

Exhibit A

TEN SHERIDAN ASSOCIATES, LLC

OPERATING AGREEMENT

Operating Agreement of Ten Sheridan Associates, LLC, (the "Company") made as of 3/18, 1997, by and among Jeffrey S. Pikus ("Pikus") and Stuart D. Goldstein ("Goldstein") (hereinafter referred to individually as a "Class A Member" and collectively as the "Class A Members"), collectively with an address of c/o SDG Management Corp., 950 Third Avenue, New York, New York 10022, and the parties listed from time to time as Class B Members in Schedule A, annexed hereto, (hereinafter referred to individually as a Class B Member" and collectively as the "Class B Members"). The Class A Members and the Class B Members are hereinafter referred to individually as "Member" and collectively as "Members".

WITNESSETH:

The Class A Members and the Class B Members hereby agree as follows:

ARTICLE I

Definitions

The defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified in this Article I.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of any succeeding law).

"Net Income" or "Net Loss" shall mean the net income or net loss of the Company as determined for federal income tax purposes by the accountant serving the Company, including, without limitation, each item of Company income, gain, loss, deduction, tax preference and credit, all as such terms are used in the Code.

"Percentage Interest" shall mean for each Member, the percentage interest set forth opposite such Member's name on Schedule A attached hereto.

"Person" shall mean any individual, partnership, corporation, limited liability company, unincorporated organization or association, trust or other entity.

"Regulations" shall mean the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of any succeeding regulations).

"Secretary of State" shall mean the New York Secretary of State.

"Transfer" shall mean any sale, transfer, gift, assignment, other disposition, pledge or grant of a security interest, by operation of law or otherwise, in or of an interest in the Company or of rights under this Agreement, excluding, however, any grant of such a security interest in favor of the Company.

"Voting Rights" shall mean the right of a Member to vote in proportion to such Member's Percentage Interest on such matters as set forth in Section 4.4.

ARTICLE II

FORMATION OF LIMITED LIABILITY COMPANY

2.1 **Formation.** The parties hereto have formed a limited liability company pursuant to the New York Limited Liability Company Law as amended from time to time (the "Act"). The Managers may take such further action as they may deem necessary or proper to permit the Company to conduct business as a limited liability company under the Act.

2.2 **Name and Principal Place of Business.** The business of the Company shall be conducted under the name of Ten Sheridan Associates, LLC. The Company shall have an office in the State of New York at which the Company records will be kept at c/o SDG Management Corp., 950 Third Avenue, 23rd Floor, New York, New York 10022 or such other address as may be designated from time to time by the Managers.

2.3 **Business.** The business and purpose of the Company is to acquire, own, hold, expand, renovate, lease, manage, sell, operate the real property located at 10 Sheridan Square, New York, New York (the "Premises") and such other business activities and operations that are reasonably related thereto, subject to the conditions hereinafter contained.

ARTICLE III

TERM; TERMINATION

3.1 **Term.** The Company was organized as a limited liability company by the filing of the Articles of Organization of the Company with the Secretary of State of the State of New York (the "Articles") on December 10, 1996 and shall continue in full force and effect until December 31, 2079, unless earlier terminated pursuant to Section 3.2 hereof.

3.2 **Termination.** The Company shall continue in full force and effect for a period ending the earlier of:

- (a) December 31, 2079, the latest date on which the Company may dissolve;

- (b) The election by the Class A Members to terminate the Company, or
- (c) the death, insanity, bankruptcy, retirement, resignation or expulsion of any Class A Member, except as provided for herein or unless the Company is reorganized (and, if none of the Managers remain, a new manager is elected) by the election of the Members holding at least 80% of the Membership Interests.
- (d) the occurrence of any event which under the Act, shall make it unlawful for the existence of the Company to be continued;
- (e) the sale of the Premises (a "Sale").

ARTICLE IV

Members, Membership Interests and Voting Rights.

4.1 **Membership Interest.** Schedule A attached hereto sets forth the respective interests of the Members (individually the "**Membership Interest**" or collectively the "**Membership Interests**") and each Member's capital contribution in the Company. A Member's Membership Interest is its Percentage Interest of the Company's assets, liabilities, capital, Net Income or Net Loss, each subject to the provisions of this Agreement and the Act. The capital contribution of each Member shall be made in cash at the time of the execution of this Agreement. Each Membership Interest shall be personal property for all purposes. A Member shall not have the right to demand a return of his capital contribution.

4.2 **Fees to Members.** No Member shall be entitled to any fees, commissions or other compensation from the Company for any services rendered to or performed for the Company, except as otherwise specifically provided in this Agreement.

4.3 **Absence of Liability of Members for Debts of Company.** The Members shall not be liable for any debts, losses, claims, expenses, encumbrances liabilities, contracts or obligations of the Company. Except as provided in Section 4.1 above, no Member shall be required to make any capital contribution or lend any funds to the Company.

4.4 **Voting Rights.** Class B Members shall have no Voting Rights, except as otherwise specifically provided in this Agreement.

ARTICLE V

RIGHTS, POWERS AND OBLIGATION OF MANAGING MEMBERS AND LIMITATIONS THEREON

5.1 Exercise of Management by the Managers.

(a) Except as hereinafter specified, the right to manage, control and conduct the business of the Company shall be vested exclusively in the Managers (each individually a "Manager" or collectively "Managers"). Managers must be Class A Members. Jeffrey S. Pikus and Stuart D. Goldstein are hereby designated to serve as the Managers. In the event of the death, incompetency, bankruptcy, resignation or retirement of one of the Managers, the remaining Manager shall be the exclusive Manager of the Company. In the event a Manager ceases to retain at least 75% of his Membership Interest, his position as a Manager shall terminate and at such time the remaining Manager shall be the exclusive Manager of the Company. All decisions affecting the Company, its policy and management shall be made by the Managers including but not limited to, the purchase, sale, finance, mortgage, lease of any real estate or personal property of the Company, and the Members agree to abide by any such decision. No Class B Member shall take part in the management or control of the business of the Company.

(b) Except as is otherwise specifically provided herein, each of the Managers shall have and exercise all of the powers as are usually exercised by comparable designated officers of a New York Corporation and is authorized and empowered to carry out and implement any and all purposes and objects of the Company.

(c) Except as is otherwise specifically provided herein, all determinations or consents to be made or actions to be taken by the Managers shall require the action of all the Managers.

(d) The Company shall reimburse the Managers for all reasonable out-of-pocket expenses incurred on behalf of the Company.

5.2 Managing Agent. In carrying out Section 5.1, the Managers shall have the power to delegate their authority to qualified Persons. Any such delegation of authority may be rescinded at any time by the Managers. The Managers hereby designate SDG Management Corp., or a successor entity directly or indirectly controlled by Goldstein, ("Goldstein") as Managing Agent for the Premises. The Managing Agent, on consent of the Managers, shall receive remuneration customarily paid for the services rendered, including, but not limited to, disposition, refinancing fees, construction management fees and leasing commissions. The Managing Agent shall have the authority as is generally given to a Managing Agent including, without limitation, the right to enter into, make and perform any and all contracts, leases and other agreements related to the management of the Premises, whether or not such agreements are with persons or entities affiliated with any Member. The Managing Agent shall take all necessary action to maintain the Premises in first class condition and to maximize the value of the Premises.

The Managing Agent shall maintain the books and records of the Premises in good and accurate order and shall make all required filings with the necessary agencies and parties. The Managing Agent shall make all reasonable and usual repairs to the Premises. Upon the death, incompetency, resignation, or bankruptcy of either Manager, the remaining Manager shall have the right to designate the Managing Agent for the Premises.

5.3 **Restrictions on Managers Authority.** Notwithstanding any other provision contained in this Agreement, the Managers shall not perform any act in violation of any applicable laws or regulations, or, unless otherwise specifically provided herein, take any action which, under the Act or this Agreement, requires the approval, ratification or consent of the Members without first obtaining such approval, ratification or consent.

5.4 **Activities of Managers.** It is understood that the Managers are and will be engaged in other interests and occupations unrelated to the Company, and the Managers shall be required to devote only such of their time as they in their sole discretion may deem necessary to the affairs of the Company. Any Manager may engage in and have an interest in other business ventures of every nature and description independently or with others, including, but not limited to, the ownership, construction, financing, leasing, operation, management or development of real property, whether or not such real property is directly or indirectly in competition with the Project; provided, however, that nothing herein shall be construed to relieve the Managers of any of their obligations with respect to the Company and the Premises.

5.5 **Indemnification.** No Manager shall be liable, responsible or accountable in damages or otherwise to the Company or to any other Member, and each Manager shall be indemnified by the Company against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by him in connection with the Company provided that the same were not the result of fraud, gross negligence or misconduct on the part of such Manager, and except that such Manager shall repay to the Company any amounts paid to such Manager in excess of those to which he is entitled to receive under the terms of this Agreement.

5.6 **Members' Consent.** (a) Notwithstanding anything to the contrary in Agreement or the Act, the Managers shall not undertake any of the following actions without the unanimous consent of all of the Members:

(1) Amend this Agreement where such amendment would adversely affect the Members; or

(2) Deviate from any of the purposes of the Company as set forth in Section 2.3;

(b) Notwithstanding anything to the contrary in Agreement or the Act, the Managers shall not undertake any of the following actions without the unanimous consent of Class A Members:

(1) Make an assignment for the benefit of creditors or make a bankruptcy or insolvency filing or similar proceedings;

(2) Liquidate or dissolve the Company, in whole or in part; or

(3) Consolidate, merge or enter into any form of combination with or into any other entity, or convey, transfer or lease its assets substantially as an entity to any other entity.

ARTICLE VI

FEES

6.1 **Managing Agent Fee.** The Managing Agent shall be entitled to an annual management fee of up to 6% of the gross rental revenues collected on account of the Premises in consideration for managing the Premises.

6.2 **Acquisition and Organization Fees.** The Managers will receive a one time fee of \$75,000 in connection with the organization and administration of the Company.

ARTICLE VII

BANK ACCOUNTS, FISCAL YEAR, BOOKS OF ACCOUNT; REPORTS, RECORDS AND RETURNS

7.1 **Bank Accounts.** The bank accounts of the Company shall be maintained in banking institutions authorized to do business in the State of New York and withdrawals therefrom shall be made upon such signature or signatures as the Managers may designate and shall be made only in the regular course of business. Funds not belonging to the Company shall not be commingled with the funds of the Company, nor shall Company funds be used except for the business of the Company.

7.2 **Accountant.** The Managers shall have the power and authority to designate any accountant or accounting firm that is licensed in the State of New York as Certified Public Accountants, as the Accountant to the Company. The accountant shall receive remuneration customarily paid for the services rendered.

7.3 **Fiscal Year Books of Account; Reports and Records.**

The fiscal year of the Company shall be the calendar year. Proper and complete books of account of the Company shall be kept by the Managers or upon designation, the Managing Agent, at the Company's principal place of business and shall be available for inspection or audit by any other Member or such Member's duly authorized representative. The Managers shall deliver to each other Member within 90 days after the end of each year the statement relating to such year prepared in

accordance with generally accepted accounting principles. Such financial statements shall be certified by independent public accountants if Class B Members holding at least 25% of the Membership Interests so request in writing. Any information obtained by any Member or such Member's duly authorized representative, with respect to the affairs of the Company shall, except as may be required by law, be kept strictly confidential.

7.4 Tax Returns and Election.

7.4.1 The Managers shall use reasonable efforts to cause all income tax and information returns for the Company to be prepared by the Company's accountant and shall cause such tax returns to be timely filed with the appropriate authorities. Copies of such returns shall be kept at the Company's principal place of business or at such other place as the Managers shall determine and shall be available for inspection by the Members or their duly authorized representatives during regular business hours.

7.4.2 The Managers may, in their discretion, cause the Company to make an election for federal income tax purposes to the extent permitted by applicable law and regulations, as follows:

(1) in case of a transfer of all or part of any Membership Interest, the Company may elect in a timely manner pursuant to Section 754 of the Code and pursuant to corresponding provisions of applicable state and local tax laws to adjust the basis of the assets of the Company pursuant to Sections 734 and 743 of the Code; and

(2) such other elections, if any, permitted to be made by the Company, as the Managers shall determine, in consultation with the Company's accountant.

7.4.3 No Members shall take any action or refuse to take any action which would cause the Company to forfeit the benefits of any tax election previously made or agreed to be made by the Company.

7.4.4 Goldstein shall be the "tax matters member" (as such term is defined in Section 6231 of the Internal Revenue Code of 1986, as amended (the "Code")) of the Company for all purposes of the Code.

7.5 **Capital Accounts.** The Managers shall cause to be kept for each Member a capital account ("Capital Account") which shall be computed from the date of the initial formation of the Company and which shall be equal to the capital contribution of each Member as set forth on Schedule A hereto (a) increased by (i) any additional capital contribution by such Member and (ii) each Member's allocable share of Net Income (as hereinafter provided) of the Company and (b) decreased by the aggregate for such Member of (i) Distributions (as hereinafter provided) made to such Member and (ii) such Member's allocable share of Net Loss (as hereinafter defined) of the Company. The Capital Account of a Member shall be maintained and adjusted in accordance with the accounting principles on which the Company's books of account are kept and tax returns prepared. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the

Treasury Regulations promulgated under Section 704 of the Code, and shall be interpreted and applied in a manner consistent with such Regulations.

ARTICLE XIII

PROFITS AND LOSSES; DISTRIBUTIONS

8.1 Definition of Distributable Cash and Distributions. "Distributable Cash" means, at any time, all cash on hand from any source that the Managers (i) do not expect to use in the operation of the Company in accordance with the terms of this Agreement (including the repayment of any debt of the Company) and (ii) determine to be available for distribution after (a) providing for the payment of all expenses and other obligations then due and (b) the creation of such working capital and cash reserves as the Managers reasonably determine to be necessary for the proper management of the Company's business. "Distributions" means any distributions of Distributable Cash to a Member in respect of such member's Membership Interest in the Company.

8.2 (a) Definition of Priority Return. "Priority Return" means, with respect to the Class B Members in an amount equal to a cumulative non-compounded return on such Member's Invested Capital (as hereinafter defined) as of the date of any Distribution, calculated from the date hereof at a rate of seven percent (7%) per annum.

(b) Definition of Invested Capital. "Invested Capital" means, with respect to the Class B Members an amount equal to such Member's capital contribution, reduced (but not below zero) by all Distributions made to such Member pursuant to Section 8.3(d).

8.3 Distribution. All Distributions (including, without limitation, Distributions resulting from the elimination of any reserve) shall be made as follows:

(a) First, to the Class B Members in proportion to their Invested Capital, until each such Member has received aggregate Distributions pursuant to this Section 8.3(a) equal to the amount of such Member's Priority Return;

(b) Next, to the Class B Members in proportion to their Invested Capital, until each such Member has received aggregate Distributions pursuant to this Section 8.3(b) of up to three percent (3%) in excess of the amount of such Member's Priority Return (the "Preferred Return");

(c) Next, 50% to the Class A Members and 50% to the Class B Members, in proportion to their Membership Interests.

(d) Cash available for distribution from the sale or refinancing of the Premises, if any, shall be distributed as follows: (1) 100% to the Class B Members until they receive an amount equal to their aggregate Capital Contribution and Priority Return (2) The balance, if any, shall be distributed in accordance with Section 8.3(c).

Anything to the contrary in this Section 8.3 notwithstanding, Distributions to a Member arising on dissolution of the Company shall be limited to the positive Capital Account balance of the distributee Member as adjusted to reflect Net Income and Net Loss arising from a dissolution of the Company.

8.4 Allocations.

(a) Net Income. Except as provided in Section 8.5 hereof, Net Income for any fiscal year of the Company shall be allocated in the following order and priority: (i) first, Net Income shall be allocated among the Members in reverse order of any previously allocated Net Loss (and in proportion to such previously allocated Net Loss, within such reverse order), but only to the extent that such Net Loss exceeds the Net Income previously allocated pursuant to this clause (i); (ii) second, Net Income shall be allocated to each Member to the extent of, and in proportion to, the amount of any Distributions made to such Member with respect to such fiscal year of the Company other than pursuant to Section 8.3(d); (iii) third, Net Income shall be allocated to each Member in proportion to and to the extent that such Member has received aggregate Distributions other than pursuant to Section 8.3(d) in excess of the Net Income of the Company theretofore allocated to such Member; and (iv) thereafter, Net Income shall be allocated among the Members in the same proportion as Distributions would be made for such fiscal year of the Company pursuant to Section 8.3(c) hereof.

(b) Net Loss. Net Loss for any fiscal year of the Company shall be allocated as follows: (i) first, among the Members in proportion to and to the extent of any undistributed Net Income previously allocated to them pursuant to clause (iv) of Section 8.4(a); and (ii) second, among the Members in proportion to and to the extent of their Invested Capital.

8.5 Regulatory Allocations.

8.5.1 Notwithstanding any other provision of this Agreement, Net Loss (or items of deduction as computed for book purposes) shall not be allocated to a Member to the extent that the Member has or would have, as a result of such allocation, an Adjusted Capital Account Deficit. As used herein, a Member's "Adjusted Capital Account Deficit" shall mean and refer to such Member's Capital Account, increased by any amounts which such Member is obligated to restore pursuant to the terms of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulation § 1.704-2(g)(1) and § 1.704-2(i)(5), and reduced by any adjustments, allocations or distributions described in Regulation § 1.704-1(b)(2)(ii)(d)(4), (5) or (6). Any Net Loss (or items of deduction as computed for book purposes) which otherwise would be allocated to a Member, but which cannot be allocated to such Member because of the application of the immediately preceding sentence, shall instead be allocated to the other Members, in accordance with their respective Percentage Interests, subject to the limitation imposed by the immediately preceding sentence.

8.5.2 In order to comply with the "qualified income offset" requirement of the Regulations under Code Section 704(b), and notwithstanding any other provision of this

Agreement to the contrary, except Section 8.5.3, if a Member for any reason (whether or not expected) has an Adjusted Capital Account Deficit, items of Net Income (consisting of a pro-rata portion of the items thereof) shall be allocated to such Member in an amount and manner sufficient to eliminate as quickly as possible the Adjusted Capital Account Deficit.

8.5.3 In order to comply with the "minimum gain chargeback" requirements of Regulation § 1.704-2(f)(1) and § 1.704-2(i)(4), and notwithstanding any other provision of this Agreement to the contrary, in the event there is a net decrease in a Member's share of Company minimum gain (as defined in Regulation § 1.704-2(d)(1)) during a Company taxable year, such Member shall be allocated items of income and gain for that year (and if necessary, for other years) as required by and in accordance with Regulation § 1.704-2(f)(1) before any other allocation is made.

8.5.4 The allocations set forth in Section 8.5 (the "Regulatory Allocations") shall be taken into account in allocating items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of such items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

ARTICLE IX

WITHDRAWAL OR TRANSFER OF MEMBERSHIP INTERESTS

9.1 Withdrawal of Members. Except as otherwise provided herein or by the laws of the State of New York, no Member may resign, withdraw or retire voluntarily from the Company or sell, transfer, assign or otherwise dispose of such Member's interest in the Company.

9.2 Additional Members. The Managers shall have the right to admit additional Members to the Company as provided herein.

9.3 Transfer of Class A Member's Interest. A Class A Member shall not be permitted to transfer, sell, encumber, mortgage, assign or otherwise dispose of any portion of such Member's interest as a Member in the Company, except that such Member may transfer all or any portion of such member's interest in the Company to a trust, the beneficiaries of which are such Members and/or Members of such Member's family. Any purported transfer, sale, encumbrance, mortgage, assignment or disposition of a Class A Member's interest in violation of this Section 9.3 shall be void and of no effect against the Company, any other Member, any creditor of the Company or any claimant against the Company.

9.4 Transfer of Class B Member's Interest. A Class B Member shall not transfer, sell, encumber, assign or otherwise dispose of any portion of such Member's interest in the Company without first obtaining the prior written consent of the Managers (which consent may be withheld at the sole discretion of the Managers).

9.5 Effect of Death, Incompetency, Retirement, Resignation or Bankruptcy of a Class A Member. In the event of the death, incompetency, or bankruptcy of a Class A Member, the business of the Company shall terminate unless the remaining Class A Member(s) agree to continue the business of the Company. Upon the death, incompetency or bankruptcy of a Class A Member, the representative or successor-in-interest thereof, as the case may be, shall be deemed to be an assignee of the economic interest of the Class A Member.

9.6 Death, Incompetency or Bankruptcy of a Class B Member. The death, incompetency or bankruptcy of a Class B Member shall not cause a dissolution of the Company. Upon the death, of incompetency or bankruptcy of a Class B Member, the representative or successor-in-interest thereof, as the case may be, shall be deemed to be an assignee of the economic interest of the Class B Member and may apply for admission to the Company as a substituted Class B Member upon compliance with Section 9.7 hereof, provided, however, that in the event of bankruptcy of a Class B Member if such representative or successor-in-interest shall not comply with Section 9.7 hereof, then the economic interest of that Class B Member shall be dealt with in accordance with applicable law at the earliest practicable time.

9.7 Substituted Class B Members. Anything herein contained to the contrary notwithstanding:

a. No successor-in-interest of a Class B Member and no assignee or transferee of all or any part of a Class B Member's interest in and to the Company, its capital, profits and losses, shall be admitted to the Company as a Class B Member except upon:

(i) submitting to the Managers a duly executed and acknowledged counterpart of the instrument or instruments making such transfer, together with such other necessary instrument or instruments, including, but not limited to, a counterpart of this Agreement as it then may have been amended, signifying such transferee's agreement to be bound by all of the provisions of this Agreement, including, but not limited to, the restrictions upon transfers of interests therein and thereto, all of the foregoing in such form and substance as shall be reasonably satisfactory to the Managers;

(ii) obtaining the Managers' consent thereto which may be given or withheld in their absolute discretion;

(iii) agreeing to bear all costs and expenses, including legal fees of the Company, incurred in effecting such substitution.

Upon such transferee's compliance with the foregoing provisions, each of the Managers shall take all actions reasonably required to effectuate the recognition of the effectiveness of such transfer and the admission of such transferee to the Company as a substituted Class B Member including, but not limited to, transferring such interest in and to the Company, its capital, profits and losses upon the books thereof and executing, acknowledging and causing to be filed any necessary or

desirable amendment to this Agreement and the other organizational documents of the Company.

b. The Managers shall not consent to the admission of any such assignee as a substituted Member if, in the reasonable opinion of the Managers, such admission:

(i) would jeopardize the status of the Company as a partnership for Federal income tax purposes;

(ii) would cause a termination of the Company within the meaning of Section 708(b) of the Internal Revenue Code of 1986 as amended; or

(iii) would violate, or cause the Company to violate, any applicable law or governmental rule or regulation.

c. No assignment to a minor or incompetent shall be effective in any respect.

9.8 Non-Complying Assignments. Any assignment, sale, exchange or other transfer in contravention of any of the provisions of this Article IX shall be void and ineffectual, and shall not bind or be recognized by the Company.

9.9 Obligations of Successors. Any person who acquires an interest in the Company by assignment or is admitted to the Company as a substituted Member shall be subject to and bound by all the provisions of this Agreement, as amended, as if originally a party to this Agreement.

ARTICLE X

LIQUIDATION OF COMPANY

Upon the dissolution of the Company in accordance with Section 3.2, the Managers (or legal representative(s) thereof) shall cause the cancellation of the filed copy of the Articles, liquidate the Company's assets in an orderly and businesslike manner and apply and distribute the proceeds thereof in accordance with Section 8.3 hereof. Notwithstanding the foregoing, if the Managers shall determine that the immediate sale of part or all of the Company's assets would cause undue loss to the Members, the Managers may in order to avoid such loss, either defer liquidation of, and withhold from distribution for a reasonable time not to exceed three months, assets of the Company except those necessary to satisfy the Company's debts and obligations.

ARTICLE XII

Miscellaneous

11.1 **Notice.** Unless otherwise provided herein, any offer acceptance, election, approval, consent, certification, request, waiver, notice or other communication required or permitted to be given hereunder (hereinafter collectively referred to as a "Notice") shall be deemed given only if in writing and sent by nationally recognized overnight courier or mailed first class certified or registered mail, return receipt requested, postage prepaid, addressed to the Company at its then principal office and to the Member or Members to whom any such Notice is addressed at the addresses herein stated for such Member or Members or at such other address as any Member hereafter may designate to the others in accordance with the provisions of this Section. Notice of change of address of any Member shall not be deemed to have been given until actual receipt by the Company.

11.2 **Separability.** The invalidity or unenforceability of any provision in this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

11.3 **Interpretation.** This Agreement shall be interpreted and construed in accordance with the laws of the State of New York. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the Person or Persons referred to may require. The captions of sections of this Agreement have been inserted as a matter of convenience only and shall not control or affect the meaning or construction of any of the terms or provisions hereof.

11.4 **Entire Agreement.** All understandings and agreements heretofore made between the Members are merged in this Agreement, which alone fully and completely expresses their agreement with respect to the subject matter hereof. There are no promises, agreements, conditions, understandings, warranties, or representations, oral or written, express or implied, among the Members, other than as set forth in this Agreement and the Articles of Organization. All prior agreements among the Members (including any agreements binding the Company and the Members as members of the Company) are superseded by this Agreement, which integrates all promises, agreements, conditions, and understandings among the Members with respect to the Company and its property.

11.5 **Termination, Revocation, Waiver, Modification or Amendment.** No termination, revocation, waiver, modification or amendment of this Agreement shall be binding unless agreed to in writing and executed by the Members.

11.6 **Counterparts: Effective Date.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. The signatures of any Member to a counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart. This Agreement is dated and shall be effective among the Members as of the date first above written.

11.7 **Binding Effect.** This Agreement shall be binding upon, and shall inure to the benefit of, the Members and their respective successors and permitted assigns.

11.8 **Further Assurances.** Each Member shall execute, acknowledge, deliver, file, record and publish such further certificates, instruments, agreements and other documents, and take all such further action as may be required by law or deemed by the Managers to be necessary or useful in furtherance of the Company's purposes and the objectives and intentions underlying this Agreement and not inconsistent with the terms hereof.

11.9 **Waiver.** No consent or waiver, express or implied, by any Member to or of any breach or default by any other Member in the performance by such other Member of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by such other Member of the same or any other obligation of such other Member hereunder. Failure on the part of a Member to complain of any act or failure to act of any other Member or to declare such other Member in default, irrespective of how long such failure or default continues, shall not constitute a waiver by such Member of its rights hereunder.

11.10 **Additional Remedies.** The rights and remedies of the Members shall not be mutually exclusive. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it limit or affect, any other rights in equity or any rights at law or by statute or otherwise of any Member aggrieved as against the other Members, for breach or threatened breach of any provision hereof, it being the intention of this section to make clear the agreement of the Members that their respective rights and obligations hereunder shall be enforceable in equity as well as at law or otherwise.

11.11 **Confidentiality.** Each Member will treat in confidence this Agreement and all documents, materials and other information concerning this Agreement or the Company. This provision shall survive the termination of this Agreement.

11.12 **No Reliance by Third Parties.** The provisions of this Agreement are not for the benefit of any creditor or other Person other than a Member to whom any losses, debts, claims, expenses or encumbrances are owed by, or who otherwise has any claim against, the Company or any Member.

11.13 Special Power of Attorney and Appointment of Managers. Each Class B Member, by such Member's execution hereof, hereby irrevocably makes, constitutes and appoints each of the Managers as such Member's true and lawful attorney-in-fact, with power and authority in such Member's name, place and stead, to make, execute, sign, acknowledge and file on behalf of each of them and on behalf of the Company:

a. Such amended certificates that may be required to be filed with the Secretary of State from time to time as may be required or permitted pursuant to the provisions of this Agreement or by law;

b. All papers which may be deemed necessary or desirable by the Managers to effect the termination of the Company after its dissolution as provided in this Agreement;

c. All such other instruments, documents and certificates which may from time to time be required or permitted by the laws of any state, the United States of America, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid and subsisting existence, rights and property of the Company as a limited liability company and its power to carry out its purposes as set forth in this Agreement.

The foregoing appointment is

a. Irrevocable and shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Members will be relying upon the power of each of the Managers to act as contemplated by this Agreement in such execution, acknowledgment and filing and such other actions by the Managers on behalf of each Class B Member;

b. Shall survive the death, incapacity, dissolution or bankruptcy of any of the Class B Members granting the same and the Transfer, by operation of law or otherwise (as permitted in this Agreement), by any such granting Class B Member of the whole or any part of such Member's interest in and to the Company, its capital, profits or losses hereunder; and

c. May be exercised by each Manager on behalf of the Class B Members by a facsimile signature of such Manager or by listing all of the Class B Members executing any instrument with a single signature of a Manager, as attorney-in-fact for all of them.

Each Class B Member hereby agrees to execute, acknowledge and deliver to the Managers, promptly upon request therefor by the Managers, a power of attorney in recordable form satisfactory to the Managers evidencing the foregoing appointment.

IN WITNESS WHEREOF, this Agreement has been duly executed and sworn to as of the date first above written.

MEMBER:


JEFFREY S. PIKUS

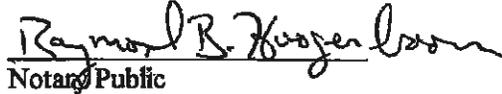
MEMBER:


STUART D. GOLDSTEIN

STATE OF NY)SS.:
COUNTY OF NY)

On this 19th day of March, 1997, before me personally appeared Jeffrey S. Pikus, to me known to be the individual described in and who executed the foregoing Agreement, and he thereupon duly acknowledged to me that he executed the same.

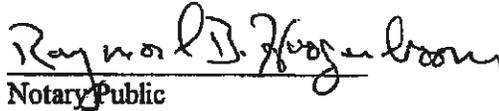
RAYMOND B. HOOGENBOOM
NOTARY PUBLIC, State of New York
No. 01HO4822052
Qualified in New York County
Commission Expires Oct. 31, 1998
6/98


Notary Public

STATE OF NY)SS.:
COUNTY OF NY)

On this 19th day of March, 1997, before me personally appeared Stuart D. Goldstein, to me known to be the individual described in and who executed the foregoing Agreement, and he thereupon duly acknowledged to me that he executed the same.

RAYMOND B. HOOGENBOOM
NOTARY PUBLIC, State of New York
No. 01HO4822052
Qualified in New York County
Commission Expires Oct. 31, 1998
9/98


Notary Public

IN WITNESS WHEREOF, this Agreement has been duly executed and sworn to as of the date first above written.

MEMBER:

STATE OF _____)SS.:
COUNTY OF _____)

On this ___ day of _____, 1997, before me personally appeared _____, to me known to be the individual described in and who executed the foregoing Agreement, and he/she thereupon duly acknowledged to me that he/she executed the same.

Notary Public

SCHEDULE A
OPERATING AGREEMENT
OF
TEN SHERIDAN ASSOCIATES, LLC

<u>Name and Address</u>	<u>Percentage Interest</u>
<u>CLASS A MEMBERS</u>	
Stuart D. Goldstein c/o SDG Management Corp. 950 Third Avenue, 23rd Floor New York, N.Y. 10022	
Jeffrey S. Pikus c/o SDG Management Corp. 950 Third Avenue, 23rd Floor New York, N.Y. 10022	
Aggregate Class A Percentage Interests	<hr/> 100%

CLASS B MEMBERS