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UCC FILING & SEARCH SERVICES, INC.
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February 17, 2005

CORPORATION NAME (S) AND DOCUMENT NUMBER (S):

First NLC Financial Services, LLC

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Filing Evidence
- ☐ Plain/Confirmation Copy
- ☒ Certified Copy

Type of Document
- ☐ Certificate of Status
- ☐ Certificate of Good Standing
- ☐ Articles Only
- ☐ All Charter Documents to Include Articles & Amendments
- ☐ Fictitious Name Certificate
- ☐ Other

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	NEW FILINGS
	Profit
	Non Profit
	Limited Liability
	Domestication
	Other

	AMENDMENTS
	Amendment
	Resignation of RA Officer/Director
	Change of Registered Agent
	Dissolution/Withdrawal
X	Merger

	OTHER FILINGS
	Annual Reports
	Fictitious Name
	Name Reservation
	Reinstatement

	REGISTRATION/QUALIFICATION
	Foreign
	Limited Liability
	Reinstatement
	Trademark
	Other

FLORIDA DEPARTMENT OF STATE
Glenda E. Hood
Secretary of State

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05 FEB 21 PM 12:13
SECRETARY OF STATE
TALLAHASSEE, FLORIDA
05 FEB 22 AM 9:54
DIVISION OF CORPORATION

February 18, 2005

UCC FILING & SEARCH

TALLAHASSEE, FL

SUBJECT: FIRST NLC FINANCIAL SERVICES, LLC
Ref. Number: L99000007784

We have received your document for FIRST NLC FINANCIAL SERVICES, LLC and your check(s) totaling $80.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

Please note that we have RETAINED your $80.00 payment.

Much required information is missing from your merger documents.

For instance, a PLAN OF MERGER DOCUMENT must also be included.

You may wish to use our ARTICLES OF MERGER and PLAN OF MERGER forms.

We urge you to at least use our PLAN OF MERGER form, because all the "plan" information is lacking from your document.

Your "Articles" document lacks a statement that the merger is permitted by Delaware law.

Please also note that we must have the the signatures of both parties to the merger. Please understand that you must submit both an ARTICLES OF MERGER and a PLAN OF MERGER.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6914.

Buck Kohr
Document Specialist

Letter Number: 905A00011646

Here are two new sets of docs. And thanks again for your help on this one.

UCC FILING & SEARCH SERVICES, INC.
526 East Park Avenue
Tallahassee, Florida 32301
(850) 681-6528

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FOR PICKUP BY
UCC SERVICES
OFFICE USE ONLY

February 17, 2005

CORPORATION NAME (S) AND DOCUMENT NUMBER (S):

First NLC Financial Services, LLC

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05 FEB 21 12:13
SECRETARY OF STATE
TALLAHASSEE FLORIDA

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	Foreign
	Limited Liability
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	Trademark
	Other

ARTICLES OF MERGER

OF

NLC FINANCIAL SERVICES, LLC

INTO

FIRST NLC FINANCIAL SERVICES, LLC

FILED
05 FEB 21 PM 12:13
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

These Articles of Merger, dated as of the 21st day of February, 2005, are being filed by the undersigned in the Office of the Secretary of State of Florida (the "Secretary of State") in accordance with the provisions of 36 FLA. STAT. ch. 608.4382 in order to merge NLC Financial Services, LLC, a Delaware limited liability company, with and into First NLC Financial Services, LLC, a Florida limited liability company.

The undersigned limited liability company, organized and existing under and by virtue of the Florida Limited Liability Company Act (the "Act"), DOES HEREBY CERTIFY:

FIRST: That the name and state of organization of each of the constituent limited liability companies (the "Constituent Companies") of the merger (the "Merger") is as follows:

NAME	STATE OF ORGANIZATION
FIRST NLC FINANCIAL SERVICES, LLC	Florida
NLC FINANCIAL SERVICES, LLC	Delaware

SECOND: That an Agreement and Plan of Merger (the "Merger Agreement"), dated as of the date hereof, between the Constituent Companies has been approved, adopted, certified, executed and acknowledged by each of the Constituent Companies in accordance with the requirements of Section 4382 of the Act.

THIRD: That pursuant to Section 4382 of the Act, the Merger shall become effective at the time of the filing of these Articles of Merger with the Secretary of State of the State of Florida (the "Effective Time").

FOURTH: That the name of the surviving company of the Merger (the "Surviving Company") herein certified shall be "First NLC Financial Services, LLC", which will continue its existence as said Surviving Company under its present name upon the Effective Time pursuant to the provisions of the Act.

FIFTH: That the executed Merger Agreement is on file at the offices of the Surviving Company at 700 West Hillsboro Boulevard, Building One, Suite 204, Deerfield Beach, Florida 33441.

SEVENTH: That a copy of the Merger Agreement will be furnished by the Surviving Company, on request and without cost, to any member of the Constituent Companies.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has caused these Articles of Merger to be executed on this day of February, 2005.

FIRST NLC FINANCIAL SERVICES, LLC

By: NLC Financial Services, LLC, its sole member

By: FNLC Financial Services, Inc., its sole member

By: Michael Warden
Name: MICHAEL WARDEN
Title: EXECUTIVE VP

[Signature Page to Certificate of Merger]

AGREEMENT AND PLAN OF MERGER

by and between

FIRST NLC FINANCIAL SERVICES, LLC

and

NLC FINANCIAL SERVICES, LLC

Dated as of February 21, 2005

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of February 21, 2005 (this "Agreement"), is made by and between First NLC Financial Services, LLC, a Florida limited liability company (the "Operating Company"), and NLC Financial Services, LLC, a Delaware limited liability company (the "Company").

W I T N E S S E T H:

WHEREAS, the Operating Company and the Company desire for the Company to merge with and into the Operating Company, with the Operating Company surviving the merger, on the terms and conditions set forth herein (the "Merger");

WHEREAS, in the Merger, the Operating Company will survive and assume all rights and obligations of the Company; and

WHEREAS, immediately after the Merger, the Operating Company will amend and restate its operating agreement in substantially the form attached hereto as Exhibit A (the "New Operating Agreement").

NOW, THEREFORE, in consideration of and reliance upon the premises and the representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

The Merger

Section 1.1. The Merger. At the Effective Time, and subject to and upon the terms and conditions of this Agreement and in accordance with the Florida Limited Liability Company Act (FLA. STAT. ch. 608.401 – 608.705, et seq.), the Company shall be merged with and into the Operating Company in the Merger, and the separate corporate existence of the Company shall cease. The Operating Company shall continue as the surviving company in the Merger and shall continue to be named "First NLC Financial Services, LLC" (the Operating Company in its capacity as the surviving company in the Merger is sometimes hereinafter referred to as the "Surviving Company").

Section 1.2. Effective Time. At the Closing, the Operating Company will execute an articles of merger ("Articles of Merger") with respect to the Merger in accordance with Florida Limited Liability Company Act Section 608.438 and file the Articles of Merger with the Office of the Secretary of State of Florida. The Merger shall become effective at such time as the Articles of Merger has been duly filed with the Office of the Secretary of State of Florida, or at such later date or time as is agreed between the parties and specified in the Articles of Merger ("Effective Time").

Section 1.3. Closing of the Merger. Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned, the closing of the Merger ("Closing") shall take place on the date hereof ("Closing Date") promptly after the execution of this Agreement. There shall be no conditions precedent to the Merger other than the execution and the filing of the Articles of Merger

Section 1.4. Effects of the Merger. From and after the Effective Time, the Merger shall have the effects set forth in the Articles of Merger and in the applicable provisions of the Florida Limited Liability Company Act. Without limiting the generality of the foregoing, at the Effective Time, all the property, rights, privileges, immunities, powers and franchises of the Company shall vest in the Operating Company following the Merger, and all debts, liabilities, restrictions, disabilities and duties of the Company shall become the debts, liabilities, restrictions, disabilities and duties of the Operating Company following the Merger.

Section 1.5. New Operating Agreement. The operating agreement of the Operating Company in effect at the Effective Time shall, at the Effective Time, be amended to conform to the New Operating Agreement until duly amended in accordance with the Florida Limited Liability Company Act.

Section 1.6. Effect on Membership Interests. As of the Effective Time, by virtue of the Merger and without any action on the part of the Company, all of the Interests (as defined in the operating agreement of the Company, as amended, supplemented or otherwise modified prior to the date hereof) of the Company outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable Interest (as defined in the New Operating Agreement) of the Surviving Company. As of the Effective Time, all of the Interests (as defined in the operating agreement of the Operating Company, as amended, supplemented or otherwise modified prior to the date hereof) of the Operating Company shall be cancelled.

ARTICLE II

Termination

Section 2.1. Termination. Anything in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing by the mutual written consent of the Company and the Operating Company;

Section 2.2. Procedure and Effect of Termination. In the event of termination of this Agreement by a party hereto entitled to terminate this Agreement pursuant to Section 2.1, written notice thereof shall forthwith be given by the terminating party to the other party hereto, and this Agreement shall thereupon terminate and become void and have no effect, and the transactions contemplated hereby shall be abandoned without further action by the parties hereto.

ARTICLE III

Miscellaneous

Section 3.1. Permitted under Delaware Law. This merger is permitted under the laws of the State of Delaware pursuant to Delaware Limited Liability Company Act, 6 Del. C. §§ 18-209.

Section 3.2. Governing Law. THIS AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS, INCLUDING VALIDITY, INTERPRETATION AND EFFECT, BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED AND TO BE PERFORMED WHOLLY WITHIN SUCH STATE WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES OF SUCH STATE.

Section 3.3. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings, and negotiations, both written and oral between the parties with respect to the subject matter of this Agreement.

Section 3.4. Counterparts. This Agreement may be executed by facsimile and in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective against the parties that have executed and delivered the Agreement when one or more counterparts have been signed by the Operating Company and the Company and delivered to the Operating Company and the Company.

Section 3.5. Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, heirs, legatees, distributees, executors, administrators and guardians.

Section 3.6. Amendments and Waivers. This Agreement, and the terms and provisions of this Agreement, may be modified, waived or amended to the extent permitted by law by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought (or, in the case of a waiver, by the intended beneficiary of the waived term or provision). The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part of this Agreement or the right of any party thereafter to enforce each and every such provision. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 3.7. No Implied Representation. Notwithstanding anything contained in any provision of this Agreement, it is the explicit intent of each party hereto that the Company is making no representation or warranty whatsoever, express or implied, beyond those expressly given in this Agreement, including any implied warranty or representation as to condition, merchantability or suitability as to any of the properties or assets of the business of the Company

and its Subsidiaries, and it is understood that the Operating Company takes the business of the Company and its Subsidiaries as is and where is.

Section 3.8. Headings. The Section and Article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained in this Agreement mean Sections or Articles of this Agreement, unless otherwise stated.

Section 3.9. Interpretation. For the purposes of this Agreement, (i) the term "includes" and the word "including" and words of similar import shall be deemed to be followed by the words "without limitation"; (ii) definitions contained in this Agreement apply to singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms; (iii) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (iv) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section and paragraph references are to the Articles, Sections and paragraphs of this Agreement unless otherwise specified; and (v) the word "or" shall not be exclusive.

Section 3.10. No Third Party Beneficiaries. This Agreement is not intended to confer upon any person not a party hereto (or their successors and assigns) any rights or remedies hereunder.

Section 3.11. Partial Invalidity. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained in this Agreement, unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

Section 3.12. Consent to Jurisdiction. Each of the parties hereto (i) consents to submit itself exclusively to the personal jurisdiction of any federal court located in the State of Delaware or any Delaware state court, in either case, located in Wilmington, Delaware, in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that it will not attempt to deny or defeat the jurisdiction of such courts by motion or other request for leave from any such court, (iii) waives any claim that such proceedings have been brought in an inconvenient forum, and (iv) agrees that it will not bring any action, claim or other proceeding relating to this Agreement in any court or other tribunal other than a federal court sitting in the State of Delaware or a Delaware state court, in either case, located in Wilmington, Delaware

Section 3.13. Management of the Surviving Company. The Surviving Company will be managed by a board of managers. The initial members of the board of managers shall be:

(1) J. Rock Tonkel, whose address is 1001 Nineteenth Street North, Arlington, VA 22209, (2) Richard Hendrix, whose address is 1001 Nineteenth Street North, Arlington, VA 22209, (3) Michael Warden, whose address is 1001 Nineteenth Street North, Arlington, VA 22209, (4) Brian Bowers, whose address is 1001 Nineteenth Street North, Arlington, VA 22209, (5) Neal S. Henschel, whose address is 700 West Hillsboro Blvd. Building 1, Deerfield Beach, FL 33441 and (6) Jeffrey N. Henschel, whose address is 700 West Hillsboro Blvd. Building 1, Deerfield Beach, FL 33441. Immediately after the Merger, the sole member of the Surviving Company shall be FNLC Financial Services, Inc., whose address is 1001 Nineteenth Street North, Arlington, VA 22209.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first above written.

NLC FINANCIAL SERVICES, LLC

By: FNLC Financial Services, Inc., its sole member

By: Michael Warden
Name: MICHAEL WARDEN
Title: EXECUTIVE VP

FIRST NLC FINANCIAL SERVICES, LLC

By: NLC Financial Services, LLC, its sole member

By: FNLC Financial Services, Inc., its sole member

By: Michael Warden
Name: MICHAEL WARDEN
Title: EXECUTIVE VP

SECOND AMENDED AND RESTATED OPERATING AGREEMENT OF FIRST NLC FINANCIAL SERVICES, LLC

This Second Amended and Restated Operating Agreement (this "Agreement") of First NLC Financial Services, LLC (the "Company") is made as of February 21, 2005, by FNLC Financial Services, Inc., a Delaware corporation, as the sole member (the "Member").

Recitals

WHEREAS the Company's previous sole member, NLC Financial Services, LLC, a Delaware limited liability company (the "Previous Member"), executed for the Company an Operating Agreement dated as of November 11, 1999 and amended and restated as of March 3, 2000 (as amended and restated, the "Original Operating Agreement");

WHEREAS the Previous Member and the Company executed an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), providing for the merger of the Previous Member with and into the Company, with the Company as the surviving company (the "Merger");

WHEREAS the Merger Agreement provides that, immediately after the Merger, the Company would amend and restate its operating agreement in the form of this Agreement; and

WHEREAS the Member now desires to amend and restate the Original Operating Agreement as set forth herein.

NOW THEREFORE, the Member, by execution of this Agreement, hereby amends and restates the Agreement pursuant to and in accordance with the Florida Limited Liability Company Act (36 FLA. STAT. ch. 608.401 – 608.705, et seq.), as amended from time to time (the "Act"), and hereby agrees as follows:

1. Name; Formation. The name of the Company shall be "First NLC Financial Services, LLC" or such other name as the Member may from time to time hereafter designate.

2. Definitions; Rules of Construction. In addition to terms otherwise defined herein, the following terms are used herein as defined below:

"Act" means the Florida Limited Liability Company Act, as it may be amended from time to time.

"Capital Contribution" means the amount of money or fair market value of other property or services contributed to the Company by the Member.

"Interest" means the Member's economic rights and other interest in the Company as provided in this Agreement.

Words used herein, regardless of the number and gender used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires, and, as used herein, unless the context clearly requires otherwise, the words "hereof," "herein," and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provisions hereof.

3. Purpose. The purpose of the Company shall be to engage in the mortgage lending business and any other lawful business that may be engaged in by a limited liability company organized under the Act, as such business activities may be determined by the Member from time to time.

4. Offices. The principal and registered office of the Company shall be located at 700 West Hillsboro Boulevard, Building One, Suite 204, Deerfield Beach, Florida 33441, and the registered agent at such location shall be Jeffrey Henschel.

5. Members. FNLC Financial Services, Inc., whose address is 1001 Nineteenth Street North, Arlington, VA 22209, is the sole Member of the Company.

6. Term. The Company shall remain in existence for a minimum of 10 years, unless dissolved in accordance with Section 11 of this Agreement.

7. Board of Managers.

(a) Management Generally. Except as otherwise expressly provided in this Agreement, the business and affairs of the Company shall be managed under the direction of the board of managers of the Company (the "Board"). In addition to the powers and authorities by this Agreement expressly conferred upon them, the Board may exercise all such powers of the Company and do all such lawful acts and things as are not expressly required by the Act or by this Agreement to be exercised or done by the Members. Certain powers and authorities of the Board may be concurrently allocated to or executed by the Chief Executive Officer, or one or more other officers, when and to the extent expressly delegated thereto by the Board in accordance with this Agreement; provided, that any such delegation may be revoked at any time and for any reason by the Board or the Member. Nothing contained in this Agreement shall be deemed to restrict in any way the freedom of the Member to conduct any other business or activity whatsoever without any accountability to the Company.

(b) Board Composition. The Board shall consist of the following members (each, a "Manager"):

Richard Hendrix

J. Rock Tonkel

Michael Warden

Brian Bowers

Jeffrey N. Henschel

Neal S. Henschel

Each Manager shall continue in such position until the earlier of his or her death, resignation, retirement or removal from office.

(c) Vacancies; Removal. Any Manager may be removed at any time, with or without cause, by the Member.

(d) Meetings. Meetings of the Board shall be held at any place within or without the State of Florida that has been designated from time to time by the Board. Meetings of the Board for any purpose or purposes may be called at any time by a majority of the Managers then in office. Notice of any Meeting of the Board shall be given to each Manager at his business or residence in writing by hand delivery, first-class or overnight mail or courier service, telegram or facsimile transmission, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such Meeting of the Board. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such Meeting of the Board. If by facsimile transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such Meeting of the Board. If by telephone or by hand delivery, the notice shall be given at least twelve (12) hours prior to the time set for the Meeting of the Board. Neither the business to be transacted at, nor the purpose of, any regular or special Meeting of the Board need be specified in the notice of such Meeting of the Board. A Meeting of the Board may be held at any time without notice if all the Managers are present or if those not present waive notice of the Meeting of the Board in accordance with Section 3.2(g) of this Agreement.

(e) Quorum; Alternates; Participation in Meetings of the Board by Conference Telephone Permitted. The presence of a majority of the Managers then in

office shall constitute a quorum for the transaction of business. If at any Meeting of the Board there shall be less than a quorum present, a majority of the Managers present may adjourn the Meeting of the Board from time to time without further notice. Managers may participate in a Meeting of the Board through use of conference telephone or similar communications equipment, so long as all Managers participating in such Meeting of the Board can communicate with and hear one another. The Managers present at a duly organized Meeting of the Board may continue to transact business until adjournment, notwithstanding the withdrawal of enough Managers to leave less than a quorum.

(f) Vote Required for Action. The act of the majority of the Managers present at a Meeting of the Board at which a quorum is present shall be the act of the Board.

(g) Waiver of Notice; Consent to Meeting of the Board. Notice of a Meeting of the Board need not be given to any Manager who signs a waiver of notice or a consent to holding the Meeting of the Board or an approval of the minutes thereof, whether before or after the Meeting of the Board, or who attends the Meeting of the Board without protesting, prior thereto or at its commencement, the lack of notice to such Manager. All such waivers, consents and approvals shall be filed with the Company's records and made a part of the minutes of the Meeting of the Board.

(h) Action by Board Without a Meeting of the Board. Any action required or permitted to be taken by the Board may be taken without a Meeting of the Board and without prior notice if a majority of the Managers then in office shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a vote of the Board in favor of such action.

(i) Records. The Board shall cause to be kept a record containing the minutes of the proceedings of the Meetings of the Board and Meetings of the Members, appropriate books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Company.

8. Officers.

(a) Generally. The Board shall elect the officers of the Company as the Board from time to time may deem proper. All officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices as persons in equivalent offices in a Florida limited liability company, subject to the specific provisions of this Section. Such officers shall also have such powers and duties as from time to time may be conferred by the Board or by any committee thereof.

(b) Term of Office. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall

resign or retire, but any officer may be removed from office with or without cause at any time by the Board.

(c) Removal. Any officer elected, or agent appointed, by the Board may be removed by the affirmative vote of a majority of the Board then in office or by the Member, in each case, with or without cause or by the Member. No elected officer shall have any contractual rights against the Company for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

9. HUD Manager. Notwithstanding any other provisions of this Agreement, for the purposes of complying with the regulations of the Department of Housing and Urban Development only, a separate person shall be designated by the Board as the HUD Manager who will have as his/her principal activity the management of the Company as it relates to the origination of FHA-insured mortgages and shall have exclusive authority to deal with HUD/FHA on behalf of the Company (the "HUD-Manager"). If the HUD-Manger withdraws or is removed, a new HUD-Manager shall be designated by the Board, and HUD shall be notified of the change. Upon admission of a new Member, such new Member shall be deemed to agree that the HUD-Manager shall have exclusive authority to deal with HUD/FHA on behalf of the Company.

10. Capital Contributions; Capital Accounts; Administrative Matters.

(a) The Member shall make contributions to the Company at the time and in the amount as it determines.

(b) A single, separate capital account shall be maintained for the Member. The Member's capital account shall be credited with (i) the amount of money and the fair market value of property, if any (net of any liabilities secured by such contributed property that the Company assumes or takes subject to), contributed by the Member to the Company; (ii) the amount of any Company liabilities assumed by the Member (other than in connection with a distribution of Company property), and (iii) the Member's distributive share of Company profits (including tax exempt income). The Member's capital account shall be debited by (x) the amount of money and the fair market value of property (net of any liabilities that the Member assumes or takes subject to) distributed to the Member; (y) the amount of any liabilities of the Member assumed by the Company (other than in connection with a contribution); and (z) the Member's distributive share of Company losses (including items that may be neither deducted nor capitalized for federal income tax purposes).

(c) Notwithstanding any provision of this Agreement to the contrary, the Member's capital account shall be maintained and adjusted in accordance with the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder (the "Regulations"), including, without limitation, (i) the adjustments permitted or

required by Code Sections 704(b) and, to the extent applicable, the principles expressed in Code Section 704(c) and (ii) adjustments required to maintain capital accounts in accordance with the "substantial economic effect test" set forth in the Regulations under Code Section 704(b).

(d) The books and records of the Company shall be maintained in accordance with generally accepted accounting principles and Section 704(b) of the Code and the Regulations thereunder.

11. Distributions and Allocations. Distributions of cash or other assets of the Company shall be made at such times and in such amounts as the Member may determine. Profits and losses and all items of Company income, gain, loss, deduction, credit or the like shall be allocated to the Member as of the last day of the Company's fiscal and tax year end.

12. Additional Members. Additional Members may be admitted upon such terms and conditions, at such time or times, and for such Capital Contributions as shall be determined by the Member.

13. Dissolution. Upon the happening of the first to occur of the following events, the Company shall be dissolved, but before the Company may be dissolved, all HUD/FHA insured mortgages held by the Company must be transferred to an approved mortgagee and the remainder of the Company's affairs must be wound up and terminated:

(a) The determination of all of the Members to dissolve the Company; or

(b) The occurrence of any other event causing a dissolution of the Company under the Act, provided that the remaining Members, if applicable, vote to dissolve.

14. Indemnification.

(a) Except as otherwise set forth herein, the officers of the Company, Members and their respective Affiliates, officers, agents and employees (each, an "Indemnitee") shall be indemnified, held harmless and defended by the Company (out of Company assets, including the proceeds of liability insurance) against any claim, demand, controversy, dispute, cost, loss, damage, expense (including reasonable attorneys' fees), judgment and/or liability incurred by or imposed upon the Indemnitee in connection with any action, suit or proceeding (including any proceeding before any administrative or legislative body or agency) to which the Indemnitee may be a party or otherwise involved, or with which the Indemnitee may be threatened, by reason of any action or omission of the Indemnitee (or the Indemnitee's employee) in connection with the conduct of Company affairs. Such indemnification extends to the Indemnitee in its

capacity, at the time the cause of action arose or thereafter, as an officer of the Company or as a director, manager, officer, partner, employee or other agent of any other organization in which the Company owns an interest or of which the Company is a creditor, which other organization the Indemnitee (or its employee) serves in such capacity at the request of the Company (whether or not the Indemnitee or its employee continues to serve in such capacity at the time such action, suit or proceeding is brought or threatened). The indemnification set forth herein shall not extend with respect to actions or omissions of the Indemnitee (or its employee) which shall have been finally adjudicated (by settlement or otherwise) in any such action, suit or proceeding to have constituted actual fraud, willful misconduct or gross negligence; provided, however, that to the extent such actions or omissions relate to a decision of the Board or the Members, the indemnification set forth herein shall extend to those Mangers or Members who voted against such action. In the event of settlement of any action, suit or proceeding brought or threatened, such indemnification shall apply to all matters covered by such settlement. The foregoing right of indemnification shall be in addition to any rights to which any Indemnitee may otherwise be entitled and shall inure to the benefit of the executors, administrators, personal representatives, successors or assigns of each such Indemnitee.

(b) The Company shall pay the expenses incurred by an Indemnitee in defending any civil or criminal action, suit or proceeding, or in opposing any claim arising in connection with any potential or threatened civil or criminal action, suit or proceeding, in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by such Indemnitee to repay such payment if he shall be determined to be not entitled to indemnification therefor as provided herein; provided, however, that the Company shall not be required to pay any such expenses if the Indemnitee is commencing an action, suit or proceeding against the Company, or defending an action, suit or proceeding commenced against him by the Company or any Member arising in connection with any such potential or threatened action, suit or proceeding, and provided, further, that no Indemnitee shall be required, as a condition to receiving any advancement of expenses, to demonstrate an ability to repay such amounts if repayment is required pursuant to this Section 12(b).

(c) The Company may purchase and maintain insurance with such limits or coverages as the Member reasonably deems appropriate, at the expense of the Company and to the extent available, for the protection of any Indemnitee against any liability incurred by such Indemnitee in any such capacity or arising out his status as such, whether or not the Company has the power to indemnify such Indemnitee against such liability. The Company may purchase and maintain insurance for the protection of any Member, officer, employee, consultant or other agent of any other organization in which the Company owns an interest or of which the Company is a creditor against similar liabilities, whether or not the Company has the power to indemnify him or it against such liabilities. Any amounts payable by the Company to an Indemnitee pursuant to this Section 12 shall be payable first from the proceeds of any insurance recovery pursuant to policies purchased by the Company and then from the other assets of the

Company, provided that the foregoing shall not affect the Company's obligation to advance expenses pursuant to paragraph (b) above if the insurance company that has issued such policy will not advance such expenses.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to any choice or conflict of law or provision or rule that would cause the application of the laws of any other jurisdiction.

16. Binding Nature of Agreement. Except as otherwise provided, this Agreement shall be binding upon and inure to the benefit of the Member and its personal representatives, successors end assigns.

17. Severability. In the event that any provision hereof would, under applicable law, be invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, less and possible under, applicable law. The provisions hereof are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

18. Entire Agreement. This Agreement constitutes the entire understanding of the Member with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written.

19. Section. The section headings in this Agreement are for convenience only, form no part of this Agreement, and shall not affect its interpretation.

20. Third-Party Beneficiaries. Notwithstanding anything herein to the contrary, no provision of this Agreement is intended to benefit any party other than the Member and its successors and assigns and shall not be enforceable by any other party.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Agreement as of the 21 day of February, 2005.

FNLC FINANCIAL SERVICES, INC.,
as Member

By: _____
Name: MICHAEL WARDEN
Title: EXECUTIVE VP