i) above exceed previous cumulative allocations of Net Income to each such Member pursuant to this subparagraph B.(ii).

(iii) Next, the remainder, if any, to the Members in accordance with their respective percentage Membership Interests.

C. Gain on Sale of Company Property.

(i) Subject to the following provisions of this subparagraph C., any gain on the sale of Company property shall be allocated to the Members in the same method as the Net Income of the Company is allocated.

(ii) In accordance with Section 704(c) of the Code and the Treasury 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.

In the event the Gross Asset Value of any Partnership property is adjusted pursuant to the provisions of subparagraph C.(iii)(b) below, 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 provided under Section 704(c) of the Code and the Treasury Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Managing Members in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this subparagraph C. 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 the Income and Loss of the Company or other items or distributions pursuant to any provision of this Agreement.

(iii) "Gross Asset Value" means, with respect to any asset of the Company, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) 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 Company at the time the contribution is made.

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Members, as of the following times: (i) the acquisition of an additional interest in the Company (other than pursuant to the initial sale of the interest) by any new or existing Member in exchange for more than a de minimis capital contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property other than money, unless all Members receive simultaneous distributions of undivided interests in the distributed property in proportion to their interests in the distributed property in proportion to their interests in the Company; and (iii) the termination of the Company for federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code; and

(c) If the Gross Asset Value of an asset has been determined or adjusted pursuant to the provisions of subparagraph (iii)(a) or (iii)(b) of this subparagraph C., such Gross

Asset Value shall thereafter be adjusted by the depreciation taken into account with respect to such asset for purposes of computing Income and Loss.

D. Allocation on Transfer of a Member's Interest. In the event of the transfer of all or any part of a Member's interest in the Company at any time other than the end of a Company accounting year, the distributive share of the income, gain, loss, deduction and credit of the Company with respect to the interest so transferred shall be allocated between the transferor and the transferee in proportion to the fractional part of the accounting year that each party owned his, her or its Membership Interest; but, in any event, in a manner which is not inconsistent with Section 706(d) of the Code. The provisions of the preceding sentence shall not be applicable to a gain or loss arising from the sale, exchange, condemnation (or similar eminent domain taking), casualty or other disposition of all, substantially all or a substantial portion of the assets of the Company. Gain or loss from any such extraordinary transaction shall be allocated among the persons who were Members on the date the gain is realized or the loss incurred, as the case may be, in accordance with the provisions of subparagraph A. above.

E. Special Allocations. Notwithstanding any other section of this provision, the following allocations shall be made in the following order:

(i) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain, as defined in Treasury Regulation Section 1.704(2)(b)(2) during any Company fiscal year, the Members shall be specially allocated items of Company Income for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members pursuant thereto. This subparagraph E.(i) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(ii) Member Minimum Gain Chargeback. If there is a net decrease in Member Minimum Gain attributable to a Member Non-recourse Debt, as defined in Treasury Regulations Section 1.704(2)(b)(4) during any Company fiscal year, each Member who has a share of the Member Minimum Gain attributable to such Member

Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company Income for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4) and (5). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. This subparagraph 8.D.(ii) is intended to comply with the Member minimum gain chargeback requirement in Regulations Section 1.704(i)(4) and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Company Income shall be specially allocated to each 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 as quickly as possible, provided that an allocation pursuant to this subparagraph E.(iii) 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 provision have been tentatively made as if this subparagraph E.(iii) did not exist.

(iv) Gross Income Allocation. In the event any Member at the end of any Company fiscal year has a deficit Capital Account, each such Member shall be specially allocated items of Company Income to eliminate such Capital Account deficit as quickly as possible, provided that an allocation pursuant to this subparagraph E.(iv) shall be made only if and to the extent that such Member would have a Capital Account deficit after all other allocations provided for in this provision have been made as if subparagraph E.(iii) and this subparagraph E.(iv) did not exist.

(v) Nonrecourse Deductions. The Nonrecourse Deductions, as defined in Treasury Regulations Section 1.704-2(b)(1), shall be allocated in the same proportions as Net Loss.

(vi) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Members who bear the economic risk of loss with respect to the Member Nonrecourse Debt, as defined in

Treasury Regulations Section 1.704-2(b)(4), to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(vii) 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 Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the 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 a manner consistent with the manner in which their capital Accounts are required to be adjusted pursuant to such section of the Regulations.

(viii) Ordering; Curative Allocations. The allocations in this subparagraph E. are referred to as the "Regulatory Allocations" and shall be made before any other allocations and in the order specified in Regulations Section 1.704-2(j). The allocations in this Agreement are intended to comply with the safe-harbor economic effect requirements of Regulations Section 1.704-1(b) and shall be interpreted consistently therewith. The allocations in this subparagraph E. shall be taken into account in allocating Net Income, Net Loss and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such other allocations and the Regulatory Allocations under this Section to each Member shall equal the net amount that would have been allocated to each such Member if the Regulatory Allocations under this Section had not occurred. Notwithstanding the preceding sentence, Regulatory Allocations relating to (a) Nonrecourse Deductions shall not be taken into account except to the extent that there has been a reduction in Company Minimum Gain that would trigger the minimum gain chargeback, and (b) Member Nonrecourse Deductions shall not be taken into account except that there has been a reduction in Member Nonrecourse Debt Minimum Gain that would trigger the Member nonrecourse debt minimum gain chargeback.