

**ARTICLES OF ORGANIZATION**  
**OF**  
**ISLAND ROYALE, L.L.C.**

Pursuant to the Provisions of the "Alabama Limited Liability Company Act," Act No. 10-12-1, et seq., Code of Alabama (1975), as amended by Act 97-920, Alabama Laws, First Special of 1997, the undersigned hereby adopts the following Limited Liability Company Articles of Organization, for such company, to become a single member limited liability company:

State of Alabama, Baldwin County  
certify this instrument was filed  
and taxes collected on:  
2000 June - 9 1:31PM  
Instrument Number 549480 Pages 5  
Recording 35.00 Mortgage  
Deed Min Tax DP 1.00  
Index Archive 3.00  
Adrian T. Johns, Judge of Probate

549480

**ARTICLE I**

NAME

Island Royale, L.L.C.

**ARTICLE II**

DURATION

The period of duration is for thirty years or until dissolved under the terms of the Operating Statement issued by the Single Member of the Limited Liability Company.

**ARTICLE III**

PURPOSES

The Limited Liability Company has been organized for the following purposes:

To invest in and develop real estate and all lawful business for which Limited Liability Companies may be organized under the Limited Liability Act of the State of Alabama.

**ARTICLE IV**

REGISTERED AGENT/OFFICE

The location and street address of the initial registered office shall be 8272 Bayview Drive, Foley, Alabama, 36535, with a mailing address of Post Office Drawer 3889, Gulf Shores, Alabama, 36547-3889, and its registered agent at such address shall be C. B. HARBOUR, III.

**ARTICLE V**

**SINGLE MEMBER**

The name and address of the Single Member is:

C. B. HARBOUR, III  
7530 Goodwin Road  
Chattanooga, TN 37421

No additional members shall be added, however the legal successor of the single member may continue the business upon the death, resignation, or retirement of the member as set out in the Operation Statement.

**ARTICLE VI**

The LLC is to be managed by one manager. The name and address of the manager who is to serve until the first annual meeting of the single member or until his successor is elected and qualifies is:

C. B. HARBOUR, III  
7530 Goodwin Road  
Chattanooga, TN 37421

**ARTICLE VII**

**INDEMNIFICATION OF MEMBER**

(a) To the greatest extent not inconsistent with the laws and public policies of Alabama, the Limited Liability Company shall indemnify the Member, (hereinafter being referred to as the indemnified "individual") made a party to any proceeding because such individual is the Member of the Limited Liability Company as a matter of right, against all liability incurred by such individual in connection with any proceeding; provided that it shall be determined in the specific case in accordance with paragraph (d) of this Article that indemnification of such individual is permissible in the circumstances because the individual has met the standard of conduct for indemnification set forth in paragraph (c) of this Article. The Limited Liability Company shall pay or reimburse the reasonable expenses incurred by the Member in connection with any such proceeding in advance of final disposition thereof if:

(i) the individual furnishes the Limited Liability Company a written affirmation of the individual's good faith belief that he has met the standard of conduct for indemnification described in paragraph (c) of this Article.

(ii) the individual furnishes the Limited Liability Company with a written undertaking, executed personally or on such individual's behalf, to repay the advance if it is ultimately determined that such individual did not meet such standard of conduct; and

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(iii) a determination is made in accordance with paragraph (d) that based upon facts then known to those making the determination, indemnification would not be precluded under this Article. The undertaking described in subparagraph (a)(ii) above must be a general obligation of the individual, subject to such reasonable limitations as the Limited Liability Company may permit, but need not be secured and may be accepted without reference to financial ability to make repayment. The Limited Liability Company shall indemnify the Member, who is wholly successful, on the merits or otherwise, in the defense of any such proceeding, as a matter of right, against reasonable expenses incurred by the individual in connection with the proceeding without the requirement of a determination as set forth in paragraph (c) of this Article. The indemnification and advancement of expenses provided for under this Article shall be applicable to any proceeding arising from acts or omissions occurring before or after the adoption of this Article.

(b) The Limited Liability Company shall have the power, but not the obligation, to indemnify any individual who is or was an employee or agent of the Limited Liability Company.

(c) Indemnification of a individual is permissible under this Article only if:

- (i) such individual conducted himself in good faith;
- (ii) such individual reasonably believed that his conduct was in or at least not opposed to the Limited Liability Company's best interest; and
- (iii) in the case of any criminal proceeding, such individual had no reasonable cause to believe his conduct was unlawful.

Indemnification is not permissible against liability to the extent such liability is the result of willful misconduct, recklessness, or any improperly obtained financial or other benefit to which the individual was not legally entitled. The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, or itself, determinative that the individual did not meet the standard of conduct described in this paragraph (c).

(d) A determination as to whether indemnification or advance of expenses is permissible shall be made by any one of the following procedures:

- (i) by the Member; or
  - (ii) by special legal counsel selected by the Member.
- (e) Nothing contained in this Article shall limit or preclude the exercise or be deemed exclusive of any right under the law, by contract or otherwise, relating to the indemnification of or advancement of expenses to any individual who is the Member of the Limited Liability Company or is or was serving at the Limited Liability Company's request as an employee, or agent of another or foreign or domestic company, partnership, association, limited liability

company, corporation, joint venture, trust, employee benefit plan, or other enterprise, whether for profit or not. Nothing contained in this Article shall limit the ability of the Limited Liability Company to otherwise indemnify or advance expenses to any individual. It is the intent of this Article to provide indemnification to its Member to the fullest extent not or hereafter permitted by the law consistent with the terms and conditions of this Article. Indemnification shall be provided in accordance with this Article irrespective of the nature of the legal or equitable theory upon which a claim is made including without limitation negligence, breach of duty, mismanagement, waste, breach of contract, breach of warranty, strict liability, violation of federal or state securities law, violation of the Employee Retirement Income Security Act of 1974, as amended, or violation of any other state or federal law.

(f) For purposes of this Article:

(i) the term "expenses" includes all direct and indirect costs (including without limitation counsel fees, retainers, court costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursement or out-of-pocket expenses) actually incurred in connection with the investigation, defense, settlement or appeal of a proceeding or establishing or enforcing a right to indemnification under this Article, applicable law or otherwise.

(ii) the term "liability" means the obligation to pay a judgment, settlement, penalty, fine, excise tax (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

(iii) the term "party" includes a individual who was, or is threatened to be made a named defendant or respondent in a proceeding.

(iv) the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(v) the Limited Liability Company may purchase and maintain insurance for its benefit, the benefit of any individual who is entitled to indemnification under this Article, or both, against any liability asserted against or incurred by such individual in any capacity or arising out of such individual's service with the Limited Liability Company, whether or not the Limited Liability Company would have the power to indemnify such individual against such liability.

**IN WITNESS THEREOF**, the undersigned member has executed these Articles of Organization, on this, the \_\_\_\_\_ day of June, 2000.

  
 \_\_\_\_\_  
 C. B. HARBOUR, III  
 Managing Member

STATE OF ALABAMA )

COUNTY OF BALDWIN )

I, Renee' Washington, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that C. B. HARBOUR, III, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he did execute and sign the same voluntarily on the day the same bears date.

Given under my hand and seal this the 8<sup>th</sup> day of June, 2000.

Renee' Washington  
Notary Public

My Commission Expires: 10/08/03

This Document Prepared by:

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