

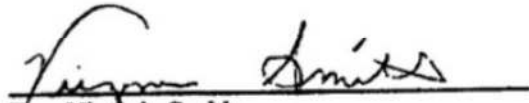
**STATE OF DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE OF FORMATION**

First: The name of the limited liability company is WIDE ANGLE INVESTMENTS, LLC.

Second: The registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, DE 19808. The name of its Registered Agent at such address is Corporation Service Company (CSC).

Third: There is no effective date of dissolution.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this ____
3 day of September, 2010.


By: Virginia Smith
Authorized Agent

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT
OF
WIDE ANGLE INVESTMENTS, LLC
A Delaware Limited Liability Company**

This Operating Agreement (the "Agreement") is made and entered into and effective as of this 13 day of September, 2010, by and among Virginia Smith and Charles W. Smith, hereinafter collectively referred to as the "Members."

RECITALS

The Members have formed a limited liability company named WIDE ANGLE INVESTMENTS, LLC, a Delaware limited liability company under the laws of the State of Delaware (hereinafter referred to as the "LLC").

The Certificate of Formation was filed on September 13, 2010, with the Delaware Secretary of State (hereinafter referred to as "Certificate of Formation").

Virginia Smith and Charles W. Smith current own as tenants in common properties located at 2338 Oak Street, Jacksonville, Florida, and several properties in Lake City, Florida, and they desire to consolidate their ownership of these properties in the same proportion through this LLC.

Virginia Smith and Charles W. Smith also each own several other properties and other financial assets in their own names respectively, and they want to combine ownership of their respective properties into this LLC in order to consolidate management and diversify their respective risk associated with their now separate properties.

In consideration of the covenants and the promises made herein, the parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

- 1.1 "Agreement" means this Limited Liability Company Operating Agreement, as amended.
- 1.2 "Capital Account" means the amount of a Member's Capital Contribution, as adjusted, including but not limited to increases due to profits or additional contributions and decreases due to losses and distributions.
- 1.3 "Capital Contribution" means any contribution of value, including but not limited to cash, property, assets, etc., by a Member to the capital of the LLC.
- 1.4 "Certificate of Formation" means the Certificate of Formation which was filed on September 13, 2010, with the Delaware Secretary of State, for the purpose of forming this LLC in accordance with Section 10-201 of the Statute.

- 1.5 "Code" means the Internal Revenue Code of 1986, as amended.
- 1.6 "Financial Interest" means a Member's right to share in the profits, losses, incomes, expenses, or other monetary items and to receive distributions and allocations from the LLC.
- 1.7 "LLC" means WIDE ANGLE INVESTMENTS, LLC, a Delaware limited liability company organized under Delaware laws.
- 1.8 "LLC Interest" or "Interest" means an ownership interest in the LLC, which includes the Financial Interest, the right to vote, the right to participate in management, and the right to obtain information concerning the LLC and any other rights granted to a Member under the Articles of Organization or this Agreement.
- 1.9 "Manager" or "Managers" means the person(s) elected, appointed, or otherwise designated in accordance with this Agreement to manage and operate the LLC.
- 1.10 "Member" means any person or entity who owns any interest in this LLC.
- 1.11 "Personal Property." Each Member's interest is personal property, and as such, no Member shall have any interest in any of the assets of the LLC.
- 1.12 "Property" means any and all assets, in whole or in part, of the LLC, both tangible and intangible.
- 1.13 "Statute" means the Delaware Limited Liability Company Act, as amended, under Title 6, Chapter 18 of the Delaware Statutes.

ARTICLE 2: FORMATION

- 2.1 **Formation of the LLC.** The Members have formed the LLC pursuant to Delaware laws by filing the a Certificate of Formation with the Secretary of State.
- 2.2 **Name.** The name of the LLC is "WIDE ANGLE INVESTMENTS, LLC." The Members shall operate the business of the LLC under such name or use such other names as the Members deem necessary provided that such names do not violate the Statute.
- 2.3 **Principal Office.** The LLC's principal place of business will be located at 208 Vista Oak Drive, Longwood, FL 32779, or any other location mutually agreed upon by the Members.
- 2.4 **Term.** The LLC will continue to exist until terminated or dissolved in accordance with its Articles of Organization or this Agreement.
- 2.5 **Business Purpose.** The purpose of the LLC is to own and manage investments of real and/or personal property, make loans secured by Florida real property, and own real property in

Florida for income and appreciation.

In order to accomplish this purpose, the LLC may conduct any lawful business and investment activity permitted under Delaware laws and in any other jurisdiction in which it may have a business or investment interest.

The LLC may own, acquire, manage, develop, operate, sell, exchange, finance, refinance, otherwise deal in any manner with real estate, personal property, and any other type of business as the Manager may from time to time deem to be in the best interest of the LLC. The LLC may engage in any other activities which are related or incidental to the foregoing purposes.

The Members intend that this Agreement constitute an executory contract among the Members imposing obligations on all Members.

- 2.6 **Registered Agent.** The LLC's registered agent will be Northwest Registered Agent Service, Inc. or any other person or entity with an office in the state of organization as determined by the Members.
- 2.7 **Registered Office.** The LLC's registered office will be the office of the registered agent located at 1521 Concord Pike, #303, Wilmington, DE 19803, or any other location within the state of organization as determined by the Members.

ARTICLE 3: MEMBERSHIP

- 3.1 **Initial Members.** The initial Members of the LLC are Virginia Smith and Charles W. Smith. The Members shall have the LLC Interests set forth in Article 4.
- 3.2 **Additional Members.** Additional persons or entities may be admitted to the LLC as Members, and LLC Interests may be issued to those additional Members, upon the unanimous consent of the current Members, which consent may be withheld for any reason in their discretion, and on such terms and conditions as determined by the Members and in accordance with the Articles of Organization and this Agreement. All new Members must sign a copy of this Agreement and agree to be bound by the terms of this Agreement.
- 3.3 **Voting.** Unless otherwise provided in this Agreement, all actions requiring a vote of the Members shall require the approval of a majority of the Members' voting interest. Each Member shall have a voting interest in proportion to their respective LLC Interest. All Members are expected to attend all LLC membership meetings in person, by proxy, or through an authorized agent.
- 3.4 **Liability to Third Parties.** No Member shall be liable for the debts, obligations or liabilities of the LLC to a third party unless the Member agrees in writing to be liable.

- 3.5 **Authority.** No Member has the authority or power to act for or on behalf of, to bind, or to incur any liability on behalf of the LLC except as provided in this Agreement.
- 3.6 **Withdrawal.** No Member has the right to withdraw from the LLC as a Member except as provided in this Agreement. However, a Member has the power to withdraw but such withdrawal shall be deemed a breach of this Agreement. If a Member does exercise such power of withdrawal in breach of this Agreement, the Member shall be liable to the LLC and the other Members for all monetary damages as a result of the breach, including but not limited to direct, indirect, incidental, and consequential damages.
- 3.7 **Compensation.** No Member shall receive compensation for services rendered to the LLC except as expressly permitted by this Agreement or any other written agreement between the Member and the LLC. However, the LLC shall reimburse Members for any expense paid by them that is properly an expense of the LLC.
- 3.8 **Fiduciary Duty:** Each Member shall have a fiduciary duty to the LLC and to all other Members.
- 3.9 **Revocation of Membership Interest.** A person ceases to be a Member only upon the events and conditions set forth in this Agreement and not for any of the reasons set forth in the Statute.

ARTICLE 4: CAPITAL CONTRIBUTIONS

- 4.1 **Initial Contributions.** The initial Members shall contribute to the LLC the following Capital Contributions and shall receive the following LLC Interests:

Name	Contribution	LLC Interest
Virginia Smith	\$100	50 percent
Charles W. Smith	\$100	50 percent

In addition, the Members shall contribute their interests in real property listed on Schedule A, attached hereto and made a part hereof. The Members agree that they are each contributing to the LLC approximately equal value of separately owned real property in consideration for their equal LLC Interest.

No certificates of ownership shall be issued to Members to evidence ownership of LLC Interests. This Agreement is the sole evidence of ownership. No other agreement or form including, for example, tax returns or financial statements, are acceptable proof of LLC Interest ownership.

- 4.2 **Additional Contributions.** Except as specifically set forth in this Agreement, no Member shall be required to make any additional Capital Contributions. The Manager, in his discretion, may make calls for additional capital contributions to the capital of the LLC in

cash or in property. In any 12-month period, calls for additional cash capital contributions shall not exceed one-third of the gross value of the LLC assets. In no event shall a Member be personally liable for any losses, obligations, or debts of the LLC in excess of his respective initial capital contribution.

Each Member hereby agrees to contribute his proportional share, based on the total LLC Interests, of such calls for additional cash capital made by the Manager within 30 days of the date said call is made and notice given. If any Member has assigned all or any part of his or her Financial Interest, voluntarily or involuntarily, the call shall be binding upon the assignee whether or not the assignee has been admitted as a Substitute Member. For purposes of this Article, "assignee" includes any person described in Section 9.3 hereof.

- 4.3 **Failure to Contribute.** If any Member or assignee fails to make the additional cash contribution within 30 days of notice, then such Member or assignee shall be in material default of his or her obligations under this Agreement. A Member or assignee in default forfeits his right to share in future LLC profits and shall not be entitled to any subsequent distributions of cash or other property from the LLC, regardless of whether the Manager elects to make distributions, until such time as the default is cured. In addition, the LLC may take such action as it deems necessary and appropriate including but not limited to instituting a court proceeding to obtain payment, canceling the Member's LLC Interest, or exercising any other right or remedy available at law or equity.

Said default by a Member or Assignee shall not terminate the LLC. The remaining Members (without regard to assignees), in their sole discretion, may elect to continue the defaulting Member or assignee as an inactive Member without any right to share in future profits or to receive future distributions, or they may elect to purchase the interest of the defaulting Member or assignee for an amount equal to his capital account as of the date of default. If the remaining Members elect to purchase the interest of the defaulting Member or assignee, written notice of such election plus payment shall be delivered to the default Member or assignee within one month after date of default. If the remaining Members elect to continue the defaulting Member or assignee as an inactive Member, then upon dissolution or termination of the LLC, the defaulting Member shall be entitled to receive an amount equal to his capital account determined as of date of default.

- 4.4 **Adjustment to LLC Interests.** The Members' LLC Interests may be changed by unanimous vote for the Members for any reason, including for example, contributions or withdrawal of money or property.

ARTICLE 5: CAPITAL ACCOUNTS

- 5.1 **Capital Accounts.** A Capital Account (hereinafter referred to as "Capital Account") shall be established and maintained for each Member. Each Member's Capital Account will be accounted for separately and will be maintained in accordance with generally accepted accounting principles. However, a Member who has more than one LLC Interest shall have

only one Capital Account that reflects all of that Member's LLC Interests. If a Member validly transfers his or her LLC Interest, the Capital Account of the transferring Member shall carry over to the transferee Member in accordance with the Code.

5.2 Adjustments to Capital Accounts. Each Member's Capital Account shall be adjusted as follows:

(a) **Increases.** Each Member's Capital Account shall be increased by:

- (1) Capital contributions of cash and/or property at its agreed upon fair market value;
- (2) All items of LLC income and gain (including income and gain exempt from tax).

(b) **Decreases.** Each Member's Capital Account shall be decreased by:

- (1) Distributions of cash and/or property at its agreed upon fair market value;
- (2) All items of LLC deduction and loss (including deductions and loss exempt from tax).

5.3 Advances by Members. Members may, at any time, advance moneys to the LLC. An advance is a loan from the Member to the LLC and shall bear interest at the prevailing prime interest rate. An advance is not a Capital Contribution.

5.4 Preemptive Rights. Each Member of the LLC shall be entitled to full preemptive or preferential rights, as such rights are defined by law, to subscribe for or purchase his or her proportional part of any additional or future LLC Interests which may be issued by the LLC.

5.5 Return of Capital. No Member shall have the right to withdraw or obtain a return of his or her capital contribution except as provided in this Agreement. The return of a member's capital contribution may not be withdrawn in the form of property other than cash except as provided in this Agreement.

5.6 Members Fiduciary Duty. Each Member acknowledges that all of his obligations and powers under this Agreement shall be subject to a fiduciary duty which shall include, without limitation, an obligation to deal fairly and in good faith, to disclose any business opportunities directly pertaining to the business of the LLC, and to act with good business etiquette. The Member's fiduciary duty is owed to all Members and is borne by each Member notwithstanding any provision under this Agreement to the contrary.

ARTICLE 6: ALLOCATION OF PROFITS AND LOSSES

- 6.1 **Determination of Profits and Losses.** Profits and losses shall mean net income and net loss as determined by the books and records of the LLC which shall be kept in accordance with generally accepted accounting principals and the Code.
- 6.2 **Allocations.** Except as provided in the Code, all items of income, revenues, deductions, gain, and loss shall be allocated pro-rata in accordance with a Member's LLC Interest.
- 6.3 **Qualified Income Offset.** Notwithstanding the above, if a Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) or any amendment thereto, or receives an allocation of loss which produces a negative capital account for any Member while any other Member has a positive capital account, then items of LLC income shall be specially allocated to such Member such that the deficit Capital Account is eliminated. This paragraph is intended to constitute a "qualified income offset" within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d).
- 6.4 **Minimum Gain Chargeback.** Notwithstanding the above, if there is a net decrease in LLC "minimum gain" during a taxable year, each Member shall be specially allocated, before any other allocation, items of income and gain for such taxable year (and, if necessary, subsequent years) in proportion to each Member's share of the net decrease in LLC "minimum gain" as determined in accordance with Treasury Regulation Section 1.704-2(g)(2). This paragraph is intended to comply with the "minimum gain chargeback" provisions of Treasury Regulation Section 1.704-2(f).
- 6.5 **Section 704(c) Allocation.** Notwithstanding the above, to the extent that Code Section 704(c) is applicable to any item of income, gain, loss, and deduction with respect to any property (other than cash) that has been contributed by a Member and which is required to be allocated to such Member for income tax purposes, the item shall be allocated to such Member in accordance with Code Section 704(c).

ARTICLE 7: DISTRIBUTIONS

- 7.1 **Distributions.** It is the primary intent of the Members to retain LLC funds in amounts determined in the sole discretion of the Manager to meet the reasonable needs of LLC businesses or investments. The Manager may, but is not required to, distribute money to Members to offset some or all of their tax liability associated with Partnership Income. Notwithstanding anything to the contrary herein, distributions of money or LLC assets shall only be made from cash reserves which in the Managers' sole discretion exceed reasonable working reserves of the LLC.

No Member, his representative(s), his assigns, or his creditors may demand distribution of LLC cash or property. Distributions of LLC cash and property shall be made only at such

times and in such amounts as the Manager determines, in his sole discretion, provided that the Manager may not make any distribution without the unanimous consent of the Members. Any Member may veto any proposed distribution. Distributions, if any, shall be allocated among the Members in proportion to the Members' LLC Interests. Each Member has a vested right in his allocated share of distributions, if any.

The Manager has the discretion to withhold a distribution allocated to a Member if the Manager reasonably believes such withholding to be in the Member's best interest.

- 7.2 **In Kind Distributions.** The Manager, in its sole discretion, may make distributions in kind specifically including, without limitation, the making of in-kind distributions in the form of one or more annuity contracts issued to a Member and naming the Member as beneficiary.

ARTICLE 8: MANAGEMENT

- 8.1 **Initial Manager.** The LLC will be managed by a Manager who may or may not be a Member. The Manager may be an individual, corporate fiduciary, or financial institution. The initial Manager is Virginia Smith. The Members may, by unanimous vote, appoint additional Managers to serve jointly with the initial Manager.
- 8.2 **Management Action.** Management actions shall require majority vote of the Managers then serving. A deadlock on any vote of multiple Managers shall maintain the status quo and shall not cause the dissolution of the LLC.
- 8.3 **Removal or Resignation.** Any Manager may resign effective upon the delivery of written notice to any Member, unless the notice specifies a later effective date. The Members, by unanimous vote, have the right to remove any Manager, with or without cause, at any time, and any number of times. In the event of a Manager's removal or resignation, the remaining Managers, if any, shall continue to serve as Manager.
- 8.4 **Successor Manager.** In the event Virginia Smith resigns or for any other reason is unable or unwilling to serve as Manager, the Members shall appoint a Successor Manager. In any event, the LLC shall not terminate because of the temporary absence of a Manager.
- 8.5 **Manager Powers.** Except as otherwise provided in this Agreement, the Manager has sole authority to manage and operate the LLC in the ordinary course of business. The Manager shall have full power to execute and deliver on behalf of the LLC any and all documents and instruments which may be necessary to carry on any LLC business or to purchase and manage any LLC investment. Specific Manager powers shall include, without limitation, the powers to:
- (a) contract on behalf of the LLC to purchase, lease, or otherwise acquire or sell any real or personal property;

- (b) sell, dispose, lease, trade, or exchange LLC real property or other assets in the ordinary course of the LLC's business;
- (c) enter into agreements and contracts and to give receipts, releases and discharges;
- (d) purchase liability and other insurance to protect the LLC's business and investments;
- (e) borrow money for and on behalf of the LLC;
- (f) execute or modify leases with respect to any part or all of the assets of the LLC;
- (g) originate, execute, prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the LLC and in connection therewith to execute for and on behalf to he LLC any extensions, renewals, or modifications of such mortgages or deeds of trust;
- (h) execute any and all other instruments which may be necessary or, in the opinion of the Manager, desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the LLC;
- (i) make any and all expenditures of LLC funds which the Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the LLC and the carrying out of its obligations and responsibilities hereunder, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the LLC, its assets, and its investments;
- (j) to invest and reinvest LLC funds in common or preferred stocks, publically traded securities, options, investment trusts, bonds and other property, real or personal, foreign or domestic, including any undivided interest in any one or more common trust funds;
- (k) to join or become a party to, or to oppose, any reorganization, readjustment, recapitalization, foreclosure, merger, voting trust, dissolution, consolidation or exchange;
- (l) to borrow money for any purpose from any source and to secure the repayment of any and all amounts so borrowed by mortgage, lien, UCC-1, security agreement, or pledge of any LLC property;
- (m) to employ and pay the compensation of accountants, attorneys, experts, investment counselors, custodians, agents, and other persons or firms providing services or advice, irrespective of whether the Manager may be associated therewith; to delegate

discretionary powers to such persons or firms; and to rely upon information or advice furnished thereby or to ignore the same, as the Manager, in its discretion, may determine.

- 8.6 **Authority of Manager.** No person dealing with the Manager need to inquire into the validity or propriety of any document or instrument executed in the name of the LLC by a Manager, or as to the authority of the Manager to act on behalf of and bind the LLC in executing same.
- 8.7 **Limitation on Powers.** Except by the unanimous written agreement of the Members, a Manager shall not have the authority to:
- (a) Enter into any agreement, contract, or commitment on behalf of the LLC which would obligate any Member to find additional capital, to guarantee a loan or to increase a Member's personal liability either to the LLC or to a third party;
 - (b) Materially alter the business of the LLC or perform any action which would make it impossible to carry on the business of the LLC;
 - (c) Sell or dispose of substantially all LLC assets;
 - (d) Perform any action that is contrary to this Agreement;
 - (e) Place title to any LLC asset or property in the name of a nominee or sell, lease, pledge, hypothecate, or grant a security interest in any LLC asset or property, except in the ordinary course of business;
 - (f) Commingle LLC funds with the funds of any other person or entity;
 - (g) Confess a judgment against the LLC;
 - (h) Admit any person as a Member, except as otherwise provided in this Agreement;
 - (i) Attempt to dissolve the LLC;
 - (j) Distribute cash or LLC assets to the Members.
- 8.8 **Action without Meeting.** Any action required or permitted to be taken by multiple Managers may be taken without a meeting, if all Managers individually or collectively consent in writing to such action.
- 8.9 **Fees and Compensation of Managers.** An individual serving as Manager shall receive reasonable compensation for its services. The LLC shall reimburse all Managers for their out-of-pocket expenses. Nothing herein contained shall be construed to preclude any

Manager from serving the LLC in any other capacity as an agent, employee, attorney, or otherwise, and receiving reasonable compensation for such services.

- 8.10 **Liability to Third Parties.** To the full extent permitted by law, the Manager is released from liability for damages and other monetary relief on account of any act, omission, or conduct in the Manager's managerial capacity other than for fraud or gross negligence. No amendment or repeal of this Article affects any liability or alleged liability of the Manager for acts, omissions, or conduct that occurred prior to the amendment or appeal.
- 8.11 **Standard of Care.** The Manager shall exercise such powers and otherwise perform such duties in good faith, in the matters such Manager believes to be in the best interest of the LLC, and with such care including reasonable inquiry, using ordinary prudence, as a person in a like position would use under similar circumstances. Each Manager acknowledges that all powers given to managers under this Agreement shall be subject to a fiduciary duty. This fiduciary duty is owed to the LLC and to all Members, and it shall be borne by each Manager notwithstanding any provision of this Agreement to the contrary.

ARTICLE 9: TRANSFER AND ASSIGNMENT OF LLC INTERESTS

- 9.1 **Transfer or Assignment of Member's Interest.** Except as provided in this Article, a Member is prohibited from selling, transferring, encumbering or otherwise disposing of any LLC Interest without the unanimous written consent of the Members and the Manager.
- 9.2 **Permitted Transfers.** For purposes of this Article, the restriction on the transfer or assignment of a LLC Interest shall not apply to transfers or assignments to a Member's spouse, the Member's immediate family, or to a revocable self-settled trust created for the benefit of a Member provided that the Member is the sole Trustee of said trust until his death or incapacity.
- 9.3 **Effect Upon and LLC Interest Acquired Without Consent.** If any person, organization, trust, or agency should acquire all or any part of a Member's LLC Interest involuntarily as a result of, for example:
- (a) an order of a court of competent jurisdiction which the LLC is required by law to recognize; or
 - (b) being subject to a lawful charging order by a court of competent jurisdiction; or
 - (c) a levy or other transfer of any part or all of a Member's LLC Interest, with voting rights, which the LLC has not approved but which the LLC is required by law to recognize;
 - (d) the Member's adjudication of incompetency if the Member is an individual;

- (e) the Member's death by testamentary bequest in a will or trust;
- (f) the Member filing bankruptcy or if the Member makes a voluntary assignment for the benefit of creditors;
- (g) the Member seeking or consenting to the appointment of a receiver or trustee over all or any portion of the Member's assets;
- (h) the revocation or termination of the trust if the Member is a trust

then, in such event, the converted interest shall be that of an assignee. In such event, the assignee shall not become a Substitute Member without meeting the requirements in this Agreement for becoming a Substitute Member.

- 9.4 **Transferee Becoming Substitute Member.** The Manager and Members shall have the power and discretion to admit as a Substitute Member an assignee or any other transferee which acquires all or part of a Member's interest either voluntarily or without the Member's consent. No Substitute Member shall be admitted without the unanimous consent of the Manager and all Members.

A transferee shall become a Substitute Member only after the transferor Member or its Trustee or personal representative, as the case may be, executes, acknowledges, and delivers to the LLC such instruments of transfer and assignment as are in form and substance satisfactory to the LLC. Admission of a Substitute Member is conditioned upon his written acceptance and adoption of this Operating Agreement and consent to be bound thereby.

ARTICLE 10: EFFECT OF ASSIGNMENT

- 10.1 An assignee of an LLC Interest shall only be entitled to the allocations and distributions to which the assigned interest is entitled, unless such assignee applies for admission to the Limited Liability Company and is admitted to the Limited Liability Company as a Member in accordance with this Agreement. Such assignee shall have no right to vote in the affairs of the Limited Liability Company, to participate in any discussion of Limited Liability Company affairs, to attend any Limited Liability Company meetings, to review any Limited Liability Company documents, to receive any information about the LLC from any Member or Manager, or to inspect any Limited Liability Company books and records.
- 10.2 An assignment, pledge, hypothecation, transfer, or other disposition of all or any part of the interest of a Member in the Limited Liability Company or other person holding any interest in the Limited Liability Company in violation of the provisions hereof shall be null and void for all purposes.
- 10.3 An assignee shall be required to make additional capital contributions required of Members pursuant to the Agreement.

ARTICLE 11: BOOKS, RECORDS, AND BANK ACCOUNTS

- 11.1 **Books and Records.** Books of account shall be kept with respect to the operation of the LLC. Such books shall be maintained at the principal office of the LLC, or at such other place as the Members shall determine.
- 11.2 **Accounting Basis and Fiscal Year.** The books of account of the LLC shall be kept on a method authorized or required by the Code and as determined by the Manager, and shall be closed and balanced at the end of each LLC fiscal year.

ARTICLE 12: TERMINATION AND DISSOLUTION

- 12.1 **Events of Dissolution.** The LLC shall be dissolved upon the occurrence of any event described in this Article.
- (a) The LLC shall be dissolved on a date designated by the Manager with the unanimous written consent of the Members.
 - (b) The LLC shall be dissolved upon the death of all Members unless their wills or trusts provide for the continuance of the LLC.
 - (c) In any event, the LLC shall be dissolved 99 years after the date of this Agreement.
- 12.2 **Continuation of LLC.** Upon dissolution, the LLC shall thereafter conduct only activities necessary to wind up its affairs, unless within 90 days after the date of the event causing dissolution, a majority of the remaining Members, or their legal representatives, elect to continue the LLC.
- 12.3 **Effective Date of Dissolution.** Absent the election to continue the LLC as provided above, dissolution of the LLC shall be effective on the date on which the event occurs giving rise to the dissolution, but the LLC shall not be wound up until the LLC's Articles of Organization is canceled and the assets of the LLC have been distributed as provided in this Agreement.
- 12.4 **Operation of the LLC After Dissolution.** During the period in which the LLC is winding up, the business of the LLC and the affairs of the Members shall continue to be governed by this Agreement.

Upon dissolution of the LLC, the Members or, in the absence of a Member, a liquidator appointed by a majority in interest of Members' legal representatives, shall liquidate the Property, apply and distribute the proceeds derived from the liquidation of the Property as contemplated by this Agreement, and cause the cancellation of the LLC's Articles of Organization. If any assets of the LLC are to be distributed in kind, such assets shall be distributed on the basis of their fair market value at the date of distribution.

The proceeds derived from the liquidation of the Property shall first be applied toward, or paid to, any creditor of the LLC who is not a Member, or successor in interest. The order of priority of payment to any creditor shall be as required by applicable Delaware law. After payment of liabilities owing to creditors, excluding Members, the Members or liquidator shall set up such reserves as they deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the LLC.

- 12.5 **Ability to Create an Escrow Account.** Any reserves for contingent liabilities may, but need not, be paid over to a bank to be held in escrow for the purpose of paying any such contingent or unforeseen liabilities or obligations.

Following the expiration of such period as the Members or liquidator may deem advisable, such remaining reserves shall be distributed to the Members or their assigns.

After paying such liabilities and providing for such reserves, the Members or liquidator shall cause the remaining net assets of the LLC to be paid to creditors, if any, and then distributed in the same manner as provided in this Agreement relating to distributions to Members.

ARTICLE 13: AMENDMENTS

- 13.1 **Amendments.** This Agreement may be adopted, amended, altered, or repealed by the vote or written consent of all of the LLC Interests at a meeting of the Members at which a quorum is present.

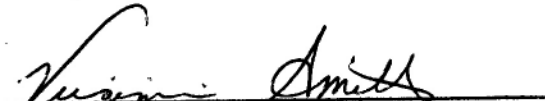
ARTICLE 14: GENERAL PROVISIONS


- 14.1 **Entire Agreement/Modification.** This Agreement contains the entire understanding of the parties with respect to the subject matter of the Agreement, and it supersedes all prior understandings and agreements, whether written or oral, and all prior dealings of the parties with respect to the subject matter hereof. This Agreement, in whole or in part, cannot be changed, modified, extended, or discharged orally, and no waiver of compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced in writing. Further, no consent or waiver, express or implied, to or of any breach or default shall constitute a consent or waiver to or of any other breach.
- 14.2 **Executory Contract.** The parties hereby intend and agree that this operating agreement constitutes an executory contract under 11 U.S.C. 365, and its successors. The Agreement is an executory contract because of the duties imposed on each of the Members and Managers including, without limitation, the fiduciary duties of Managers and Members, the duties to make additional capital contributions, and the duties to manage the business.
- 14.3 **Partition.** Each Member agrees that he or she has no right, and irrevocably waives any and all such rights, to have any Property partitioned.

- 14.4 **Further Actions.** Each of the Members agrees to execute, acknowledge, and deliver such additional documents, and take such further actions, as may reasonably be required from time to time to carry out each of the provisions and the intent of this Agreement, and every agreement or document relating hereto, or entered into in connection herewith.
- 14.5 **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 provision to other persons or circumstances shall not be affected thereby.
- 14.6 **Successor and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, legal representatives, and assigns. This Agreement may not be assigned by any party without the express written consent of the other parties.
- 14.7 **Notices.** All notices, requests, demands, and other communications made hereunder shall be in writing and shall be deemed duly given if delivered personally with written receipt or sent by facsimile or registered or certified mail, postage prepaid to such address or person as a party may designate by notice to the other parties.
- 14.8 **Attorneys' Fees.** In the event of any litigation arising as a result of or by reason of this Agreement, the prevailing party in any such litigation shall be entitled to, in addition to any other damages assessed, its reasonable attorneys' fees, and all other costs and expenses incurred in connection with settling or resolving such dispute.
- 14.9 **Construction.** Throughout this Agreement, the masculine, feminine, or neuter genders shall be deemed to include the masculine, feminine, and neuter and the singular, the plural, and vice versa. The headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret, or construe the intentions of the parties.
- 14.10 **Execution and Counterparts.** This Agreement may be executed in several counterparts each of which shall be deemed to be an original, and all such counterparts when taken together shall constitute one and the same instrument.
- 14.11 **Waiver.** No consent or waiver, express or implied, with respect to any breach or default shall be deemed to be a consent or waiver with respect to any other breach or default.
- 14.12 **Governing Law.** This agreement shall be governed by, and interpreted in accordance with, the laws of the State of Delaware or other jurisdiction designated by amendment of this Agreement.
- 14.13 **Creditor Rights of Enforcement.** No provision of this Agreement may be enforced by or

for the benefit of a creditor of the LLC or of any Member or any other person who is not a Member.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of this 13th day of September, 2010.


Virginia Smith
Member / Manager


Charles W. Smith
Member

**SCHEDULE A
REAL PROPERTY CONTRIBUTION**

3109 West 45th Street
Jacksonville, FL 32209

1702 MacMillan Street
Jacksonville, FL 32209

23 acres - Oxford Street
Hilliard, FL 32046

4 unit apartment building
2338 Oak Street
Jacksonville, FL 32219

279 N.E. Ark Place
Lake City, FL

Two Mortgages with an approximate value of \$100,000

Two Mortgages with an approximate value of \$35,000