

EXHIBIT A

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

DEL REY & COMPANY CPAS LIMITED LIABILITY PARTNERSHIP
[may be abbreviated as L.L.P. or LLP]

FORM 2

[FOR A MANAGED NEW YORK
LIMITED LIABILITY COMPANY]

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January 27, 1997

PERSONAL AND CONFIDENTIAL

Mr. Bernard Del Rey
4300 Hylan Boulevard
Staten Island, New York 10312

Re: Operating Agreement

Dear Bernard:

Enclosed please find a copy of the Operating Agreement together with a Redlined copy of same for your review. Also enclosed please find a copy of an Agreement with yourself and Anthony Tanzi for your review.

Please call with your comments.

Very truly yours,


JAMES E. SAK, ESQ.

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This Limited Liability Company Operating Agreement of DEL REY & COMPANY CPAS L.L.P., a limited liability company organized pursuant to the New York Limited Liability Company Law, 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 New York Limited Liability Company Law 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 Department of State of New York.

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 New York.

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.** DEL REY & COMPANY CPAS L.L.P., a limited liability company formed under the laws of New York, 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.** AS OF August 14, 1996.

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, excluding depreciation, (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 New York.

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 **Substitute 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 Section 8.4 and the provisions of Article IX) and in 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 chargeback 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.

(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) 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 Unit. One of the 100 units of Membership Interest that are authorized to be issued under this Agreement. Each Unit represents a Membership Interest with an Initial Sharing Ratio of 1 percent (1%), subject to adjustment as provided herein. 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 New York 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 DEL REY & COMPANY CPAS L.L.P., and all business of the Company shall be conducted under that name.

2.4 **Term.** The Company shall be dissolved and its affairs wound up in accordance with the Act and the Agreement on December 31, 2047, unless the term shall be extended by amendment to the Agreement and the Articles, or 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 that Person and location reflected in the Articles. The Managing Member, may, from time to time, change the registered agent or office through appropriate filings with the Department of State of New York. 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

4300 Hylan Boulevard
Staten Island, New York

2.7 **Publication.** Within 120 days after the Effective Date, the Managing Member shall cause a notice containing the substance of the Articles, in the form required by the Act, to be published once in each week for six successive weeks in two newspapers of the county in which the Principal Office is located.

ARTICLE III
PURPOSE; NATURE OF BUSINESS

The business purpose of the Company is to practice as CPAS and any other lawful purpose.

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 when necessary, which shall be open to inspections by the Members or their agents at reasonable times.

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

4.3 **Tax Returns and Reports.** The Managing Member, 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, if requested, deliver to each Member, within thirty (30) days after the filing of tax returns, 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 shall have authority to bind the Company on any Management Right except that (a) the assignment of a Membership Interest and the admission of a Substitute Member shall require the approvals set forth in Sections 11.2 and 11.3, and (b) the following actions shall require the consent of all of the Members:

- (a) any amendment to the Agreement or to the Articles;
- (b) the sale of Company Property other than in the ordinary course of business;
- (c) the merger or consolidation of the Company with any other Person;
- (d) the borrowing of funds or the pledging, mortgaging or otherwise encumbering of any Company Property, except in the ordinary course of business to include equipment loans, business lines of credit and working capital loans;
- (e) the admission of a new Member;
- (f) the payment of compensation to the Managing Member above is \$100.00.

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 not be entitled to enter into transactions that may be considered to be competitive with the Company. 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.** 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. The Managing Member(s) shall be:

BERNARD DEL REY

7.2 **Term of Office as Managing Member.** Each Managing Member shall serve until the Dissociation of such Managing Member or any removal of such Managing Member pursuant to Section 7.6.

7.3 **Authority of Managing Member to Bind the Company.** Only the Managing Member and authorized agents of the Company shall have the authority to bind the Company. Subject to Section 6.1, the Managing Member 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 indemnification of any Person;

(k) 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

(l) 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 has the power to bind the Company as provided in this Article VII. No Person dealing with the Company shall have any obligation to inquire into the power or authority of the Managing Member 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 [all/a majority of] the Managing Members.

7.5 **Compensation of Managing Member.** The Managing Member shall 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 shall be required to devote full time to the management of the Company business.

7.6 **Managing Member's Standard of Care.** Each Managing Member 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 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 shall have a right to resign. At such time a replacement Managing Member shall be selected by a majority vote of members. The Managing Member may not be removed by the Members other than for fraud, misfeasance or breach of the Managing Member's standard of care as described in Section 7.6, in which case the Managing Member may be removed by a vote of all of the Members. The Managing Member shall have the right to appoint a temporary Managing Member for a period of no more than one (1) year. If the Managing Member is unable to resume his duties within a one (1) year period, the Managing Member may either appoint a new Managing Member or dissolve the Company.

ARTICLE VIII
CONTRIBUTIONS AND CAPITAL ACCOUNTS

8.1 **Initial Contributions.** Each Member shall make the Initial Capital Contribution described for that Member on Schedule A at the time and on the terms specified in Schedule A and shall perform that Member's Commitment, and shall receive the number of Units of Membership Interest and Sharing Ratio described for that Member on Schedule A. The Managing Member may issue certificates representing the Units subscribed for by the Members. No Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in the Agreement. At all times during the existence of the Company, the Managing Member's Capital Account balance shall be 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) \$500,000, and, to that end, whenever a Member who is not a Managing Member makes a capital contribution to the Company the Managing Member shall immediately contribute to the Company capital equal to 1.01% of such capital contribution or such lesser amount that causes the Managing Member's capital account balance to equal the lesser of 1% of the total positive capital account balance of all Members of the Company or \$500,000.

8.2 **Additional Contributions.** In addition to the Initial Capital Contributions, the Members shall make such Additional Contributions (in accordance with their respective Additional Contribution Shares) as shall be determined by the Managing Member. 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.

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.** A separate capital account shall be maintained for each 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 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) The Capital Account of a transferee Member shall include the appropriate portion of the Capital Account of the Member from whom the transferee Member's interest was obtained.

(d) 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.

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 may 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 for any Fiscal Year shall be allocated in the following order of priority:

(a) First, to the Members, if any, who received any allocation of Losses under Section 9.3(c), in proportion to (and to the extent of) the excess, if any, of (i) the cumulative Losses allocated to such Members pursuant to Section 9.3(c) for all prior Fiscal Years, over (ii) the cumulative Profits allocated to such Members pursuant to this Section 9.2(a) for all prior Fiscal Years;

(b) Second, to the Members, in proportion to (and to the extent of) the excess, if any, of (i) the cumulative Losses allocated to each Member pursuant to Section 9.3(b) hereof for all prior Fiscal Years, over (ii) the cumulative Profits allocated to each Member pursuant to this Section 9.2(b) for all prior Fiscal Years;

(c) Third, to the Members, in proportion to (and to the extent of) the excess, if any, of (i) the cumulative Losses allocated to each Member pursuant to Section 9.3(a)(ii) hereof for all prior Fiscal Years, over (ii) the cumulative Profits allocated to such Member pursuant to this Section 9.2(c) for all prior Fiscal Years;

(d) Fourth, the balance of the Profits remaining, if any, among the Members, pro rata, in proportion to their respective Sharing Ratios.

9.3 **Losses.** After giving effect to the special allocations set forth in Sections 9.4 and 9.5, Losses shall be allocated as set forth in Section 9.3(a),

subject to the limitation in Section 9.3(b) below, and, if applicable, as provided in Section 9.3(c).

(a) Losses for any Fiscal Year shall be allocated in the following order of priority:

(i) first, to the Members in proportion to and to the extent of the excess, if any, of (A) the cumulative Profits allocated to each such Partner pursuant to Section 9.2(d) hereof for all prior Fiscal Years, over (B) the cumulative Losses allocated to such Partner pursuant to this Section 9.3(a)(i) for all prior Fiscal Years; and

(ii) the balance, if any, among the Members in proportion to their respective Sharing Ratios.

(b) The Losses allocated pursuant to Section 9.3(a) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some, but not all, of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 9.3(a) hereof, the limitation set forth in this Section 9.3(b) shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to the Members under Section 1.704-1(b)(2)(ii)(d) of the Tax Regulations.

(c) In the event that there are any remaining Losses in excess of the limitations set forth in Section 9.3(b), such remaining Losses shall be allocated among the Members in proportion to their respective Sharing Ratios.

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

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

(b) 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.

(c) 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.

9.5 **Curative Allocations.** The allocations set forth in Sections 9.4 (a) through (c) (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. 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.

9.6 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.

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

9.8 Distributions to the Members shall be at such times and in such amounts as the Manager shall determine from time to time; however, the Manager shall use his best efforts to make pro rata distributions of money with respect to the Membership Interests sufficient to pay the federal and state income taxes on the net taxable income that passes through the Company to the Members.

ARTICLE X TAXES

10.1 **Tax Matters Partner.** The Managing Member 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.

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 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 Economic Interest.** The right to receive allocations of Profits and Losses and to receive Distributions may not be transferred in whole or in part unless the following terms and conditions have been satisfied:

The transferor shall have:

(a) assumed all costs incurred by the Company in connection with the transfer;

(b) furnished the Company with a written opinion of counsel, satisfactory in form and substance to counsel for the Company, that such transfer complies with applicable federal and state securities laws and the Agreement and that such transfer, for federal income tax purposes, will not cause the termination of the Company under Section 708(b) of the Code, cause the Company to be treated as an association taxable as a corporation for income tax purposes or otherwise adversely affect the Company or the Members; and

(c) complied with such other conditions as the Managing Member may reasonably require from time to time.

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 **Transfer of Membership Interest and Admission of Substitute Member.** A Membership Interest of any Member may not be transferred in whole or in part, and a transferee shall not have a right to become a Member unless the following terms and conditions have been satisfied:

(a) All of the other Members shall have consented in writing to the transfer and substitution, which consent may be arbitrarily withheld by any such Member;

(b) The transferee shall have assumed the obligations, if any, of the transferor to the Company, including the obligation to fulfill the pro rata portion of the transferor's then existing or subsequently arising Commitment allocable to the transferred Unit of Membership Interest or portion thereof; and

(c) The transferor and the transferee shall have complied with such other requirements as the non-transferring Members may reasonably impose, including the conditions that the transferee:

(i) adopt and approve in writing all the terms and provisions of the Agreement then in effect; and

(ii) pay such fees as may be reasonable to pay the costs of the Company in effecting such substitution.

11.4 **Status of Transferee.** A transferee of a Unit of Membership Interest who is not a Substitute Member shall be entitled only to receive that share of Profits, Losses and Distributions, and the return of Capital Contribution, to which the transferor would otherwise be entitled with respect to the interest transferred, and shall not have the rights of a Member of the Company under the Act or this Agreement including without limitation the right to obtain any information on account of the Company's transactions, to inspect the Company's books or to vote with the Members on, or to grant or withhold consents or approvals of, any matter. The Company shall, however, if a transferee and transferor jointly advise the Company in writing of a transfer of the Unit of Membership Interest, furnish the transferee with pertinent tax information at the end of each Fiscal Year.

11.5 **Death, Dissolution, Bankruptcy or Incompetency of a Member.** Upon the death, dissolution, adjudication of bankruptcy or adjudication of incompetency of a Member, such Member's successors, executors, administrators or legal representatives shall have all the rights of a Member (except as provided by the last sentence of this Section 11.5) for the purpose of settling or managing such Member's estate, including such power as such Member possessed to substitute a successor as a transferee of such Member's interest in the Company and to join with such transferee in making the application to substitute such transferee as a Member. However, such successors, executors, administrators or legal representatives will not have the right to become a Substitute Member in the place of their predecessor in interest unless all of the other Members shall so consent as provided in Section 11.3(a) hereof.

11.6 **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 or retirement or loss of CPA license 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 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, the following: [the paid in capital of the Member plus (w) the list of clients for which the Member has been deemed "Procuring Member" of said clients together with the accounts receivable from said clients plus (x) the Members percent ownership of the Company multiplied by the accounts receivable to the firm reduced by the accounts receivable of the clients procured by the withdrawing Member] and the fixed assets at the value they appear on the books of the Company, (y) [less the percentage of the Members interest in the company multiplied by the total Company indebtedness]. In addition, the Members shall receive any of the distributions which the Member is entitled for the period preceding the withdrawal. It is further agreed that the books and records of the clients which the withdrawing Member is the "Procuring Member" shall be given to said withdrawing Member (however a copy of same may be kept by the Company). No effect will be given to Good Will of the Company. A "Procuring Member" shall be that Member who is responsible for introducing a client to the Company. Each file shall be noted or a list shall be maintained wherein each Member shall be listed as a "Procuring Member". A list of the "Procuring Member" of each client of the firm as of _____, 1996 is attached hereto as Schedule _____.

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;

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 New York.

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 180 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 New York 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 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 **Governing Law.** The Agreement shall be governed by and construed in accordance with the laws of the State of New York.

14.8 **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 the New York Partnership 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.

14.9 **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.

14.10 **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.

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

Bernard DeRex
Name

[MANAGERS:
[Signature]
Name

ANTHONY J. TANZI
Name

[Signature]
Name

Name

Name

DeRex Company CPAs L.L.C

By: [Signature]
Managing Member
[Manager]

AGREEMENT

between

BERNARD DEL REY, (hereinafter referred to as "DEL REY"), residing at _____, Staten Island, New York

and

ANTHONY TANZI, (hereinafter referred to as "TANZI"), residing at _____, Staten Island, New York

WHEREAS, DEL REY and TANZI are members of DEL REY & COMPANY CPAS, LLP, (hereinafter referred to as "LLP"), a New York Limited Partnership having its principal place of business at 4300 Hylan Boulevard, Staten Island, New York, and

WHEREAS, the parties hereto wish to memorialize certain agreements between them as members of the LLP,

NOW THEREFORE for good and valuable consideration the receipt of which is hereby acknowledged the parties agree as follows:

1. TANZI has become a member of the LLP with a ten (10%) percent interest in same which was calculated as five (5%) percent based on existing clients bought to the firm and all other work which TANZI is currently involved in being merged with the LLP and a five (5%) percent interest purchased at a discounted value of \$25,000.00 to be paid \$10,000.00 concurrently herewith and the balance over a three (3) year period at \$5,000.00 per year. In the event TANZI wishes to leave the LLP, TANZI shall be paid an amount consistent with Article 12.2(b) of the Operating Agreement of the LLP.

2. DEL REY shall have a ninety (90%) percent interest in the LLP in consideration of the existing business and clients which he has provided to the LLP.

3. The parties shall vote their interest in the LLP such that DEL REY shall continue to be the Managing Member of the LLP.

4. During the one (1) year period from the date hereof the parties agree that DEL REY shall receive a base salary of \$ 100,000 - and TANZI shall receive a base salary of \$ 65,000 - . At least annually the Managing Member shall take into consideration the experience, hours spent at the business, new business brought into the LLP and other factors and review the compensation of each of the parties accordingly. Each year the compensation shall be reviewed by the Managing Member.

Dated:

8/14/96



BERNARD DEL REY



ANTHONY TANZI

SCHEDULE A

<u>Name and Address of Member</u>	<u>Description of Value of Initial Capital Contribution</u>	<u>Number of Units, Initial Membership Interest and Sharing Ratio</u>
BERNARD DEL REY	Accounting Practice Business Billing	90
ANTHONY TANZI	Business Billing of 30,000 + Cash Buy In (Payment) of \$25,000 (10,000 Down Payout over 3 yrs)	10

	<u>BERNARD DEL REY</u>	<u>ANTHONY TANZI</u>
Profits Above Base Salary/Guaranteed Payment	Per Schedule B	Per Schedule B
Losses	90	10
Capital Ownership Years 1 to 5	100	-0- Except for Initial Investment
Years 6 and Thereafter	90	10

SCHEDULE B

Profits First 25,000	90	10
Next 50,000	85	15
Next 50,000	80	20
Next 50,000	60	40
Over 175,000	50	50

Subject to adjustment/ Review annually