

VIA FEDERAL EXPRESS

To: Royal Palm Senior Investors, LLC
c/o The Falor Companies, Inc.
8609 Bryn Mawr Ave., Suite 209
Chicago, IL 60631

From: Carbon Capital II, Inc.
c/o BlackRock Financial Management, Inc.
Park Avenue Plaza
55 East 52nd Street
New York, New York 10055

Name of Debtor: Royal Palm Senior Investors, LLC

RE-NOTICE OF DISPOSITION OF COLLATERAL

Notice is hereby given that Carbon Capital II, Inc. will sell 100% of the Membership Interest of Royal Palm Hotel Property, LLC, as more fully described in the attached Exhibit "A", to the highest *qualified* bidder in public as follows:

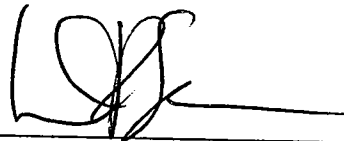
Day and Date: Wednesday, February 18, 2009

Time: 11:00 a.m.

Place: Kozyak Tropin & Throckmorton, P.A.
2525 Ponce de Leon Blvd, 9th Floor
Coral Gables, Florida 33134
Telephone: (305) 372-1800

Debtor is entitled to an accounting of the unpaid indebtedness secured by the collateral that we intend to sell. The charge for the accounting is \$200.00.

Dated: January 30, 2009.



Detra Shaw-Wilder
Attorney-in-Fact
Carbon Capital II, Inc.

EXHIBIT “A”

EXHIBIT A

To UCC-1 Financing Statement and To Pledge Agreement

Debtor (Pledgor): Royal Palm Senior Investors, LLC

Secured Party: Carbon Capital II, Inc.

Date: February 17, 2005

I. Description of Collateral. The collateral covered by the UCC-1 financing statement to which this Exhibit A is attached (the "UCC-1"), and constituting the collateral in which Debtor has granted a perfected security interest to Secured Party pursuant to the Pledge Agreement to which this Exhibit A is attached, consists of the "Membership Interest," as defined below. A complete description of the Membership Interest is hereby included and incorporated by reference in Item 4 (description of collateral) of the UCC-1, as if the entirety of this description of the Membership Interest (the collateral) were set forth in full on the face of the UCC-1.

II. Definitions. For purposes of the foregoing, the following terms shall have the following meanings:

"Distributions" means all of Debtor's right, title, and interest in and to (including the right to receive, and all rights of Debtor against the LLC or any Other Member with respect thereto) any and all distributions, issues, profits, and shares (including rights in the nature of warrants, purchase options, or options to acquire any property or further interest in the LLC) payable or distributable by the LLC, whether in cash or otherwise, whether of capital or income or surplus or otherwise, pursuant to the LLC Agreement or otherwise from the LLC, including distributions upon liquidation, dissolution, revision, reclassification, split-up, or other change or transaction affecting the LLC, or as a result of any sale, refinancing, or other capital transaction affecting any asset(s) or property of the LLC, or any borrowing by the LLC whether or not secured.

"LLC" means that certain limited liability company formed pursuant to the LLC Agreement (as defined below) under the limited liability company law of the State of Delaware, which LLC is known as Royal Palm Hotel Property, LLC. The LLC's Certificate of Formation was filed with the Secretary of State of the State of Delaware on December 17, 2004.

"LLC Agreement" means that certain Operating Agreement dated February 17, 2005 related to the LLC (as it may be amended, modified and supplemented from time to time with Secured Party's consent).

"Membership Interest" means the following, whether in existence on the Effective Date or accrued and arising thereafter:

1. Distributions. All of Debtor's right, title and interest in and to any and all Distributions;
2. Other Payments and Rights Thereto. All of Debtor's rights with respect to, including Debtor's right to receive, any Distributions or other payments from the LLC, regardless of how such payments are characterized, including management fees, disposition fees,

administrative fees, reimbursements, development fees, partners' or members' fees, guarantied payments, fees for services or for guaranteeing indebtedness, and any and all other payments from the LLC of any kind whatsoever;

3. Capital Account. Debtor's capital account in the LLC;
4. Mandatory Purchase. Any right of Debtor to require the LLC or any Other Member to purchase the Membership Interest or any portion thereof, and the proceeds of any such sale of the Membership Interest by Debtor;
5. Loans. The proceeds of any loan that the LLC may make to Debtor or for Debtor's benefit, and any right of Debtor to require the LLC to make any loan to or for the benefit of Debtor;
6. Property. All rights and interests of Debtor with respect to any property or asset of the LLC, including, without limitation, all real property, personal property and intangibles;
7. Third-Party Proceeds. All rights of Debtor to receive the proceeds of any insurance, bond, indemnity, warranty, or guaranty pursuant to the LLC Agreement;
8. Return on Membership Interest. Any interest or other return (preferred or otherwise) that may be earned or accrued on account of Debtor's Membership Interest;
9. Rights as a Creditor. All of Debtor's right, title and interest as a creditor of the LLC, including all notes and other evidences of indebtedness of the LLC to Debtor, including to be paid any payments Debtor may receive or be entitled to receive from the LLC on account of the LLC's indebtedness to Debtor (whether such payments constitute principal, interest, fees, or any other amounts);
10. Rights Against Other Members. All of Debtor's rights and claims against any Other Members with respect to the LLC or the financing and funding of the LLC and its activities, including any claims for: (a) reimbursement of sums advanced by Debtor on account of any Other Member's failure to perform under the LLC Agreement; (b) any claims for contribution or indemnity against any Other Member or its principals; and (c) any claims of Debtor against any Other Member under the LLC Agreement;
11. Documents. All certificates or documents representing any Distribution;
12. Rights as Partner/Member. All of Debtor's right, title and interest as a partner or member, and all of Debtor's limited liability company interests, whether now existing or hereafter created or arising, in and with respect to the LLC and the LLC Agreement, which Membership Interest of Debtor as of the date hereof constitutes 100% of the limited liability company interests in the LLC, as such interest may be increased or otherwise adjusted from time to time;
13. LLC Agreement. All of Debtor's rights under the LLC Agreement;

14. Management and Control Rights. All of Debtor's right to vote upon, approve, or consent to (or withhold consent or approval to) any matter pursuant to the LLC Agreement, or otherwise to control, manage, or direct the affairs of the LLC;
15. Related Rights. All rights of Debtor to terminate, amend, supplement, modify or waive performance under the LLC Agreement, to perform thereunder, and to compel performance and otherwise to exercise all remedies thereunder;
16. Documents. All certificates or documents representing Debtor's interest in and rights with respect to the LLC; and
17. Other. Any and all other rights, claims, property interests, or other interests of any kind that Debtor may have from time to time with respect to or against the LLC or any Other Member, and any other or greater interest that Debtor may have from time to time in, to or with respect to the LLC.
18. Replacements, Proceeds, Etc. All replacements, additions, modifications, accessions, substitutions, products, and Proceeds relating to or arising from any of the foregoing, and all documents, ledger sheets, files, and books and records of Debtor relating thereto.

"Other Members" means all members of the LLC, other than Debtor, if any.

"Proceeds" shall include the following, whether in cash or not in cash:

1. Certain Payments. Any proceeds, products, rents, revenues, issues, profits, royalties, income, benefits, accessions, additions, substitutions, and replacements of the Membership Interest;
2. Dispositions. Whatever is received by Debtor upon the sale, exchange, collection or other disposition of any item of Collateral, whether such proceeds constitute inventory, accounts, accounts receivable, general intangibles, instruments, securities, credits, documents, letters of credit, chattel paper, documents of title, warehouse receipts, leases, deposit accounts, money, contract rights, goods or equipment;
3. Applications of Proceeds. Any such items that are now or hereafter acquired by Debtor with any proceeds of any collateral hereunder; and
4. Insurance. Any insurance proceeds payable by reason of loss or damage to the Membership Interest, the assets of the LLC, or any proceeds thereof.

III. Limitation of Liability. Notwithstanding anything to the contrary in the foregoing, Secured Party shall have no obligations or liability with respect to the Membership Interest unless and until Secured Party has succeeded to ownership thereof. Even then, Secured Party's liability shall: (a) terminate if and when Secured Party has transferred or abandoned such Membership Interest; and (b) under all circumstances be limited to Secured Party's interest in the Membership Interest.