

**OPERATING AGREEMENT
OF CHR IMPROVEMENT, LLC**

A MANAGER-MANAGED SINGLE-MEMBER FLORIDA LIMITED LIABILITY COMPANY

Dated as of July 11, 2018

TABLE OF CONTENTS

TABLE OF EXHIBITS.....	iii
BACKGROUND	1
TERMS AND CONDITIONS.....	1
Section 1 PRELIMINARY PROVISIONS.....	1
1.1 Effective Date of Agreement	1
1.2 LLC's Name, Office and Registered Agent	1
1.3 Entity Status of LLC; Ownership of LLC Assets.....	1
1.4 LLC's Principal Purpose.....	2
1.5 LLC's Powers.....	2
1.6 LLC's Duration.....	2
1.7 LLC's Principal Place of Business.....	2
1.8 Management of LLC by Managers.....	2
1.9 Limited Liability of Member	2
1.10 Limited Liability of Co-Managers	2
1.11 Requirement to Amend Agreement if LLC Has Multiple Members	3
1.12 LLC's Annual Accounting Period.....	3
1.13 LLC's Accounting Method	3
1.14 Effect of LLC Act.....	3
1.15 Relation of Agreement to Articles	3
1.16 Member's Right to Reimbursement of Expenses	3
Section 2 MEMBER'S CONTRIBUTION TO THE LLC	3
2.1 Contribution—Definition.....	3
2.2 LLC Interest and Membership Rights—Definitions	4
2.3 The Member's Contribution in Exchange for Membership Rights	4
2.4 No Duty to Make Additional Contributions, Etc.....	4
Section 3 ALLOCATIONS AND DISTRIBUTIONS	4
3.1 Definitions	4
3.2 Member Has Sole Right to Allocations and Distributions.....	4
3.3 Distributions by the LLC	5
3.4 Tax Distributions	5
3.5 Wrongful Distributions	5
Section 4 LLC MANAGEMENT	5
4.1 Initial Governing Body	5
4.2 Employment Status of Co-Managers	5
4.3 Reporting Status of Co-Managers.....	5
4.4 Allocation of Decision-Making between the Member and the Governing Body.....	5
4.5 Governing Body's Responsibility to Obtain Tax Identification Numbers, Bank Accounts, Etc.....	5
4.6 Signing of Contracts, Etc.	6
4.7 No Duty to Record Decisions, Etc.	6
4.8 Co-Maanager's Fiduciary Duties	6
4.9 Co-Manager's Personal Liability for Fiduciary Breaches, Etc.	6
Section 5 TRANSFERS AND PLEDGES OF MEMBERSHIP RIGHTS.....	6
5.1 Transfers of Membership Rights.....	6
5.2 Admission of Additional Members.....	6
5.3 Pledges.....	7
Section 6 DISSOCIATION OF THE MEMBER	7
Section 7 LLC RECORDS AND INFORMATION.....	7
Section 8 DISSOLUTION OF THE LLC, ETC.	7
8.1 LLC's Dissolution, Winding-Up and Liquidation— Definitions	7
8.2 Dissolution, Etc., of LLC.....	7
Section 9 TERM AND TERMINATION OF THIS AGREEMENT	8
Section 10 REPRESENTATIONS BY THE MEMBER.....	8
Section 11 MISCELLANEOUS PROVISIONS	8
11.1 Entire Agreement.....	8
11.2 Amendments.....	8
11.3 Notices.....	8
11.4 Governing Law.....	8
11.5 Captions.....	9
11.6 Incorporation of Articles and Exhibits	9

11.7 "Discretion," "Including," and "Person" — Definitions9
SIGNATURES AND DATES.....9
EXHIBIT A.....1
EXHIBIT B.....1
EXHIBIT C.....1

TABLE OF EXHIBITS

Exhibit A	Articles of Organization
Exhibit B	The Member's Contribution to the LLC
Exhibit C	Employment Agreement between Co-Managers and LLC

OPERATING AGREEMENT OF CHR IMPROVEMENT, LLC
A MANAGER-MANAGED SINGLE-MEMBER FLORIDA LIMITED LIABILITY COMPANY

DATE OF AGREEMENT; PARTIES

This limited liability company operating agreement (the “Agreement”), dated as of July 10, 2018, is between the following parties (the “parties”):

1. CAPE HAZE RESORT COMMUNITY ASSOCIATION, INC., (the “member”), a not for profit corporation, formed and existing under the laws of the State of Florida, with its principal place of business at 8401 Placida Road, Cape Haze, FL 33946; and
2. CHR IMPROVEMENT, LLC (the “LLC”), a limited liability company formed and existing under the laws of the State of Florida, with its principal place of business at 8401 Placida Road, Cape Haze, FL 33946.

BACKGROUND

1. On July 9, 2018 (the “Filing Date”), the member caused the LLC’s articles of organization (the “Articles”) to be filed with the Secretary of State (the “Secretary of State”) of the State of Florida, and on that date the LLC was formed as a limited liability company under the Florida Revised Limited Liability Company Act (the “LLC Act”), Chapter 605, Florida Statutes. A copy of the Articles is attached as Exhibit A.
2. The principal purpose of the LLC is to hold and operate real estate, including the pledge and/or sale of the same, and all other lawful purposes permitted under the LLC Act.
3. This Agreement sets forth the agreement of the parties about their respective rights and duties as parties to the Agreement and about the business and internal affairs of the LLC.

TERMS AND CONDITIONS

Intending to be legally bound, the parties agree as follows:

Section 1 PRELIMINARY PROVISIONS

1.1 Effective Date of Agreement

The effective date of this Agreement (the “Effective Date”) shall be the Filing Date.

1.2 LLC’s Name, Office and Registered Agent.

The LLC’s name, registered agent, registered office, and form of management shall be as set forth in the Articles.

1.3 Entity Status of LLC; Ownership of LLC Assets

The LLC is a legal entity separate and distinct from its member. The LLC owns all of its assets in its own name and the member has no direct interest in those assets.

1.4 LLC's Principal Purpose

The principal purpose of the LLC shall be as set forth above.

1.5 LLC's Powers

In pursuing its lawful purposes, the LLC shall have the power to do all things that LLCs are permitted to do under the LLC Act.

1.6 LLC's Duration

The duration of the LLC shall be indefinite and shall terminate only as set forth in Section 8 hereof (concerning the LLC's dissolution).

1.7 LLC's Principal Place of Business

The LLC's principal place of business shall be as set forth above. The member's board of management (referred to hereafter as the "Governing Body" may change the LLC's principal place of business from time to time in the Governing Body's discretion.

1.8 Management of LLC by Managers.

- (a) Management by Managers. The LLC shall be managed by individuals (together, the "managers") in accordance with the provisions of Section 4 of this Agreement.
- (b) Titles. The managers' shall be referred to as "co-manager" or such other titles as may be determined by the Governing Body from time to time.
- (c) Delegations
 - (1) Delegations of Authority. With the advance written consent and direction of the majority of the Governing Body, to the extent permitted by the LLC Act, the Governing Body may delegate the management rights, power and authority from time to time to two or more co-managers or agents and may amend or terminate any such delegation.
 - (2) Written Confirmations of Delegations. The co-managers shall use their best efforts to confirm the fact and terms of each such delegation and of each such amendment and termination in a writing signed by a majority of the Governing Body and and filed in the LLC's records; but no failure to do so shall invalidate the delegation.

1.9 Limited Liability of Member

The member shall have no personal liability to any third party for any debt, obligation or liability of the LLC solely by reason of being the LLC's member.

1.10 Limited Liability of Co-Managers

The co-managers in their capacities as the LLC's managers shall have no personal liability to any third party for any debt, obligation or liability of the LLC solely by reason of being the LLC's co-managers.

1.11 Requirement to Amend Agreement if LLC Has Multiple Members

- (a) Amendments of LLC Agreement if LLC Becomes a Multi-member LLC. If, at any time, the LLC has two or more members, the members shall, with reasonable promptness, consult with the LLC's lawyer and make all amendments to this Agreement that are necessary to reflect the members' agreement as members of a multi-member LLC.
- (b) Types of Required Amendments. The amendments referred to in Section 1.11(a) shall include amendments concerning the allocation of the LLC's profits and losses, the distribution of profits and other LLC assets, the allocation of LLC voting rights and other management rights, fiduciary rights and liabilities, and other appropriate matters.
- (c) LLC Act Default Rules. In the absence of these amendments, the LLC, upon becoming a multi-member LLC, shall be governed by the default provisions of the LLC Act applicable to multi-member LLCs.

1.12 LLC's Annual Accounting Period

The LLC's annual accounting period for financial and tax purposes shall be the same as the taxable year of the Member.

1.13 LLC's Accounting Method

- (a) Use of Federal Income Tax Definitions, Etc. In computing its income, deductions and other tax and financial items, the LLC shall use federal income tax definitions and rules to the extent that these definitions and rules are available under applicable federal tax authorities.
- (b) Cash Basis for Recognizing Income, Etc. In determining when to recognize income, expenses and other tax items the LLC shall use the cash, accrual or other basis as determined by the Governing Body upon consultation with its tax advisor.

1.14 Effect of LLC Act

Except as otherwise provided in this Agreement or by applicable law, the business and internal affairs of the LLC shall be governed by the LLC Act as in effect from time to time.

1.15 Relation of Agreement to Articles

If there is any conflict between this Agreement and the Articles, the Articles shall prevail.

1.16 Member's Right to Reimbursement of Expenses

If the member reasonably incurs an expense on behalf of the LLC in connection with the LLC's formation or otherwise and reasonably documents this expense to the LLC, the LLC shall reimburse the member for this expense as promptly as reasonably possible after receiving this documentation.

Section 2 MEMBER'S CONTRIBUTION TO THE LLC

2.1 Contribution—Definition

For purposes of this Agreement, a contribution shall mean any cash or property, or services rendered, or a

promissory note or other obligation to contribute cash or property or to perform services that a person transfers or provides or promises to transfer or to provide to the LLC in exchange for the person's LLC interest (as defined in Section 2.2(a)) and the person's other membership rights (as defined in Section 2.2(b)).

2.2 LLC Interest and Membership Rights—Definitions

For purposes of this Agreement:

- (a) LLC Interest. The term "LLC interest" shall mean the right of the member to receive allocations of LLC tax items (as defined in Section 1.12(a)) and to receive distributions of LLC profits and other LLC assets.
- (b) Membership Rights. The term "membership rights" shall mean the totality of the member's rights as a member. These rights shall include the member's (a) economic rights, including the member's LLC interest; and (b) the member's management rights, including voting rights and agency rights.

2.3 The Member's Contribution in Exchange for Membership Rights

- (a) The Member's Contribution. The member's contribution to the LLC in exchange for the member's membership rights shall be as set forth in the attached Exhibit B.
- (b) Record of Contribution. Promptly after making the above contribution, the member shall attach to Exhibit B one or more documents, such as photocopies of cancelled checks, documentary evidence of bank transfers, or photocopies of executed bills of assignment, showing that the member has made the contribution.

2.4 No Duty to Make Additional Contributions, Etc.

The member shall have no duty to make any contribution to the LLC except as provided in Section 2.3 of this Agreement, and no cash or property of any person shall be deemed to be a contribution to the LLC unless specifically recorded as such in the LLC's records.

Section 3 ALLOCATIONS AND DISTRIBUTIONS

3.1 Definitions

As used in this Agreement:

- (a) Allocation. An allocation to the member means an accrual of a tax item of the LLC (as defined in Section 1.12(a)) to the member on the books of the LLC.
- (b) Distribution. A distribution means a transfer of the LLC's cash or other assets from the LLC to the member by check, bill of assignment or otherwise that is not (i) compensation to the member by the LLC for services rendered by the member to or for the LLC; or (ii) a reimbursement by the LLC to the member for expenses incurred by the member for the LLC.

3.2 Member Has Sole Right to Allocations and Distributions

Only the member shall be entitled to receive allocations and distributions.

3.3 Distributions by the LLC

Subject to Sections 3.4 and 3.5, the LLC shall make distributions to the member at such times and in such amounts as the Governing Body may determine from time to time in the Governing Body's discretion.

3.4 Tax Distributions

Subject to Section 3.5, the LLC shall make distributions ("tax distributions") to the member at such times and in such amounts as to enable the member to pay the member's taxes on the LLC's taxable income on time and in full.

3.5 Wrongful Distributions

The LLC shall make no distribution to the member to the extent that, at the time the distribution is made, the distribution would be a wrongful or unlawful distribution under the LLC Act.

Section 4 LLC MANAGEMENT

4.1 INITIAL GOVERNING BODY

The initial Governing Body of the LLC shall include Mark Watkins, Robert Baran, Henry Travers and Frank Giordano, who shall serve until such time as the Member calls a meeting of the Board of Managers for purposes of selecting successors or extending the terms of the existing Board of Managers. Each manager selected to be on the Board of Managers shall serve for a term of one year, and the Board of Managers and Member shall meet annually, in the month of September, for purposes of the Member selecting successor managers and/or extending the terms of some or all of the existing Board of Managers, as the case may be.

4.2 Employment Status of Co-Managers

The Co-managers shall serve without compensation until such time as the Governing Body may determine otherwise. If compensation is determined, said compensated co-managers shall be employees of the LLC. Except as otherwise provided in this Agreement, the terms of the employment agreements (the "Employment Agreements") between the LLC and each of its co-managers, shall be in writing and shall govern the employment relation between the LLC and the co-managers.

4.3 Reporting Status of Co-Managers

In performing the co-managers duties under this Agreement and the co-manager's obligations under an employment agreement with the LLC, if any, the co-managers shall report to the Governing Body.

4.4 Allocation of Decision-Making between the Member and the Governing Body

The Governing Body, or its duly delegated co-managers to the extent of such delegation of authority, shall have the right to make all decisions relating to the day-to-day business and internal affairs of the LLC. The decision of all other LLC matters not specifically delegated shall be reserved to the Governing Body.

4.5 Governing Body's Responsibility to Obtain Tax Identification Numbers, Bank Accounts, Etc.

Promptly after the LLC is formed, the Governing Body shall do the following:

- (a) Tax Identification Numbers. The Governing Body shall obtain for the LLC a federal tax identification number and any necessary state tax identification numbers.
- (b) Bank Accounts. The Governing Body shall open any necessary bank accounts for the LLC.
- (c) Insurance. The Governing Body shall obtain on commercially reasonable terms insurance policies covering all reasonably foreseeable LLC insurable risks.
- (d) Miscellaneous. The Governing Body shall do all other things necessary or useful in connection with the commencement of the LLC's business.

4.6 Signing of Contracts, Etc.

The co-managers shall have the exclusive right, power and authority to sign contracts on behalf of the LLC and otherwise to bind the LLC with third parties to the extent delegated by the Governing Body.

4.7 No Duty to Record Decisions, Etc.

Neither the Governing Body, nor the co-managers shall be obligated to record in writing or otherwise any decision relating to the business or internal affairs of the LLC. No failure to make such a record shall impair the validity of any such decision.

4.8 Co-Manager's Fiduciary Duties

Except as otherwise provided in the Employment Agreements, if any, the co-managers shall have the fiduciary duties of corporate officers under the business corporation act of the state of Florida.

4.9 Co-Manager's Personal Liability for Fiduciary Breaches, Etc.

Except as otherwise provided in this Agreement and the Employment Agreements, if any, the co-managers shall be personally liable for breaches of duties as officers of the LLC and of their other duties and responsibilities as provided in the business corporation act of the state of Florida and applicable case law of the state of Florida.

Section 5 TRANSFERS AND PLEDGES OF MEMBERSHIP RIGHTS

5.1 Transfers of Membership Rights

- (a) Transfers—in General. The member, in its discretion, may transfer (whether by sale, gift or otherwise) all or any part of the member's membership rights, including economic and non-economic rights, to any person at any time. The member may make any such transfer under any terms and conditions that it deems appropriate.
- (b) Transfer upon the Member's Dissolution. However, upon the dissolution or other similar event constituting or leading to the termination of the member's legal existence, its membership rights shall pass in accordance with the member's plan of dissolution or other applicable document or, in the absence of such a plan, under other applicable law.

5.2 Admission of Additional Members

Whether additional persons shall be admitted as members of the LLC shall be determined by the

Governing Body, in its discretion.

5.3 Pledges

The Governing Body shall have discretion to pledge all or any part of the member's membership rights to any person at any time as collateral for any debt of the member. The member may make any such pledge under any terms and conditions that the Governing Body deems appropriate.

Section 6 DISSOCIATION OF THE MEMBER

The member shall cease to be a member of the LLC only upon the termination of its existence as a legal entity, the transfer of all of its membership rights or the cessation of the LLC's existence and shall not cease to be a member for any other reason, including:

- (a) Its bankruptcy; or
- (b) Its assignment of its entire LLC interest to another person.

Section 7 LLC RECORDS AND INFORMATION

- (a) Records and Information Required by LLC Act. The LLC shall compile and shall maintain at its principal place of business all records and information that the LLC Act requires the LLC to compile and maintain.
- (b) Other Records. The LLC shall maintain records and books of account concerning its business in accordance with financial standards normally applicable to business organizations generally similar to the LLC in size and activities.

Section 8 DISSOLUTION OF THE LLC, ETC.

8.1 LLC's Dissolution, Winding-Up and Liquidation— Definitions

For purposes of this Agreement:

- (a) Dissolution. The dissolution of the LLC shall mean the cessation of its normal business activities and the beginning of the process of its winding-up and liquidation.
- (b) Winding Up. The winding-up of the LLC shall mean the process of concluding its existing business activities and internal affairs and preparing for its liquidation.
- (c) Liquidation. The liquidation of the LLC shall mean the sale or other disposition of its assets and the distribution of its assets (or of the proceeds of the sale or other disposition of its assets) to its creditors and to the member.

8.2 Dissolution, Etc., of LLC

- (a) Right of Member to Dissolve LLC, Etc. Subject to any applicable provisions of the LLC Act, the member may dissolve, wind up and liquidate the LLC and terminate its legal existence at any time and upon any terms that the member may determine.
- (b) Termination of Legal Existence of LLC. The legal existence of the LLC shall terminated on the the effective date of the certificate of cancellation of the LLC's Articles as filed with the Secretary of State.
- (c) Deemed Liquidating Dissolution. Immediately upon the cessation of the legal existence

of the LLC, the property of the LLC shall be deemed to be distributed to the member and to become the property of the member as an individual, subject to the rights of any existing creditors of the LLC.

Section 9 TERM AND TERMINATION OF THIS AGREEMENT

The term of this Agreement shall begin on the Effective Date (as defined in Section 1.1) and shall end upon the earlier of:

- (a) The date on which the LLC ceases to exist as a legal person under the LLC Act; and
- (b) The date which the member determines to be the date of termination of the Agreement.

Section 10 REPRESENTATIONS BY THE MEMBER

The member hereby represents as follows:

- (a) The member is a not for profit corporation duly formed and existing under the laws of the state of Florida.
- (b) The member has full legal authority to enter into and perform this Agreement and is not prevented from doing so by judicial order, by agreement with a third party or by any other cause.
- (c) The member has adopted all resolutions and has done all other things necessary to authorize its execution and performance of this Agreement.
- (d) The member has full legal authority and all necessary authorization to make the contributions to the LLC provided for in Section 2.3 of this Agreement.

Section 11 MISCELLANEOUS PROVISIONS

11.1 Entire Agreement

This Agreement contains the entire agreement between the parties concerning its subject matter, and it replaces all prior agreements between them concerning its subject matter.

11.2 Amendments

No amendment of this Agreement or of the Articles shall be valid unless it is set forth in a writing signed by the parties.

11.3 Notices

All notices under this Agreement shall be in writing. They shall be sent by electronic mail, fax or registered U.S. mail, return receipt requested, to the parties at their respective addresses as stated on the first page of this Agreement. Either party may change the party's address for purposes of this Section 11.3 at any time upon reasonable notice to the other party. Notices shall be deemed to have been received when actually received.

11.4 Governing Law

This Agreement shall be governed exclusively by the laws of the State of Florida.

11.5 Captions

Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

11.6 Incorporation of Articles and Exhibits

The Articles and all exhibits referred to in this Agreement are hereby incorporated into the Agreement and made integral parts of it.

11.7 "Discretion," "Including," and "Person" — Definitions

As used in this Agreement:

- (a) Discretion. "Discretion" shall mean absolute discretion.
- (b) Including. "Including" and similar terms shall denote a partial definition.
- (c) Person. "Person" shall mean a natural person and any kind of entity.

SIGNATURES AND DATES

In witness of their acceptance of the terms and conditions of this LLC operating agreement, the parties, by themselves or by their duly authorized representatives, have signed and dated this Agreement as follows:

CHR Improvement, LLC

By: _____
Name: _____ (Date)

Title: Co-Manager

By: Henry Travers MD 7/13/2018
Name: HENRY TRAVERS (Date)

Title: Co-Manager

Cape Haze Resort Community Association, Inc.

By: _____
Print Name: _____ (Date)

Title: _____

11.5 Captions

Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

11.6 Incorporation of Articles and Exhibits

The Articles and all exhibits referred to in this Agreement are hereby incorporated into the Agreement and made integral parts of it.

11.7 “Discretion,” “Including,” and “Person” — Definitions

As used in this Agreement:

- (a) Discretion. “Discretion” shall mean absolute discretion.
- (b) Including. “Including” and similar terms shall denote a partial definition.
- (c) Person. “Person” shall mean a natural person and any kind of entity.

SIGNATURES AND DATES

In witness of their acceptance of the terms and conditions of this LLC operating agreement, the parties, by themselves or by their duly authorized representatives, have signed and dated this Agreement as follows:

CHR Improvement, LLC

By:


7/12/18
 Name: MARK E. WATKINS (Date)
 Title: Co-Manager

By:

Name: _____ (Date)
 Title: Co-Manager

Cape Haze Resort Community Association, Inc.

By:

Print Name: _____ (Date)
 Title: _____

11.5 Captions

Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

11.6 Incorporation of Articles and Exhibits

The Articles and all exhibits referred to in this Agreement are hereby incorporated into the Agreement and made integral parts of it.

11.7 "Discretion," "Including," and "Person" — Definitions

As used in this Agreement:

- (a) Discretion. "Discretion" shall mean absolute discretion.
- (b) Including. "Including" and similar terms shall denote a partial definition.
- (c) Person. "Person" shall mean a natural person and any kind of entity.

SIGNATURES AND DATES

In witness of their acceptance of the terms and conditions of this LLC operating agreement, the parties, by themselves or by their duly authorized representatives, have signed and dated this Agreement as follows:

CHR Improvement, LLC

By:  7/17/18
 Name: MARK E. WATKINS (Date)
 Title: Co-Manager

By: _____ (Date)
 Name: _____ (Date)
 Title: Co-Manager

Cape Haze Resort Community Association, Inc.

By:  7/17/18
 Print Name: MARK E. WATKINS (Date)
 Title: VICE PRESIDENT

EXHIBIT A
ARTICLES OF ORGANIZATION
(ATTACHED)

EXHIBIT B

MEMBER'S CONTRIBUTION TO THE LLC

In exchange for the member's rights as a member of the LLC, the member shall promptly make the following contribution to the LLC in accordance with the terms and conditions set forth in this exhibit:

- A. Transfer to the Company of all interest in and to the Earnest Money Deposit under that certain contract by and between CHR Properties, LLC as Seller and Cape Haze Resort Community Association, Inc. as Buyer (the "Contract").
- B. Contribution of all funds needed to complete the Contract and acquire the property described therein.
- C. Contribution of all funds necessary for the formation of the Company, including filing fees, certificates and costs associated with the same.

EXHIBIT C
EMPLOYMENT AGREEMENTS BETWEEN CO-MANAGERS AND THE LLC
(ATTACHED)

ACTIVE: 11106392_1