

**APPLICATION  
TO  
COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY  
FOR  
FINANCIAL ASSISTANCE**

**Applicant Rock Meadow Partners LLC**

**Appendix H**

**Operating Agreement of NARO Building LLC**

**(wholly owned by Applicant)**

**Assignment of Membership Interest  
In  
NARO Building, LLC**

On this 18<sup>th</sup> day of March, 2015 I, Kathleen M. Weiden, having a business mailing address of 30 Essex Place, Bronxville, NY (hereinafter the "Assignor"), hereby assign my Fifty (50.0 %) Percent interest in NARO Building, LLC, a Delaware Limited Liability (hereinafter the "Company") as partial consideration, to ROCK MEADOW PARTNERS, LLC, having a business address of 30 Essex Place, Bronxville, NY 10708. Assignor acknowledges that this Assignment does not permit the Assignee to act as a "Substitute Member" of the Company until such time as the all Managing Members or Partners of the Company approve this assignment.

Assignor individually represents and warrants that, where necessary, she has been granted all requisite authority to enter into this Assignment Agreement and that same is being done for Business Planning purposes.

In the event this assignment agreement shall violate any existing and enforceable agreement or federal, state, or local law then, and in that event and to that degree possible, this agreement shall be interpreted so as to be given the greatest possible legal effect consistent with its intended purpose subject to, however, any such legally enforceable law or language in such prior agreement which has been adjudged by a court of competent jurisdiction as inconsistent herewith.

In witness whereof, this Assignment has been executed by Assignor under seal as of the date first above written.


  
Assignor: KATHLEEN M. WEIDEN

STATE OF NEW YORK:

:SS.:

COUNTY OF WESTCHESTER:

On the 18<sup>th</sup> day of March, 2015 before me personally came Kathleen M. Weiden, to me known, who, being by me duly sworn, did depose and say that she resides in Bronxville, New York, and that she signed his name hereto.

  
Notary Public

MICHAEL T. GEARY  
Notary Public, State of New York  
No. 02GE6080317  
Qualified in Westchester County  
Commission Expires September 9, 2018

## CONSENT

On this 18<sup>th</sup> day of March, 2015 we, Kathleen M. Weiden and Brendan P. Weiden , as Managers of NARO Building, LLC, hereby grant our consent to the above-referenced transfer pursuant to Section 11.3 of the Company's Operating Agreement.



---

KATHLEEN M. WEIDEN  
Manager of NARO Building, LLC



---

BRENDAN P. WEIDEN  
Manager of NARO Building, LLC

**Assignment of Membership Interest  
In  
NARO Building, LLC**

On this 18<sup>th</sup> day of March, 2015 I, Brendan P. Weiden, having a business mailing address of 30 Essex Place, Bronxville, NY (hereinafter the "Assignor"), hereby assign my Fifty (50.0 %) Percent interest in NARO Building, LLC, a Delaware Limited Liability (hereinafter the "Company") as partial consideration, to ROCK MEADOW PARTNERS, LLC, having a business address of 30 Essex Place, Bronxville, NY 10708. Assignor acknowledges that this Assignment does not permit the Assignee to act as a "Substitute Member" of the Company until such time as the all Managing Members or Partners of the Company approve this assignment.

Assignor individually represents and warrants that, where necessary, he has been granted all requisite authority to enter into this Assignment Agreement and that same is being done for Business Planning and Management purposes.

In the event this assignment agreement shall violate any existing and enforceable agreement or federal, state, or local law then, and in that event and to that degree possible, this agreement shall be interpreted so as to be given the greatest possible legal effect consistent with its intended purpose subject to, however, any such legally enforceable law or language in such prior agreement which has been adjudged by a court of competent jurisdiction as inconsistent herewith.

In witness whereof, this Assignment has been executed by Assignor under seal as of the date first above written.


  
Assignor: BRENDAN P. WEIDEN

STATE OF NEW YORK:

:SS.:

COUNTY OF WESTCHESTER:

On the 18 day of March, 2015 before me personally came Brendan P. Weiden, to me known, who, being by me duly sworn, did depose and say that he resides in Bronxville, New York, and that she signed his name hereto.

  
Notary Public

MICHAEL T. GEARY  
Notary Public, State of New York  
No. 02GE6080317  
Qualified in Westchester County  
Commission Expires September 9, 2018

## CONSENT

On this 18<sup>th</sup> day of March, 2015 we, Kathleen M. Weiden and Brendan P. Weiden, as Managers of ~~Indian Fields~~, LLC, hereby grant our consent to the above-referenced transfer pursuant to Section 11.3 of the Company's Operating Agreement.

*NARO Building LLC*



KATHLEEN M. WEIDEN  
Manager of NARO Building, LLC



BRENDAN P. WEIDEN  
Manager of NARO Building, LLC

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**  
**OF**  
**NARO Building, LLC**

A Delaware Limited Liability Company  
Authorized to Do Business in New York State

**JACOBOWITZ AND GUBITS, LLP**  
**Mark A. Krohn, Esq.**  
**158 Orange Avenue - PO Box 367**  
**Walden, New York 12586**  
**(845) 778-2121**  
**MAK@jacobowitz.com**

## TABLE OF CONTENTS

### ARTICLE I DEFINITIONS

1.1	Act	1
1.2	Additional Contribution	1
1.3	Additional Contribution Share	1
1.4	Agreement	1
1.5	Articles	1
1.6	Assignee	1
1.7	Bankrupt Person	1
1.8	Business Day	1
1.9	Capital Account	1
1.10	Capital Contribution	1
1.11	Commitment	1
1.12	Company	1
1.13	Default Interest Rate	1
1.14	Delinquent Member	2
1.15	Disposition (Dispose)	2
1.16	Dissociation	2
1.17	Dissolution Event	2
1.18	Distribution	2
1.19	Effective Date	2
1.20	Fiscal Year	2
1.21	Initial Capital Contribution	2
1.22	Initial Membership Interest	2
1.23	Initial Sharing Ratio	2
1.24	Management Right	2
1.25	Managing Member	2
1.26	Member	2
1.27	Membership Interest	2
1.28	Net Cash Flow	2
1.29	Organization	2
1.30	Person	3
1.31	Principal Office	3
1.32	Proceeding	3
1.33	Property	3
1.34	Schedule A	3
1.35	Sharing Ratio	3
1.36	Substitute Member	3
1.37	Tax Characterization and Additional Tax Terms	3
1.38	Membership Units	5

### ARTICLE II FORMATION

2.1	Organization	5
2.2	Agreement	5
2.3	Name	5
2.4	Term	5
2.5	Registered Agent and Office	5
2.6	Principal Office	5
2.7	Publication	5

ARTICLE III  
**PURPOSE; NATURE OF BUSINESS**

ARTICLE IV  
**ACCOUNTING AND RECORDS**

4.1	<b>Records to be Maintained</b> .....	6
4.2	<b>Reports to Members</b> .....	6
4.3	<b>Tax Returns and Reports</b> .....	6

ARTICLE V  
**NAMES AND ADDRESSES OF MEMBERS**

ARTICLE VI  
**RIGHTS AND DUTIES OF MEMBERS**

6.1	<b>Management Rights</b> .....	7
6.2	<b>Liability of Members</b> .....	7
6.3	<b>Indemnification</b> .....	7
6.4	<b>Representations and Warranties</b> .....	7
6.5	<b>Conflicts of Interest</b> .....	7

ARTICLE VII  
**MANAGING MEMBER**

7.1	<b>Managing Member</b> .....	8
7.2	<b>Term of Office as Managing Member</b> .....	8
7.3	<b>Authority of Managing Member to Bind the Company</b> .....	8
7.4	<b>Actions of the Managing Member</b> .....	9
7.5	<b>Compensation of Managing Member</b> .....	9
7.6	<b>Managing Member's Standard of Care</b> .....	9
7.7	<b>Resignation; Removal of Managing Member</b> .....	9

ARTICLE VIII  
**CONTRIBUTIONS AND CAPITAL ACCOUNTS**

8.1	<b>Initial Contributions</b> .....	9
8.2	<b>Additional Contributions</b> .....	10
8.3	<b>Enforcement of Commitments</b> .....	10
8.4	<b>Capital Account</b> .....	10
8.5	<b>No Obligation to Restore Deficit Balance</b> .....	10
8.6	<b>Withdrawal; Successors</b> .....	10
8.7	<b>Interest</b> .....	10
8.8	<b>Investment of Capital Contributions</b> .....	10
8.9	<b>No Personal Liability</b> .....	10

ARTICLE IX  
**ALLOCATIONS AND DISTRIBUTIONS**

9.1	<b>Profits and Losses</b> .....	11
9.2	<b>Profits</b> .....	11
9.3	<b>Distributions of Net Cash Flow</b> .....	11
9.4	<b>Minimum 1% Interest of Managing Member</b> .....	11



ARTICLE X  
TAXES

10.1	<b>Tax Matters Partner</b> .....	12
10.2	<b>Mandatory Section 754 Election</b> .....	12

ARTICLE XI  
TRANSFER OF MEMBERSHIP INTEREST

11.1	<b>Compliance with Securities Laws</b> .....	12
11.2	<b>Transfer of Economic Interest</b> .....	12
11.3	<b>Assignment or Transfer of Membership Interest to Others</b> .....	13
11.4	<b>Dispositions not in Compliance</b> .....	14

ARTICLE XII  
DISSOCIATION OF A MEMBER

12.1	<b>Dissociation</b> .....	14
12.2	<b>Rights of Dissociating Member</b> .....	14

ARTICLE XIII  
DISSOLUTION AND WINDING UP

13.1	<b>Dissolution</b> .....	15
13.2	<b>Effect of Dissolution</b> .....	15
13.3	<b>Distribution of Assets on Dissolution</b> .....	15
13.4	<b>Winding Up and Filing Articles of Dissolution</b> .....	16

ARTICLE XIV  
MISCELLANEOUS

14.1	<b>Notices</b> .....	16
14.2	<b>Regulations</b> .....	16
14.3	<b>Headings</b> .....	16
14.4	<b>Entire Agreement</b> .....	16
14.5	<b>Binding Agreement</b> .....	16
14.6	<b>Saving Clause</b> .....	16
14.7	<b>Counterparts</b> .....	16
14.8	<b>Governing Law</b> .....	16
14.9	<b>No Membership Intended for Nontax Purposes</b> .....	16
14.10	<b>No Rights of Creditors and Third Parties under Agreement</b> .....	17
14.11	<b>General Interpretive Principles</b> .....	17

ARTICLE XV

15	<b>Arbitration</b> .....	17
----	--------------------------	----

Schedule "A"	<b>List of Members</b> .....	19
Schedule "B"	<b>Income Tax Provisions Incorporated by Reference</b> .....	20
Schedule "C"	<b>Purchase for "Just Cause"</b> .....	24
Schedule "D"	<b>Voluntary Sale of Units</b> .....	25

This Limited Liability Company Operating Agreement of NARO Building, LLC, a limited liability company organized pursuant to the Delaware Limited Liability Company Act and authorized to do Business in the State of New York, is entered into and shall be effective as of the Effective Date, by and among the Company and the persons executing this Agreement.

## ARTICLE I DEFINITIONS

For purposes of this Agreement (as defined below), unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- 1.1 **Act.** The Delaware Limited Liability Company Act and all amendments to the Act.
- 1.2 **Additional Contribution.** An additional Capital Contribution payable by the Members to the Company pursuant to Article VIII.
- 1.3 **Additional Contribution Share.** A Member's proportionate share of an Additional Contribution, (i) equal to the product of (A) such Member's Initial Sharing Ratio (set forth in **Schedule A** to this Agreement) and (B) such Additional Contribution or (ii) as otherwise agreed by the Members under Section 8.2.
- 1.4 **Agreement.** This Limited Liability Company Operating Agreement including all amendments adopted in accordance with the Agreement and the Act.
- 1.5 **Articles.** The Articles of Organization of the Company, as amended from time to time, and filed with the Delaware Secretary of State.
- 1.6 **Assignee.** A transferee of a Membership Interest who has not been admitted as a Substitute Member.
- 1.7 **Bankrupt Person.** A Person who: (1) has become the subject of an Order for Relief under the United States Bankruptcy Code by voluntary or involuntary petition, or (2) has initiated, either in an original Proceeding or by way of answer in any state insolvency or receivership Proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief.
- 1.8 **Business Day.** Any day other than Saturday, Sunday or any legal holiday observed in the State of Delaware.
- 1.9 **Capital Account.** The account maintained for a Member or Assignee determined in accordance with Article VIII.
- 1.10 **Capital Contribution.** Any contribution of Property or services made by or on behalf of a Member or Assignee.
- 1.11 **Commitment.** The Capital Contributions that a Member is obligated to make, including a Member's Initial Capital Contribution and any Additional Contribution Share of a Member.
- 1.12 **Company.** NARO Building, LLC, a limited liability company formed under the laws of Delaware, and any successor limited liability company.
- 1.13 **Default Interest Rate.** The prime rate published by the Wall Street Journal for the last Business Day on which a Commitment is payable.

- 1.14 **Delinquent Member.** A Member who has failed to meet the Commitment of that Member.
- 1.15 **Disposition (Dispose).** Any sale, assignment, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including dispositions by operation of law).
- 1.16 **Dissociation.** Any action which causes a Person to cease to be a Member as described in Article XII hereof.
- 1.17 **Dissolution Event.** An event, the occurrence of which will result in the dissolution of the Company under Article XIII.
- 1.18 **Distribution.** A transfer of Property to a Member on account of a Membership Interest as described in Article IX.
- 1.19 **Effective Date.** March 9, 2015
- 1.20 **Fiscal Year.** The calendar year.
- 1.21 **Initial Capital Contribution.** The Capital Contribution agreed to be made by the Members as described in Article VIII.
- 1.22 **Initial Membership Interest.** The Initial Membership Interest set forth in **Schedule A.**
- 1.23 **Initial Sharing Ratio.** The Initial Sharing Ratio set forth in **Schedule A.**
- 1.24 **Management Right.** The right of a Member to participate in the management of the Company, to vote on any matter, and to grant or to withhold consent or approval of actions of the Company.
- 1.25 **Managing Member.** A Member (or the Members) selected to manage the affairs of the Company under Article VII hereof.
- 1.26 **Member.** A Person executing the Agreement as a Member, and a Substitute Member.
- 1.27 **Membership Interest.** The rights of a Member to Distributions (liquidating or otherwise) and allocations of the profits, losses, gains, deductions, and credits of the Company, and, to the extent permitted by this Agreement, to possess and exercise Management Rights.
- 1.28 **Net Cash Flow.** With respect to any fiscal period of the Company, all revenues of the Company during that period decreased by (a) cash expenditures for operating expenses, (b) capital expenditures to the extent not made from reserves, (c) reserves for contingencies and working capital, established in such amounts as the Managing Member may determine, (d) repayment of principal on any financing and (e) taxes.
- 1.29 **Organization.** A Person other than a natural person, including without limitation corporations (both non-profit and other corporations), partnerships (both limited and general), joint ventures, limited liability companies, business trusts and unincorporated associations, but the term does not include joint tenancies and tenancies by the entirety.

1.30 **Person.** An individual, trust, estate, or any Organization permitted to be a member of a limited liability company under the laws of the State of Delaware.

1.31 **Principal Office.** The Principal Office of the Company set forth in Section 2.6.

1.32 **Proceeding.** Any administrative, judicial, or other adversary proceeding, including without limitation litigation, arbitration, administrative adjudication, mediation, and appeal or review of any of the foregoing.

1.33 **Property.** Any property, real or personal, tangible or intangible, including money, and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

1.34 **Schedule A.** **Schedule A** to this Agreement setting forth the name, address, Initial Capital Contribution, number of Units, Initial Membership Interest and Initial Sharing Ratio of each Member.

1.35 **Sharing Ratio.** With respect to any Member, as of any date, the ratio (expressed as a percentage) of (i) such Member's Capital Contribution to (ii) the aggregate Capital Contributions of all Members, or such other ratio as shall be agreed by all Members from time to time. The Initial Membership Interest and Sharing Ratio of each Member is set forth in **Schedule A** hereof, and **Schedule A** shall be amended as necessary to conform to any changes thereof agreed to by the Members. In the event all or any portion of a Membership Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Membership Interest and Sharing Ratio of the transferor to the extent it relates to the transferred Membership Interest.

1.36 **Substituted Member.** An Assignee who has been admitted to all of the rights of membership pursuant to Section 11.3 of the Agreement.

1.37 **Tax Characterization and Additional Tax Terms.** It is intended that the Company be characterized and treated as a partnership for, and solely for, federal, state and local income tax purposes. For such purpose, (i) the Company shall be subject to all of the provisions of Subchapter K of Chapter 1 of Subtitle A of the Code, (ii) all references to a "Partner," to "Partners" and to the "Partnership" in this Agreement (including the provisions of the Code and Tax Regulations cited in this Agreement) shall be deemed to refer to a Member, the Members and the Company, respectively. In addition, the following terms shall have the following meanings:

(a) Adjusted Capital Account Deficit shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account the minimum gain charge-back that such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Tax Regulations; and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Tax Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Tax Regulations and shall be interpreted consistently therewith.

(b) Code shall mean the Internal Revenue Code of 1986, as amended.

(c) Nonrecourse Deductions has the meaning set forth in Section 1.704-2(b)(1) of the Tax Regulations.

(d) Nonrecourse Liability has the meaning set forth in Section 1.704-2(b)(3) of the Tax Regulations.

(e) Partner Nonrecourse Debt has the meaning set forth in Section 1.704-2(b)(4) of the Tax Regulations.

(f) Partner Nonrecourse Debt Minimum Gain means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Tax Regulations.

(g) Partner Nonrecourse Deductions has the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Tax Regulations.

(h) Partnership Minimum Gain has the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Tax Regulations.

(i) Profits and Losses shall mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.37(i) shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) of the Code expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Tax Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.37(i), shall be subtracted from such taxable income or loss;

(iii) Notwithstanding any other provisions of this definition, any items which are specially allocated pursuant to Sections 9.4 or 9.5 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Partnership income, gain, loss, or deduction available to be specially allocated pursuant to Sections 9.4 or 9.5 shall be determined by applying rules analogous to those set forth in clauses (i) through (iii) above.

(j) Tax Regulations shall mean the federal income tax regulations promulgated by the United States Treasury Department under the Code as such Tax Regulations may be amended from time to time. All references herein to a specific section of the Tax Regulations shall be deemed also to refer to any corresponding provision of succeeding Tax Regulations.

1.38 **Membership Units and Class.** The Company has issued Class A Voting units which share in both the Profits and the Losses of the Company as-well-as the Equity. Currently, there are 2000 Units of Class A Units authorized. A Unit is divisible into fractional parts. References to Units herein shall be solely for the purpose of certificating the Membership Interests authorized hereunder. Voting, the granting or withholding of consents or approvals, and allocation of Profits and Losses and Distributions shall be made pursuant to the applicable provisions of this Agreement without reference to the number of Units held by Members.

## ARTICLE II FORMATION

2.1 **Organization.** The Members hereby organize the Company as a Delaware limited liability company pursuant to the provisions of the Act.

2.2 **Agreement.** For and in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members executing the Agreement hereby agree to the terms and conditions of the Agreement, as it may from time to time be amended. It is the express intention of the Members that the Agreement shall be the sole source of agreement of the parties, and, except to the extent a provision of the Agreement expressly incorporates federal income tax rules by reference to sections of the Code or Tax Regulations or is expressly prohibited or ineffective under the Act, the Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. To the extent any provision of the Agreement is prohibited or ineffective under the Act, the Agreement shall be deemed to be amended to the least extent necessary in order to make the Agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make any provision of the Agreement that was formerly invalid valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

2.3 **Name.** The name of the Company is NARO Building, LLC, and all business of the Company shall be conducted under that name.

2.4 **Term.** The term of the Company shall begin upon the filing of the Certificate of Formation with the Delaware Secretary of State and shall have a perpetual existence unless the Company shall be sooner dissolved and its affairs wound up in accordance with the Act or the Agreement.

2.5 **Registered Agent and Office.** The registered agent for the service of process and the registered office shall be Steller Corporate Services, LLC, 3500 South DuPont Highway, Dover, Delaware 19901, County of Kent. The Managing Member(s) may, from time to time, change the registered agent or office through appropriate filings with the Secretary of State of Delaware. In the event the registered agent ceases to act as such for any reason or the registered office shall change, the Managing Member shall promptly designate a replacement registered agent or file a notice of change of address as the case may be. If the Managing Member shall fail to designate a replacement registered agent or change of address of the registered office, any Member may designate a replacement registered agent or file a notice of change of address.

2.6 **Principal Office.** The Principal Office of the Company shall be located at 30 Essex Place, Bronxville, New York 10708.

2.7 **Publication.** As a Delaware Limited Liability Company doing business in the State of New York, the Company shall cause a notice containing the substance of the Articles, in the form required under New York Law, to be published in two local newspapers once a week for six consecutive weeks.

ARTICLE III  
**PURPOSE; NATURE OF BUSINESS**

The business purpose of the Company is to (i) manage a thirty-thousand (30,000) square-foot building located at 7 Erie Avenue, Narrowsburg, New York, and (ii) to engage in any and all business activities permitted under the laws of the State of Delaware and New York. Further, the Company has filed as a foreign limited liability company doing business in the State of New York whereupon it will engage in any and all business activities permitted under Delaware Law provided same is not prohibited or restricted under the laws of the State of New York. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Article III. The Company exists only for the purpose specified in this Article III, and may not conduct any other business without the unanimous consent of the Members. The authority granted to the Managing Member(s) hereunder to bind the Company shall be limited to actions necessary or convenient to this business.

ARTICLE IV  
**ACCOUNTING AND RECORDS**

4.1 **Records to be Maintained.** The Company shall maintain the following records at the Principal Office:

- (a) a current list of the full name set forth in alphabetical order and last known mailing address of each Member, together with the information set forth on **Schedule A** relating to each Member's Initial Capital Contribution, number of Units, Membership Interest and Sharing Ratio;
- (b) a copy of the Articles and all amendments thereto, together with executed copies of any powers of attorney pursuant to which the Articles or any such amendment has been executed;
- (c) a copy of the Company's federal, state and local income or information tax returns and reports for the three most recent Fiscal Years;
- (d) a copy of this Agreement including all amendments thereto; and
- (e) the Company's books and records, including financial statements of the Company, which shall be open to inspections by the Members or their agents at reasonable times.

4.2 **Reports to Members.** The Managing Member(s), at their sole election, shall provide reports, including a balance sheet, statement of profit and loss and changes in Members' accounts at least annually to the Members at such time and in such manner as the Managing Member(s) may determine reasonable.

4.3 **Tax Returns and Reports.** The Managing Member(s), at Company expense, shall prepare and timely file income tax returns of the Company in all jurisdictions where such filings are required, and shall prepare and deliver to each Member, within ninety (90) days after the expiration of each Fiscal Year, and at Company expense, all information returns and reports required and reports by the Code and Tax Regulations and Company information necessary for the preparation of the Members' federal income tax returns.

ARTICLE V  
**NAMES AND ADDRESSES OF MEMBERS**

The names and addresses of the Members are as stated on **Schedule A**.

ARTICLE VI  
**RIGHTS AND DUTIES OF MEMBERS**

6.1 **Management Rights.** No Member other than the Managing Member(s) shall have authority to bind the Company on any Management Right except that (a) the transfer of a Membership Interest is subject to the terms set forth in Section 11.2 and 11.3..

6.2 **Liability of Members.** No Member shall be liable as such for the liabilities of the Company.

6.3 **Indemnification.** A Member shall indemnify the Company for any costs or damages incurred by the Company as a result of any unauthorized action by such Member.

6.4 **Representations and Warranties.** Each Member, and in the case of a trust or other entity, the person(s) executing the Agreement on behalf of the entity, hereby represents and warrants to the Company and each other Member that: (a) if that Member is an entity, it has power to enter into the Agreement and to perform its obligations hereunder and that the person(s) executing the Agreement on behalf of the entity has the power to do so; and (b) the Member is acquiring its interest in the Company for the Member's own account as an investment and without an intent to distribute the interest. The Members acknowledge that their interests in the Company have not been registered under the Securities Act of 1933 or any state securities laws, and may not be resold or transferred without appropriate registration or the availability of an exemption from such requirements.

6.5 **Conflicts of Interest.**

(a) A Member, including a Managing Member, shall be entitled to enter into transactions that may be considered to be competitive with the Company, it being expressly understood that Members may enter into transactions that are similar to the transactions into which the Company may enter. Notwithstanding the foregoing, Members shall account to the Company and hold as trustee for it any Property, profit, or benefit derived by the Member, without the consent of all of the other Members, in the conduct and winding up of the Company business or from a use or appropriation by the Member of Company Property including information developed exclusively for the Company and opportunities expressly offered to the Company.

(b) A Member, including a Managing Member, does not violate a duty or obligation to the Company merely because the Member's conduct furthers the Member's own interest. A Member may lend money to and transact other business with the Company. The rights and obligations of a Member who lends money to or transacts business with the Company are the same as those of a person who is not a Member, subject to other applicable law. No transaction with the Company shall be voidable solely because a Member has a direct or indirect interest in the transaction if the transaction is fair and reasonable to the Company.



ARTICLE VII  
**MANAGING MEMBER**

7.1 **Managing Member(s).** Except as otherwise provided in the Agreement, the management of the Company and all decisions concerning the business affairs of the Company shall be made by the Managing Member(s). The Managing Members shall initially be:

Kathleen M. Weiden  
30 Essex Place  
Bronxville, New York 10708

Brendan P. Weiden  
30 Essex Place  
Bronxville, New York 10708

7.2 **Term of Office as Managing Member(s).** The Managing Member shall serve until the Dissociation of such Managing Member.

7.3 **Authority of Managing Member(s) to Bind the Company.** Only the Managing Member(s) and authorized agents of the Company shall have the authority to bind the Company. The Managing Member(s) has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company (as described in Article III), including, without limitation:

- (a) the institution, prosecution and defense of any Proceeding in the Company's name;
- (b) the purchase, receipt, lease or other acquisition, ownership, holding, improvement, use and other dealing with Property, wherever located;
- (c) the sale, conveyance, mortgage, pledge, lease, exchange, and other disposition of Property;
- (d) the entering into of contracts and guaranties, incurring of liabilities; borrowing of money, issuance of notes, bonds, and other obligations, and the securing of any of its obligations by mortgage or pledge of any of its Property or income;
- (e) the lending of money, investment and reinvestment of the Company's funds, and receipt and holding of Property as security for repayment;
- (f) the conduct of the Company's business, the establishment of Company offices, and the exercise of the powers of the Company;
- (g) the hiring and appointment of employees and agents of the Company, the defining of their duties and the establishment of their compensation, and the dealing with tradespeople, accountants and attorneys, on such terms as the Managing Member shall determine;
- (h) the payment of pensions and establishment of pension plans, pension trusts, profit sharing plans, and benefit and incentive plans for Members, employees, and agents of the Company;
- (i) the purchase of liability and other insurance to protect the Company's business and Property;
- (j) the participation in partnership agreements, joint ventures, or other associations of any kind with any person or persons;
- (k) the indemnification of any Person;

(l) the establishment of reserve funds of the Company to provide for future requirements for operations, contingencies or any other purpose that the Managing Member deems necessary or appropriate; and

(m) the making of such elections under the Code and Tax Regulations and other relevant tax laws as to the treatment of items of Company income, gain, loss, deduction and credit, and as to all other relevant matters as the Managing Member deems necessary or appropriate, including without limitation, elections referred to in Section 754 of the Code, the determination of which items of cash outlay shall be capitalized or treated as current expenses, and the selection of the method of accounting and bookkeeping procedures to be used by the Company.

**7.4 Actions of the Managing Member.** The Managing Member(s) have the power to bind the Company. No Person dealing with the Company shall have any obligation to inquire into the power or authority of the Managing Member(s) acting on behalf of the Company. If there is more than one Managing Member, the Managing Members shall manage the Company by the affirmative vote of a majority of the Managing Members.

**7.5 Compensation of Managing Member.** The Managing Member(s) may be reimbursed for all reasonable expenses incurred in managing the Company and shall be entitled to compensation, in an amount to be determined from time to time by consent of all of the Members. The Managing Member(s) shall devote such time to the management of the Company business as shall be necessary or appropriate for the proper management of such business.

**7.6 Managing Members' Standard of Care.** The Managing Member(s) shall discharge the Managing Member's duties to the Company and the other Members in good faith and with that degree of care that an ordinarily prudent person in a similar position would use under similar circumstances. In discharging its duties, a Managing Member(s) shall be fully protected in relying in good faith upon the records required to be maintained under Article IV and upon such information, opinions, reports or statements by any Person as to matters the Managing Member reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which Distributions to Members might properly be paid. The Company shall indemnify and hold harmless each Managing Member against any loss, damage or expense (including attorneys' fees) incurred by the Managing Member as a result of any act performed or omitted on behalf of the Company or in furtherance of the Company's interests without, however, relieving the Managing Member of liability for failure to perform his or her duties in accordance with the standards set forth herein. The satisfaction of any indemnification and any holding harmless shall be from and limited to Company Property and the other Members shall not have any personal liability on account thereof.

**7.7 Resignation; Removal of Managing Member.** The Managing Member(s) shall have a right to resign upon six (6) months notice and may not be removed by the Members other than by a vote of all of the Members.

## ARTICLE VIII CONTRIBUTIONS AND CAPITAL ACCOUNTS

**8.1 Initial Contributions.** The Managing Member(s) shall issue certificates representing the Units subscribed for by, or awarded to, the Members. No Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in the Agreement. The Managing Member(s) shall make additional contributions from time to time to the extent necessary to maintain the Managing Members' Capital Account balance at least equal to the *lesser* of (a)

1.01% of the total positive balances of the Capital Accounts of the other Members determined under this Article VIII, or (b) \$50,000.

**8.2 Additional Contributions.** In addition to its Initial Capital Contributions, such Members shall make such Additional Contributions (in accordance with their respective Additional Contribution Shares) as shall be determined by the Managing Member(s) with the consent of all Members. Upon making such a determination, the Managing Member shall give written Notice, setting forth the amount of the proposed Additional Contribution, the purpose for which it is needed, and the proposed contribution date, to all Members at least ten Business Days prior to such contribution date. Upon the unanimous agreement of all Members, such Members shall make such Additional Contributions in accordance with such agreement.

**8.3 Enforcement of Commitments.** In the event any Member (a “Delinquent Member”) fails to perform the Delinquent Member's Commitment, the Managing Member shall give the Delinquent Member a notice of such failure. If the Delinquent Member fails to perform the Commitment (including the payment of any costs associated with the failure and interest at the Default Interest Rate) within ten Business Days of the giving of such notice, the Managing Member may take such action as he deems appropriate, including but not limited to enforcing the Commitment in the court of appropriate jurisdiction in the state in which the Principal Office is located or the state of the Delinquent Member's address as reflected in the Agreement. Each Member expressly agrees to the jurisdiction of such courts but only for purposes of such enforcement.

**8.4 Capital Account.** Maintenance of a Member's Capital Account is subject to Internal Revenue Code (the “Code”) as same are incorporated herein in Schedule “B” attached hereto.

**8.5 No Obligation to Restore Deficit Balance.** Except as required by law, no Member shall be required to restore any deficit balance in its Capital Account.

**8.6 Withdrawal; Successors.** A Member shall not be entitled to withdraw any part of its Capital Account or to receive any distribution from the Company, except as specifically provided in the Agreement, and no Member shall be entitled to make any capital contribution to the Company other than the Commitments. Any Member, including any additional or Substitute Member, who shall receive an interest in the Company or whose interest in the Company shall be increased by means of a transfer to it of all or part of the interest of another Member, shall have a Capital Account with respect to such interest initially equal to the Capital Account with respect to such interest of the Member from whom such interest is acquired except as otherwise required to account for any step up in basis resulting from a termination of the Company under Section 708 of the Code by reason of such interest transfer.

**8.7 Interest.** No Member shall be entitled to interest on such Member's Capital Contribution or on any Profits retained by the Company.

**8.8 Investment of Capital Contributions.** The Capital Contributions of the Members shall be invested by the Managing Member in demand, money market or time deposits, obligations, securities, investments or other instruments constituting cash equivalents, until such time as such funds shall be used by the Managing Member for Company purposes. Such investments shall be made by the Managing Member for the benefit of the Company.

**8.9 No Personal Liability.** The Managing Member shall have no personal liability for the repayment of any Capital Contributions of any Member.

## ARTICLE IX ALLOCATIONS AND DISTRIBUTIONS

9.1 **Profits and Losses.** Profits and Losses, and each item of Company income, gain, loss, deduction, credit and tax preference with respect thereto, for each Fiscal Year (or shorter period in respect of which such items are to be allocated) shall be allocated among the Members as provided in this Article IX.

9.2 **Profits.** After giving effect to the special allocations set forth in Sections 9.4 and 9.5, Profits and Losses for any Fiscal Year shall be allocated as follows:

(a) Profits: Allocated in accordance with the profit sharing ratios set-forth in **Schedule A**;

(b) Losses: Allocated to the Members in accordance with their equity ownership;

9.3 **Special Allocations.** Special Allocations are subject to Internal Revenue Code (the "Code") the provisions of which are incorporated herein in Schedule "B" attached hereto.

9.4 **Distribution of Net Cash Flow.** (a) Amounts and Timing. Net Cash Flow shall be distributed to the Members in proportion to their respective shares of Profits allocated to each of them for such period (and prior periods) under Section 9.2, to the extent that such amounts have not been distributed previously under this Section 9.4. Such distributions, shall be made within 90 days of the end of each Fiscal Year to those persons recognized on the books of the Company as Members or as Assignees on the last day of such Fiscal Year.

(b) Amounts Withheld. All amounts withheld pursuant to the Code and Tax Regulations or any provision of any state or local tax law with respect to any payment, distribution, or allocation to the Company or the Members shall be treated as amounts distributed to the Members pursuant to this Section 9.4 for all purposes under this Agreement. The Managing Member is authorized to withhold from distributions, or with respect to allocations, to the Members and to pay over to any federal, state, or local government any amounts required to be so withheld pursuant to the Code and Tax Regulations or any provisions of any other federal, state, or local law, and shall allocate any such amounts to the Members with respect to which such amount was withheld.

(c) Draws for Payment of Estimated Taxes. The Company may pay to each Member a quarterly draw, not to exceed the amount reasonably necessary to provide for payment by the Members of any federal, state and local estimated taxes with respect to Profits allocated to the Members pursuant to this Article IX, and each such draw, if any, shall be treated as a loan from the Company to each Member receiving such draw and shall be deemed repaid by reducing the amount of each subsequent distribution to the Member receiving such draw pursuant to this Section 9.4(c) by the lesser of (a) the entire amount otherwise distributable to the Member receiving such draw and (b) the entire amount of any un-repaid draws pursuant to this Section 9.4(c). All draws hereunder shall be made to the Members pro rata based on their estimated respective shares of Profits allocated to each of them for such Fiscal Year under this Article IX. Any draw by any Member made pursuant to this Section 9.4(c) shall not result in any decrease in the Sharing Percentage of such Member.

9.5 **Minimum 1% Interest of Managing Member.** Notwithstanding anything in this Article IX to the contrary other than the Regulatory Allocations, the Managing Member(s) shall at all times have a minimum 1% allocation of each material item of income, gain, loss, deduction and credit of the Company.

ARTICLE X  
TAXES

10.1 **Tax Matters Partner.** The Managing Member(s) shall be the Tax Matters Partner of the Company pursuant to Section 6231(a)(7) of the Code. The Managing Member shall not resign as the Tax Matters Member unless, on the effective date of such resignation, the Company has designated another Member as Tax Matters Member and such Member has given its consent in writing to its appointment as Tax Matters Member. The Tax Matters Member shall receive no additional compensation from the Company for its services in that capacity, but all expenses incurred by the Tax Matters Member in such capacity shall be borne by the Company. The Tax Matters Member is authorized to employ such accountants, attorneys and agents as it, in its sole discretion, determines is necessary to or useful in the performance of its duties. In addition, the Managing Member shall serve in a similar capacity with respect to any similar tax related or other election provided by state or local laws.

10.2 **Mandatory Section 754 Election.** Upon a transfer by a Member of an interest in the Company, which transfer is permitted by the terms of this Agreement, or upon the death of a Member or the distribution of any Company Property to one or more Members, the Managing Member, upon the request of one or more of the transferees or distributees, shall cause the Company to file an election on behalf of the Company, pursuant to Section 754 of the Code, to cause the basis of the Company's property to be adjusted for federal income tax purposes in the manner prescribed in Section 734 or Section 743 of the Code, as the case may be. The cost of preparing such election, and any additional accounting expenses of the Company occasioned by such election, shall be borne by such transferees or distributees.

ARTICLE XI  
TRANSFER OF MEMBERSHIP INTEREST

11.1 **Compliance with Securities Laws.** No Unit of Membership Interest has been registered under the Securities Act of 1933, as amended, or under any applicable state securities laws. A Member may not transfer (a transfer, for purposes of this Agreement, shall be deemed to include, but not be limited to, any sale, transfer, assignment, pledge, creation of a security interest or other disposition) all or any part of such Member's Units of Membership Interest, except upon compliance with the applicable federal and state securities laws. The Managing Member(s) shall have no obligation to register any Member's Units of Membership Interest under the Securities Act of 1933, as amended, or under any applicable state securities laws, or to make any exemption therefrom available to any Member.

11.2 **Transfer of Interest by Members.** A Member's interest in the Company may not be transferred in whole or in part except as follows:

(a) The Company, in accordance with the procedures set forth herein may:

(i) upon a Member's death, dissolution, adjudication of bankruptcy or adjudication of incompetency, purchase at any time until the first anniversary of such Member's death, dissolution, adjudication of bankruptcy or adjudication of incompetency, any or all of the Membership Units owned by such Member at the time of his death, dissolution, adjudication of bankruptcy or adjudication of incompetency;

(ii) upon the termination of a Member for "Just Cause," at any time or from time to time, purchase from such terminated Member any or all of the Units held by such Member at the time of such termination in accord with the terms of the Schedule Annexed hereto as Schedule "C."

(b) The obligation of the Company under subsection (a) hereof shall be subject to any restrictions on the purchase of its Membership Units which may be imposed by the State of New York or by any agreement relating to borrowed money to which the Company is a party or by

which it is bound. In the event that any such restrictions prohibit any purchase by the Company of all or any portion of a Member's Units the Company shall notify the Member of such restriction and, subject to this subsection (b), the Company's obligation to purchase such Units shall be suspended.. If as of any date more than one Person has requested the Company to purchase Membership Units and by reason of any such restrictions, the maximum number of Units that the Company is permitted to purchase, is less than the number of Units in respect of which such requests have been given, the Company shall purchase Units from all Members requesting such purchases on a pro-rata basis.

(c) If any Member voluntarily desires to request the Company to purchase his Membership Units such Member shall deliver a written request to the Company stating the number of Units to be purchased by the Company and the date such purchase is to be made, which date will be no earlier than 30 days after delivery of such request to the Company. If the Company desires to purchase any Member's Units the Company shall deliver a written notice to the Member from whom such Units are to be purchased, which notice shall state the number of Units to be purchased by the Company and the date such purchase is to be made, which date shall be no earlier than 30 days after the delivery of such notice to such Member. The purchase price of shares of Units purchased shall be determined and in accord with "Appraised Value" as described in Schedule "D." attached hereto. In the event that the Member and the Company disagree as to the determination of Appraised Value or as to the selection of an independent appraiser, such dispute shall be resolved by submitting the same to arbitration in accordance with the provisions of Article XV hereof.

(d) Transfers will be recognized by the Company as effective only upon the close of business on the last day of the calendar month following satisfaction of the above conditions. Any transfer in contravention of this Article XI and any transfer which if made would cause a termination of the Company for federal income tax purposes under Section 708(b) of the Code shall be void *ab initio* and ineffectual and shall not bind the Company or the other Members.

**11.3 Assignment or Transfer of Membership Interest to Others.** In the event the Company does not purchase all of a Member's Units pursuant to Section 11.2 above, any Member may sell, transfer, or assign his or her Membership interests to someone other than the Company subject to, however, the following:

(a) consent of the Managing Partners;

(b) the determination by the Company's attorney(s) that the proposed transfer will not result (directly or indirectly) in the violation of the Securities Act of 1933, as amended, or any rules or regulations thereunder, or any applicable state securities law or rules;

(c) The assignee or transferee of a Unit shall not become a "substituted member" in respect thereof unless the Managing Partner(s) give their written consent, in their sole and absolute discretion, to such substitution.

(d) Unless and until any assignee, transferee, heir or legatee becomes a Substituted Member, his, her or its status and rights shall be limited to the rights of an assignee of a limited partnership interest. An assignee who does not become a Substituted Member shall have no right to inspect the Company's books or to vote on any matters on which a member would be entitled to vote. An assignee who does not become a Substituted Member shall only be entitled to receive the allocation of income, losses, credits, deductions, and distributions to which his, her or its assignor would otherwise be entitled to under this Agreement.

(e) Any person or entity admitted to the Company as a Substituted Member shall be required to sign an agreement to be subject to and bound by all of the provisions of this Agreement as if he, she or it were originally a party hereto.

11.4 **Dispositions not in Compliance with this Article Void.** Any attempted Disposition of a Unit of Membership Interest, or any part thereof, not in compliance with this Article shall be void *ab initio* and ineffectual and shall not bind the Company.

## ARTICLE XII DISSOCIATION OF A MEMBER

12.1 **Dissociation.** A Person shall cease to be a Member upon the happening of any of the following events:

- (a) the withdrawal of a Member;
- (b) the bankruptcy of a Member;
- (c) in the case of a Member who is a natural person, the death of the Member or the entry of an order by a court of competent jurisdiction adjudicating the Member incompetent to manage the Member's personal estate;
- (d) in the case of a Member that is a trust or who is acting as a Member by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee);
- (e) in the case of a Member that is a separate Organization other than a corporation, the dissolution and commencement of winding up of the separate Organization;
- (f) in the case of a Member that is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; or
- (g) in the case of a Member that is an estate, the distribution by the fiduciary of the estate's entire interest in the Company.

12.2 **Rights of Dissociating Member.** In the event any Member dissociates prior to the expiration of the term of this Agreement:

- (a) if the Dissociation causes a dissolution and winding up of the Company under Article XIII, the Member shall be entitled to participate in the winding up of the Company to the same extent as any other Member except that, if such Dissociation results from a withdrawal of a Member in violation of this Agreement, any Distributions to which such Member would have been entitled shall be reduced by that portion of the damages, if any, sustained by the Company as a result of the Dissolution Event and winding up that is chargeable to the Capital Accounts of the other Members;
- (b) if the Dissociation does not cause a dissolution and winding up of the Company under Article XIII, the Company shall pay to the Member, within six months of such Dissociation an amount equal to the value of the Member's Membership Interest in the Company, to be paid over a period not to exceed five years together with interest at the minimum rate necessary to avoid the imputation of interest under the Code. The value of the Member's Membership Interest shall include the amount of any Distributions to which the Member is entitled under the Agreement and the fair market value of the Member's Membership Interest as of the date of Dissociation as determined as set-forth in subsection "(c)" of Section 11.2 above, reduced by any damages sustained by the Company as a result of the Member's Dissociation.

ARTICLE XIII  
**DISSOLUTION AND WINDING UP**

13.1 **Dissolution.** The Company shall be dissolved and its affairs wound up, upon the first to occur of any of the following events (each of which shall constitute a Dissolution Event):

- (a) the expiration of the term of the Agreement, unless the Company is continued with the consent of all of the Members;
- (b) the unanimous written consent of all of the Members;
- (c) the Dissociation of any Member, unless at the time of such Dissociation there are at least two remaining Members and the Company is continued with the consent of all of the remaining Members within 180 days after such Dissociation;
- (d) at any time when there is but one Member, the Dissociation of such Member, or the transfer of all or part of the Membership Interest of such Member and the admission or attempted admission of the transferee of such interest as a Substitute Member.

13.2 **Effect of Dissolution.** Upon dissolution, the Company shall not be terminated and shall continue until the winding up of the affairs of the Company is completed and a certificate of dissolution has been issued by the Secretary of State of Delaware.

13.3 **Distribution of Assets on Dissolution.** Upon the winding up of the Company, the Managing Member (or, if there is no Managing Member then remaining, such other Person(s) designated by the Members representing at least a majority of the Members' Sharing Ratios) shall take full account of the assets and liabilities of the Company, shall liquidate the assets (unless the Managing Member determines that a distribution of any Company Property in-kind would be more advantageous to the Members than the sale thereof) as promptly as is consistent with obtaining the fair value thereof, and shall apply and distribute the proceeds therefrom in the following order:

- (a) first, to the payment of the debts and liabilities of the Company to creditors, including Members who are creditors, to the extent permitted by law, in satisfaction of such debts and liabilities, and to the payment of necessary expenses of liquidation;
- (b) second, to the setting up of any reserves which the Managing Member may deem necessary or appropriate for any anticipated obligations or contingencies of the Company arising out of or in connection with the operation or business of the Company. Such reserves may be paid over by the Managing Member to an escrow agent or trustee selected by the Managing Member to be disbursed by such escrow agent or trustee in payment of any of the aforementioned obligations or contingencies and, if any balance remains at the expiration of such period as the Managing Member shall deem advisable, shall be distributed by such escrow agent or trustee in the manner hereinafter provided;
- (c) then, to the Members in accordance with positive Capital Account balances taking into account all Capital Account adjustments for the Company's taxable year in which the liquidation occurs. Liquidation proceeds shall be paid within 60 days of the end of the Company's taxable year in which the liquidation occurs. Such distributions shall be in cash or Property (which need not be distributed proportionately) or partly in both, as determined by the Managing Member.

If at the time of liquidation the Managing Member shall determine that an immediate sale of some or all Company Property would cause undue loss to the Members, the Managing Member may, in order to avoid such loss, defer liquidation.



13.4 **Winding Up and Filing Articles of Dissolution.** Upon the commencement of the winding up of the Company, articles of dissolution shall be delivered by the Company to the Secretary of State of Delaware for filing. The articles of dissolution shall set forth the information required by the Act. The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonable adequate provision therefor has been made, and all of the remaining Property of the Company has been distributed to the Members.

#### ARTICLE XIV MISCELLANEOUS

14.1 **Notices.** Notices to the Managing Member(s) shall be sent to the Principal Office of the Company. Notices to the other Members shall be sent to their addresses set forth on **Schedule A**. Any Member may require notices to be sent to a different address by giving notice to the other Members in accordance with this Section 14.1. Any notice or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given with receipt confirmed if and when delivered personally, given by prepaid telegram or mailed first class, postage prepaid, delivered by courier, or sent by facsimile, to such Members at such address.

14.2 **Regulations.** The Members hereby adopt the Regulations attached hereto as Appendix I, which contain various provisions relating to the conduct of meetings, the election of Managing Members and various other matters.

14.3 **Headings.** All Article and section headings in the Agreement are for convenience of reference only and are not intended to qualify the meaning of any Article or section.

14.4 **Entire Agreement.** This Agreement together with the schedules and appendices attached hereto constitutes the entire agreement between the parties and supersedes any prior agreement or understanding between them respecting the subject matter of this Agreement.

14.5 **Binding Agreement.** The Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, executors and administrators, except as otherwise provided herein.

14.6 **Saving Clause.** If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. If the operation of any provision of this Agreement would contravene the provisions of the Act, such provision shall be void and ineffectual.

14.7 **Counterparts.** The Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatory to the original or the same counterpart. Any counterpart of either the Agreement shall for all purposes be deemed a fully executed instrument.

14.8 **Governing Law.** The Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. While doing business in the State of New York, this agreement will further be subject to the laws of the State of New York provided same do not expand beyond Delaware Law.

14.9 **No Membership Intended for Nontax Purposes.** The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership, either general or limited, under Delaware Law. The Members do not intend to be partners one to another, or partners as to any third party. To the extent any Member, by word or action, represents to another person that any Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Members who incur personal liability by reason of such wrongful representation.

**14.10 No Rights of Creditors and Third Parties under Agreement.** The Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. The Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or any third party shall have any rights under the Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

**14.11 General Interpretive Principles.** For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Agreement include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;
- (b) accounting terms not otherwise defined herein have the meanings given to them in the United States in accordance with generally accepted accounting principles;
- (c) references herein to "Sections", "paragraphs", and other subdivisions without reference to a document are to designated Sections, paragraphs and other subdivisions of this Agreement;
- (d) a reference to a paragraph without further reference to a Section is a reference to such paragraph as contained in the same Section in which the reference appears, and this rule shall also apply to other subdivisions;
- (e) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision; and
- (f) the term "include" or "including" shall mean without limitation by reason of enumeration.

ARTICLE XV  
**ARBITRATION OF DISPUTES**

**15. Arbitration.** Any controversy or claim arising out of or relating to this Agreement or any breach hereof not duly received by the parties hereto, including, without limitation, any controversy or claim relating to the provisions of Section 11.2 hereof, shall be settled by arbitration in Orange County, New York, by a panel of three arbitrators, in accordance with the rules of the American Arbitration Association, and judgment upon this award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Any such award may provide for such equitable relief as the arbitrator shall deem appropriate.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the Effective Date.

**MANAGERS:**




Kathleen M. Weiden, Member



Brendan P. Weiden, Member

**MEMBERS:**



---

Brendan P. Weiden, Member



---

Kathleen M. Weiden, Member

**SCHEDULE A**

<b>Name of Member</b>	<b>Address of Member</b>	<b>No of Units, Profit Sharing Ratio, Loss Sharing Ratio</b>
Kathleen M. Weiden	30 Essex Place Bronxville, NY 10708	50%
Brendan P. Weiden	30 Essex Place Bronxville, NY 10708	50%

## Schedule “B” Income Tax Provisions Incorporated by Reference into the Operating Agreement

**I. Maintenance of Members’ Capital Accounts.** A separate capital account shall be maintained for each Class A Member throughout the term of the Company in accordance with the rules of Section 1.704—1(b)(2)(iv) of the Tax Regulations as in effect from time to time, and, to the extent not inconsistent therewith, to which the following provisions apply:

(a) To each Class A Member's Capital Account there shall be credited (i) the amount of money contributed by such Member to the Company (including liabilities of the Company assumed by such Member as provided in Section 1.704-1(b)(2)(iv)(c) of the Tax Regulations); (ii) the fair market value of any property contributed to the Company by such Member (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); and (iii) such Member's share of Profits and items of income and gain that are specially allocated.

(b) To each Member's Capital Account there shall be debited (i) the amount of money distributed to such Member by the Company (including liabilities of such Member assumed by the Company as provided in Section 1.704-1(b)(2)(iv)(c) of the Tax Regulations) other than amounts which are in repayment of debt obligations of the Company to such Member; (ii) the fair market value of property distributed to such Member (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code); and (iii) such Member's share of Losses or items of loss or deduction that are specifically allocated.

(c) In determining the amount of any liability, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and Tax Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Tax Regulations, and shall be interpreted and applied in a manner consistent with such Tax Regulations. In the event the Managing Member shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or any Member), are computed in order to comply with such Tax Regulations, the Managing Member may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Article XIII hereof upon the dissolution of the Company. The Managing Member also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Section 1.704-1(b)(2)(iv)(g) of the Tax Regulations and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Section 1.704-1(b) of the Tax Regulations.

**II. Special Allocations.** The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Tax Regulations, notwithstanding any other provision of this Article IX, if there is a net decrease in Partnership Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Partnership Minimum Gain, determined in accordance with Tax Regulations Section 1.704-2(g) of the Tax Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be

determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Tax Regulations. This Section 9.4(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Tax Regulations and shall be interpreted consistently therewith.

(b) Partner Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Tax Regulations, notwithstanding any other provision of this Article IX, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Tax Regulations, shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(4) of the Tax Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Tax Regulations. This Section 9.4(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Tax Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5), or Section 1.704-1(b)(2)(ii)(d)(6) of the Tax Regulations, items of Company income and gain shall be specially allocated to the Member in an amount and manner sufficient to eliminate, to the extent required by the Tax Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this Section 9.4(c) shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IX have been tentatively made as if this Section 9.4(c) were not in this Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of the amounts such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Tax Regulations, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 9.4(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article IX have been made as if Section 9.4(c) and this Section 9.4(d) were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in proportion to their Sharing Ratios.

(f) Partner Nonrecourse Deductions. Any Partner Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Tax Regulations.

(g) Mandatory Allocations Under Section 704(c) of the Code. Notwithstanding the foregoing provisions of this Section 9.4, in the event Section 704(c) of the Code or Section 704(c) of the Code principles applicable under Section 1.704-1(b)(2)(iv) of the Tax Regulations require allocations of Profits or Losses in a manner different than that set forth above, the provisions of Section 704(c) of the Code and the Tax Regulations thereunder shall control such allocations among the Members. Any item of Company income, gain, loss and deduction with respect to any property (other than cash) that has been contributed by a Member to the capital of the Company or which has been revalued for Capital Account purposes pursuant to Section 1.704-1(b)(2)(iv) of the Tax Regulations) and which is required or permitted to be allocated to such Member for income tax purposes under Section 704(c) of the Code so as to take into account the variation between the tax basis of such property and its fair market value at the time of its contribution shall be allocated solely for income tax purposes in the manner so required or permitted under Section 704(c) of the Code using

the "traditional method" described in Section 1.704-3(b) of the Tax Regulations; provided, however, that curative allocations consisting of the special allocation of gain or loss upon the sale or other disposition of the contributed property shall be made in accordance with Section 1.704-3(c) of the Tax Regulations to the extent necessary to eliminate any disparity, to the extent possible, between the Members' book and tax Capital Accounts attributable to such property; further provided, however, that any other method allowable under applicable Tax Regulations may be used for any contribution of property as to which there is agreement between the contributing Member and the Managing Member.

**III. Curative Allocations.** The allocations set forth in Sections 9.4 (a) through (g) (the "Regulatory Allocations") are intended to comply with certain requirements of the Tax Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 9.5. Therefore, notwithstanding any other provision of this Article IX (other than the Regulatory Allocations), the Managing Member shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Sections 9.2 and 9.3. In exercising its discretion under this Section 9.5, the Managing Member (i) shall take into account future Regulatory Allocations under Sections 9.4(a) and 9.4(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 9.4(e) and 9.4(f) and (ii) may reallocate Profits and Losses for prior open years (or items of gross income and deduction of the Company for such years) among the Members to the extent it is not possible to achieve such result with allocations of items of income (including gross income) and deduction for the current year and future years. This Section 9.5 shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

**IV. Other Allocation Rules.**

(a) For purposes of determining the Profits, Losses, or any other item allocable to any period (including allocations to take into account any changes in any Member's Sharing Ratio during a Fiscal Year and any transfer of any interest in the Company), Profits, Losses, and any such other item shall be determined on a daily, monthly, or other basis, as determined by the Managing Member using any permissible method under Section 706 of the Code and the Tax Regulations thereunder.

(b) The Members are aware of the income tax consequences of the allocations made by this Article IX and hereby agree to be bound by the provisions of this Article IX in reporting their shares of Company income and loss for income tax purposes.

(c) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Section 1.752-3(a)(3) of the Tax Regulations, the Members' interests in Company profits are in proportion to their Sharing Ratios.

(d) To the extent permitted by Section 1.704-2(h)(3) of the Tax Regulations, the Managing Member shall endeavor to treat distributions of Net Cash Flow as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Partner.

(e) Except as otherwise provided in this Article IX, an allocation of Company Profits or Losses to a Member shall be treated as an allocation to such Member of the same share of each item of income, gain, loss and deduction taken into account in computing such Profits or Losses.

(f) For purposes of determining the character (as ordinary income or capital gain) of any Profits allocated to the Members pursuant to this Article IX, such portion of Profits that is treated as ordinary income attributable to the recapture of depreciation shall, to the extent possible, be allocated among the Members in the proportion which (i) the amount of depreciation previously

allocated to each Member bears to (ii) the total of such depreciation allocated to all Members. This section 9.6(f) shall not alter the amount of allocations among the Members pursuant to this Article IX, but merely the character of income so allocated.

(g) Except for arrangements expressly described in this Agreement, no Member shall enter into (or permit any Person related to the Member to enter into) any arrangement with respect to any liability of the Company that would result in such Member (or a person related to such Member under Section 1.752-4(b) of the Tax Regulations) bearing the economic risk of loss (within the meaning of Section 1.752-2 of the Tax Regulations) with respect to such liability unless such arrangement has been approved by all Members. To the extent a Member is permitted to guarantee the repayment of any Company indebtedness under this Agreement, each of the other Members shall be afforded the opportunity to guarantee such Member's *pro rata* share of such indebtedness, determined in accordance with the Members' respective Sharing Ratios.



## SCHEDULE C

### Purchase for “Just Cause”

In the event a Member is terminated for Just Cause, as same is defined below, such Members interest in NARO Building, LLC (the “Company”) shall be redeemed by the Company based upon the terminated Member’s capital account balance in the Company. The Company shall pay within thirty (30) days of such termination one-third of the value of such capital account. Thereafter, the remainder shall be purchased at any time before the first anniversary of such Members termination for Just Cause.

Termination for “Just Cause” shall mean, but shall not be limited to, the following:

1. Violation of any provision of this Agreement;
2. Engagement by the Member in personal misconduct that makes his continued presence as a Member in the Company personally or professionally obnoxious or detrimental to the other members or the Company;
3. Conviction by the Member of a felony, or of a crime involving moral turpitude, or immoral conduct;
4. The Member is declared insolvent, or the Member makes an assignment for the benefit of creditors, is declared bankrupt, or his assets are administered in any type of creditors’ proceedings.

No Member shall be terminated for Just Cause without at least 20 days prior written notice, which shall state the reason for termination and shall be signed by the Managing Member of the Company, and which shall be delivered to such Member either in person or by Certified Mail. Upon delivery of the aforesaid notice, the recipient’s rights as a Member shall cease, and his Membership interest in the Company shall be redeemed as described above.

## SCHEDULE D

### Voluntary Sale and Purchase of Units

The purchase price of Units purchased pursuant to subsection (c) of Section 11.2 of the Agreement shall be the Appraised Value of such shares. The Company will hire an appraiser to appraise the shares within fifteen (15) days after receipt by the Company of the appraisal containing such Appraised Value. The term "Appraised Value" as used in this Agreement shall mean the fair market value of the Units as determined by an independent appraiser (selected by the Company) at the end of the fiscal year ending immediately prior to the event (whether death, termination of employment or otherwise) necessitating the calculation of such value. Fair market value shall be the price that would be arrived at as a result of negotiations between a willing and informed buyer and a willing and informed seller, excluding a forced sale or liquidation value. Factors to be considered in such appraisal shall include (i) the Company's earning power, (ii) the book value of the shares, (iii) the capital structure and size of the Company and (iv) the competitive position of the Company. All determinations of Appraised Value shall be paid for by the Company.