

AMENDED AND RESTATED
OPERATING AGREEMENT
OF
SEAVEST INVESTMENT GROUP, LLC

This Amended and Restated Operating Agreement (this "Agreement") of Seavest Investment Group, LLC (the "Company"), a Delaware limited liability company, is entered into as of January 1, 2015 (the "Effective Date") by and among: Richard D. Segal ("Segal"); Douglas F. Ray ("Ray"); Jonathan L. Winer ("Winer"); Michael Walden ("Walden"); Seavest Inc., a New York corporation ("Seavest"), as non-member manager of the Company; and such additional persons who may become members of the Company in accordance with the terms of this Agreement.

WITNESSETH

WHEREAS, the then-current Members organized the Company as a limited liability company in the State of Delaware on February 20, 2013; and

WHEREAS, the then-current Members and Seavest, as the Company's non-member manager, entered into an Operating Agreement for the Company as of October 1, 2013 (the "Original Agreement"); and

WHEREAS, the current Member and Seavest, as the Company's non-member manager, now wish to amend and restate the Amended and Restated Agreement in its entirety to reflect, among other things, the changes in the Company's ownership;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby continue the existence of the Company, and the Member and Seavest, in its capacity as the Company's non-member manager, hereby amend and restate the Amended and Restated Agreement in its entirety as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

(a) **Act.** The Delaware Limited Liability Company Act and all amendments to such statute.

(b) **Business Day.** Any day other than Saturday, Sunday or any legal holiday observed in the State of New York.

(c) **Capital Account.** The account maintained for a Member (or the transferee of a Membership Interest who has not been admitted as a Substitute Member) as determined in accordance with ARTICLE 7 of this Agreement.

(d) **Capital Contribution.** Any contribution of Property or services to the Company made by or on behalf of a Member.

(e) **Cause.** With respect to a Class A Member, the occurrence of one or both of the following events: (i) such Class A Member is convicted of, or pleads guilty or nolo contendere to, any felony or any other crime involving an act of violence, theft, embezzlement, fraud or similar conduct; or (ii) the Manager determines (which if Seavest is the Manager, shall require the unanimous vote or consent of Seavest's Board of Directors) that such Class A Member has engaged in fraud, gross negligence or willful misconduct in carrying out his duties on behalf of the Company or any of the Company's affiliates.

(f) **Certificate.** The Certificate of Formation of the Company, as amended from time to time, as filed with the Secretary of State of the State of Delaware.

(g) **Code.** The U.S. Internal Revenue Code of 1986, as amended, and any successor thereto.

(h) **Discretionary Pool Profits.** For a fiscal year, the amount of Net Profits allocated by the Manager to a Discretionary Pool (as defined herein) with respect to such fiscal year.

(i) **Disposition (Dispose).** Any sale, assignment, hypothecation, transfer, pledge, encumbrance, gift or other disposition.

(j) **Distribution.** A transfer of Property to a Member on account of a Membership Interest.

(k) **Employment Agreement.** With respect to a Class B Member, such Class B Member's employment agreement with the Company or any of its affiliates, as such agreement may be amended from time to time in accordance with its terms.

(l) **Exhibit 1.** Exhibit 1 to this Agreement setting forth the name, address, class of Membership Interest, Capital Contribution and Sharing Ratio of each Member.

(m) **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.

(n) **Manager.** The Person listed as the Company's "Manager" in ARTICLE 6 of this Agreement, and any replacement therefore.

(o) **Member.** Each Person executing this Agreement as a Class A Member or a Class B Member and each Substitute Member. The current Members are set forth on Exhibit 1.

(p) **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. A Class A Member's Membership Interest is sometimes referred to herein as a "Class A Membership Interest" and a Class B Member's Membership Interest is sometimes referred to herein as a "Class B Membership Interest."

(q) **Net Profits and Net Losses.** The income, gain, loss, deductions and credits of the Company, in the aggregate or stated separately, as appropriate, determined at the close of each fiscal year in accordance with the method of accounting employed on the Company's information tax return filed for federal income tax purposes.

(r) **Person.** An individual, trust, estate, corporation, partnership, limited liability company or other entity permitted to be a member or manager of a limited liability company under the laws of the State of Delaware.

(s) **Principal Office.** The Principal Office of the Company set forth in Section 2.5 below.

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

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

(v) **Sharing Ratio.** The Sharing Ratio of each Member is set forth on Exhibit 1, as amended as necessary to conform to any changes thereof approved in accordance with the terms of this Agreement. 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 Sharing Ratio of the transferor to the extent it relates to the transferred Membership Interest.

(w) **Substitute Member.** A transferee of a Membership Interest who has been admitted to all of the rights of membership pursuant to ARTICLE 10 of this Agreement.

(x) **Tax Regulations.** The federal income tax regulations promulgated by the U.S. 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.

ARTICLE 2 FORMATION

2.1 **Agreement.** The Members executing this Agreement and the Manager hereby agree to the terms and conditions of this Agreement, as it may from time to time be amended, and adopt it to be the Company's operating agreement. It is the express intention of the Members and the Manager that this Agreement, in addition to any applicable Employment

Agreements and Membership Agreements (as defined below), shall be the sole source of agreement of the parties with respect to the matters set forth herein, and, except to the extent a provision of this 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, this Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule.

2.2 **Name.** The name of the Company is Seavest Investment Group, LLC, and all business of the Company shall be conducted under that name or such other lawful name or names as the Manager shall determine from time to time in its discretion.

2.3 **Term of this Agreement.** This Agreement shall remain in full force and effect until the earlier of such time as the Company shall be dissolved and its affairs wound up in accordance with the Act and this Agreement, or the Members and the Manager unanimously elect to terminate this Agreement.

2.4 **Registered Agent and Office.** The Company's registered agent for the service of process and registered office in the State of Delaware is that Person and location reflected in the Certificate. The Manager may, from time to time, change such registered agent or office through appropriate filings with the Secretary of State of the State of Delaware.

2.5 **Principal Office.** The Principal Office of the Company shall be located at such location as is determined by the Manager from time to time in its discretion. The current location of the Principal Office is at 707 Westchester Avenue, White Plains, New York 10604.

2.6 **Powers.** The Company shall have all of the powers of a limited liability company under the Act.

2.7 **Classes of Members.** Members shall be designated as Class A Members or Class B Members, each of which shall have the respective rights and obligations set forth in this Agreement. Each of Segal, Ray and Winer is a Class A Member. Walden is admitted to the Company as a Class A Member and granted a profits interest in the Company with effect from the Effective Date. Each other Member of the Company shall be a Class B Member unless otherwise determined by the Manager in its discretion. A Class B Member shall have only the rights as a Member of the Company as are expressly set forth in this Agreement. Membership Interests may be issued in series and/or sub-classes as determined by the Manager in its discretion.

ARTICLE 3 PURPOSE; NATURE OF BUSINESS

The business purpose of the Company is to engage in any activity in which a limited liability company is permitted to engage under the Act.

ARTICLE 4 ACCOUNTING AND RECORDS

4.1 **Records to be Maintained.**

(a) The Company shall maintain the following records at its Principal Office:

(1) a current list of the full name and last known mailing address of each Member, together with the information set forth on Exhibit 1 relating to each Member's Class of Membership Interest, Capital Contributions and Sharing Ratio;

(2) a copy of the Certificate and all amendments thereto, together with executed copies of any powers of attorney pursuant to which the Certificate or any such amendment has been executed;

(3) a copy of this Agreement including all amendments hereto; and

(4) any other records which the Company is legally required to maintain.

(b) The Company's books and records shall be open to inspection by the Class A Members and their agents and representatives during normal business hours on any Business Day. Other than as expressly set forth in this Agreement or as otherwise agreed to by the Manager in its discretion, Class B Members shall not be entitled to review or inspect any of the books and records of the Company (including, without limitation, the information contained on Exhibit 1), or to receive any information with respect to the Company, its business or its Members, and, by signing this Agreement, each Class B Member waives any such right of review, inspection or information that he may have under the Act or any other applicable law. The Manager, in its discretion, may permit one or more Class B Members, but not the other Class B Members, to review and inspect some or all of the Company's books and records.

4.2 Reports to Members.

(a) Within ninety (90) days after the end of each calendar year or as soon thereafter as is practicable, the Company shall mail to each Person who was a Member during such calendar year a report setting forth as of the end of such calendar year such Member's Capital Account.

(b) In addition, within ninety (90) days after the end of each calendar year or as soon thereafter as is practicable, the Company shall mail to each Member who shall need such information for tax purposes, whether currently or formerly a Member, a report setting forth in sufficient detail such transactions effected by the Company during such calendar year as shall enable each such Member to prepare his local, state and federal income tax returns in accordance with the laws, rules and regulations then prevailing.

(c) The Company's annual financial statements will be required to be audited only if the Manager so elects in its discretion. The Company shall pay all of the applicable audit fees and expenses if the Manager has elected that an audit be done.

4.3 **Tax Returns and Reports.** The Manager, at the Company's expense, shall cause to be prepared and timely filed income tax returns of the Company in all jurisdictions where such filings are required or desirable.

ARTICLE 5 RIGHTS AND DUTIES OF MEMBERS

5.1 **Liability of Members.** No Member shall be liable as such for the liabilities of the Company or for restoring a deficit balance in his Capital Account, except to the extent required by applicable law.

5.2 **Conflicts of Interest.** A Member does not violate a duty or obligation to the Company merely because the Member's conduct furthers his or his affiliate's own interest. A Member may lend money to the Company on market terms 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 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 or if it was approved by the unanimous consent of the Members.

ARTICLE 6 MANAGER

6.1 **Management.**

(a) The business and affairs of the Company shall be managed exclusively by the "Manager."

(b) The Manager is not required to be or to become a Member of the Company. The Manager shall have the power to do any and all acts necessary or convenient to or for the furtherance of the Company's purposes described herein, including all powers, statutory or otherwise, possessed by managers of limited liability companies under the Act. The Manager, and any officer authorized by the Manager, is authorized to execute, deliver and file, in the name of and on behalf of the Company, any and all documents, agreements, certificates, receipts, instruments, forms, letters, or similar documents and to do or cause to be done any other actions as the Manager may deem necessary or desirable to further the interests of the Company. Except as otherwise expressly provided herein to the contrary, no person other than the Manager shall have authority to bind the Company in any way. No Person dealing with the Company shall have any obligation to inquire into the power or authority of the Manager acting on behalf of the Company.

(c) The Manager may not be removed or replaced as such at any time except with the consent of a majority-in-interest of the Class A Members based on their respective Sharing Ratios.

(d) Seavest is the Manager, but is not currently a Member.

6.2 **Employees; Officers.** The Manager may hire employees and appoint officers of the Company to oversee the daily operations of the Company. Such employees and officers shall have such duties as may be given to them from time to time by the Manager and shall be subject to removal by the Manager at any time, with or without cause (subject to the terms of any other

applicable agreements), and may be affiliates of the Manager. The current officers of the Company are as follows:

<u>Name</u>	<u>Title</u>
Richard D. Segal	Co-Chief Executive Officer
Douglas F. Ray	Co-Chief Executive Officer
Jonathan L. Winer	Executive Vice President
Michael Walden	Secretary

6.3 **Standard of Care.** The Manager shall discharge its duties to the Company and the Members in good faith and with that degree of care that an ordinarily prudent person in a similar position would use under similar circumstances. Notwithstanding the foregoing, the liability of the Manager to the Company and the Members is hereby eliminated to the fullest extent permitted by the Act. In discharging its duties, the Manager shall be fully protected in relying in good faith upon the records required to be maintained under ARTICLE 4 and upon such information, opinions, reports or statements by any Person as to matters which the Manager reasonably believes are within such other Person's professional or expert competence, 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 the Manager and each of the Company's officers and Class A Members against any loss, damage or expense (including attorneys' fees) incurred by the Manager, officer or Class A Member as a result of any act performed or omitted on behalf of the Company or in furtherance of the Company's interests; provided that no indemnification shall be made to or on behalf of the Manager, an officer or a Class A Member if a judgment or final adjudication adverse to the Manager or such officer establishes its or his acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated. The satisfaction of any indemnification and any holding harmless shall be from and limited to Company Property and the Members shall not have any personal liability on account thereof. Upon the request of a Person who reasonably believes it or he is entitled to indemnification under this Section 6.3, the Company shall advance expenses to such indemnified persons hereunder as such expenses are incurred, subject to receipt of a written undertaking by such indemnified person to promptly refund such advancements in the event that it is later determined that he or it is not entitled to indemnification hereunder.

6.4 **Membership Agreements.** With the consent of the Manager, the Company may enter into separate agreements with one or more Members or classes of Members (each such agreement, a "Membership Agreement") regarding the rights and obligations of such Members, including, without limitation, with respect to allocation of Net Profits and Net Losses, Discretionary Pool Profits, Distributions, compensation, indemnification and access to Company information. The Members acknowledge and agree that in the event of any conflict between the terms of this Agreement and a Membership Agreement with respect to the rights and obligations

of the Members who are parties to such Membership Agreement, the terms of the Membership Agreement shall control.

6.5 Compensation; Reimbursement of Expenses.

(a) The Manager shall not be entitled to receive compensation from the Company for serving as such. The Manager may cause the Company to enter into a Services Agreement with one of its affiliates pursuant to which the Company is obligated to pay such affiliate a fixed or variable amount for providing certain services, facilities and/or personnel to the Company.

(b) Officers and employees of the Company shall be entitled to such compensation as determined by the Manager from time to time in its discretion. Compensation paid to officers or employees who are also Members need not be in proportion to such Members' respective Sharing Ratios.

(c) Class B Members shall be entitled to such compensation, if any, as may be set forth in their respective Employment Agreements and/or Membership Agreements.

(d) The Manager and officers of the Company shall be entitled to reimbursement of any expenses incurred by them on behalf of the Company or in connection with their service as such in accordance with the Company's reimbursement policies implemented from time to time by the Manager in its discretion.

ARTICLE 7 CONTRIBUTIONS AND CAPITAL ACCOUNTS

7.1 **Capital Contributions.** Each of the Members has contributed the amount set forth opposite his name on Exhibit 1 to the capital of the Company.

7.2 **Additional Contributions.** A Member may make additional Capital Contributions to the Company from time to time with the prior consent of the Manager. No Class A Member shall be required to make any additional Capital Contribution to the Company. The Manager, in its discretion, may require a Class B Member to make one or more initial and/or additional Capital Contributions to the Company in such amounts as are determined by the Manager in its discretion.

7.3 **Capital Accounts.** A separate Capital Account shall be maintained for each Member throughout the term of the Company in accordance with Treasury Regulation § 1.704-1(b)(2)(iv).

7.4 **Interest.** No Member shall be entitled to interest on his Capital Contributions.

7.5 **No Personal Liability.** No Member or Manager shall have any personal liability for the repayment of any Capital Contributions of any Member.

ARTICLE 8 ALLOCATIONS; WITHDRAWALS AND DISTRIBUTIONS

8.1 Allocations.

(a) With effect from the Effective Date, subject to Section 8.1(b) and 8.1(c) below, allocations to the Members at the end of each fiscal year (or other period) shall be made as follows: Net Profits and Net Losses shall be credited or debited to the Capital Accounts of all Members in accordance with their respective Sharing Ratios.

(b) The Manager, in its discretion, may establish a discretionary profits pool (a "Discretionary Pool") for a particular fiscal year to which the Manager allocates a certain portion of the Company's Net Profits for such fiscal year, as determined by the Manager in its discretion. Amounts allocated to such Discretionary Pool shall be allocated among the Members in such relative percentages as may be determined by the Manager from year-to-year in its discretion, prior to the allocation of any remaining Net Profits in accordance with Section 8.1(a) above.

(c) Upon full or partial liquidation or any recapitalization of the Company, the First 1,000,000 (One million dollar) of distributions and corresponding income will be allocated to Segal, Ray and Winer based on 45%, 45% and 10% ratio respectively and any remaining proceeds and corresponding income will be allocated to all members based on sharing ratio reflected on Exhibit I dated January 1, 2015 of this agreement.

8.2 Allocation of Income and Loss for Income Tax Purposes. The income, deductions, gains, losses and credits of the Company shall be allocated for federal, state and local income tax purposes by the Manager among the persons who were Members during the relevant taxable year. For purposes of determining the share of any items allocated to any period during the relevant taxable year of the Company, such shares shall be determined by the Manager using any method permitted by the Code and the Tax Regulations. The Manager shall make all allocations taking into account the Members' Capital Accounts on the first day of the taxable year and distributive shares of Net Profit or Net Loss for such year, any entry of new Members, any Distributions by the Company, any withdrawals from Capital Accounts, any additional Capital Contributions and the difference between income for tax purposes and profitability for Company purposes (for example, unrealized gains and losses being included in the latter but not necessarily in the former) so as to as closely as reasonably possible have the tax allocations follow the economic allocations; provided, however, that the Manager shall be permitted to take into account such other factors as may be permitted by the Code and Tax Regulations and any such allocations shall be binding on all Members, so long as they were made in good faith.

8.3 Withdrawals; Distributions.

(a) A Member shall not be entitled to withdraw any part of his Capital Account at any time unless he first obtains the consent of the Manager, which may be granted or withheld in the Manager's discretion. The Members' respective Sharing Ratios will be adjusted to reflect any such withdrawals unless otherwise agreed by all of the Members.

(b) The Company will distribute to Members on a pro rata basis based on the then-current balances in their respective Capital Accounts its Net Profits for each fiscal year promptly following the end of such fiscal year; provided, however, that the Manager, in its discretion, may require one or more Class B Members to retain certain minimum balances in their Capital Accounts and/or to receive Distributions on a more or less frequent basis. All Distributions will be made only to the extent of available cash and subject to appropriate reserves for working capital as reasonably determined by the Manager on a fiscally prudent basis. The amount of any withdrawals made by a Member and any Distributions made to a Member will be debited against such Member's Capital Account.

ARTICLE 9 TAX MATTERS PARTNER

The Class A Member chosen by the Manager from time to time in its discretion shall be the Tax Matters Partner of the Company pursuant to Section 6231(a)(7) of the Code. The Tax Matters Partner shall receive no additional compensation from the Company for services in that capacity, but all expenses incurred by the Tax Matters Partner in such capacity shall be borne by the Company. The Tax Matters Partner is authorized to employ such accountants, attorneys and agents as he, in his sole discretion, determines is necessary to or useful in the performance of his duties. In addition, such Member shall serve in a similar capacity with respect to any similar tax related or other election provided by state or local laws. The Tax Matters Partner is currently Douglas F. Ray.

ARTICLE 10 TRANSFER OF MEMBERSHIP INTEREST

10.1 **Compliance with Securities Laws.** No Membership Interest has been registered under the Securities Act of 1933, as amended, or under any state securities laws. A Member may not Dispose of all or any part of his Membership Interest except in compliance with all applicable federal and state securities laws and the terms of this Agreement. The Manager shall have no obligation to register any Member's Membership Interest under the Securities Act of 1933, as amended, or under any state securities laws, or to make any exemption from registration thereunder available to any Member.

10.2 **Transfer of Membership Interest.** Each Member agrees not to Dispose of any portion of his Membership Interest that he now or hereafter may hold or own except with the prior written consent of the Manager (which the Manager may grant or withhold in its discretion), and the Manager agrees that it will not transfer or recognize (and cause the Company to not transfer or recognize) any Disposition of a Membership Interest that is not in compliance herewith.

10.3 **Status of Transferee.**

(a) A transferee of a Membership Interest shall become a Substitute Member only upon his satisfaction of the following terms and conditions: (i) the transferee shall have assumed all of the Transferring Member's obligations to the Company, if any (other than serving as a Manager of the Company, if the transferor is also the Manager); and (ii) the transferee shall

have adopted and approved in writing all the terms and provisions of this Agreement as then in effect.

(b) A transferee of a Membership Interest who has not been admitted as a Substitute Member shall be entitled only to receive that share of Net Profits, Net Losses and Distributions, and the return of Capital Contributions, to which the transferor would otherwise be entitled with respect to the portion of the Membership Interest transferred, but such transferee shall not have any of the rights of a Member of the Company under the Act or this Agreement, including without limitation, if applicable, such Member rights as 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.

10.4 Death, Dissolution or Incompetency of a Member. Upon the death, dissolution or adjudication of incompetency of a Member, such Member's successors, executors, administrators or legal representatives shall have all the rights of a Member of the applicable class 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 Membership Interest and to join with such transferee in making the application to substitute such transferee for 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.

10.5 Purchase of Membership Interest on Death of Member.

(a) Upon the death of a Member, his Membership Interest shall be transferred to his heirs at law or pursuant to his Last Will and Testament, as the case may be.

(b) The Company shall purchase, and the estate of the deceased Class A Member shall sell to the Company, all of the Membership Interest held by the deceased Class A Member. The purchase price and method of payment for such Membership Interest shall be as described under Section 10.6 below, and the death of the Class A Member shall be considered a "Purchase Event" for purposes of the calculation of the purchase price and the method of payment of such purchase price. Simultaneously with payment of the first installment of the Purchase Price, the personal representative of the deceased Class A Member shall deliver good title, free and clear of all liens, claims and encumbrances, to the Membership Interest to the Company, together, if applicable, with the appropriate amount of federal and state documentary stamps and/or releases from the Estate Tax Division of the State Commission for the estate of the decedent's residence and federal tax authorities if required.

10.6 Purchase and Sale.

(a) Upon the happening of any of the following events (each, a "Purchase Event"), the affected Member, or his estate in the event the affected Member has died following the Purchase Event, shall sell and transfer to the Company, and the Company shall purchase, all of the Membership Interest held by such affected Member at a price computed in accordance with the provisions of this Section 10.6:

(1) The incapacity or disability of the affected Member, so that he becomes unable to perform for the Company or an affiliate of the Company

substantially the same services as he performed prior to incurring such incapacity or disability (all as certified by a reputable licensed physician who has been chosen either (i) by the mutual consent of the Manager (with the affected Member, if a Director or control person of the Manager, not participating in such decision) and the affected Member, or (ii) by the mutual agreement of the reputable licensed physicians selected by each of the Manager (with the affected Member, if a Director or control person of the Manager, not participating in such decision) and the affected Member for the purpose of making such determination, and such incapacity or disability has continued for a period of six (6) consecutive months or a total of six (6) months in any twelve (12) month period and the Manager on behalf of the Company (or the affected Member) gives written notice to the other party declaring that such Member is incapacitated or disabled as described above;

(2) The voluntary retirement or withdrawal of the affected Class A Member from the Company or an affiliate of the Company or the termination for any reason of the affected Class B Member's employment with the Company or an affiliate of the Company under the terms of his Employment Agreement, if applicable; and

(3) The removal of the affected Class A Member from the Company, which may be done only by the Manager (which, if Seavest is the Manager, shall require the unanimous vote or consent of Seavest's Board of Directors) and only for Cause.

(b) Upon the occurrence of a Purchase Event, the affected Member (if he is then an officer of the Company) shall be deemed to have resigned as an officer of the Company effective as of the date of the Purchase Event.

(c) The purchase price (the "Purchase Price") of an affected Class A Membership Interest to be purchased and sold pursuant to this Section 10.6 (the "Affected Class A Membership Interest") shall be the fair value of the Affected Class A Membership Interest immediately following the Purchase Event as determined by an independent valuation expert who is experienced in valuing companies such as the Company who is mutually agreed upon by the Manager and the selling Class A Member. Such valuation expert shall be directed by the Manager and the selling Class A Member to promptly prepare a written report of his determination (the "Valuation Report"). In the event that the Manager and the selling Class A Member cannot agree upon a valuation expert meeting the above criteria within thirty (30) days following the Purchase Event, each of the Manager and the selling Class A Member shall promptly select a valuation expert who meets the above criteria, and such valuation experts shall jointly select a third valuation expert who meets the above criteria, and such third valuation expert (and only such third valuation expert) shall be directed by the Manager and the selling Class A Member to prepare the Valuation Report. The Company shall bear the cost of producing the Valuation Report.

(d) The Company shall purchase the Affected Class A Membership Interest as follows:

(1) Within ten (10) days of the Manager's receipt of the Valuation Report, the Company shall pay to the selling Class A Member one-eighth (1/8) of the Purchase Price.

(2) On the 30th day of January in each of the seven (7) consecutive calendar years following the year in which the Purchase Event occurred, the Company shall pay to the selling Class A Member an additional one-eighth (1/8) of the Purchase Price.

Notwithstanding the foregoing, in the event that the portion of the Purchase Price remaining unpaid following a payment date specified in sub-section (1) or (2) above would be less than \$250,000 (any such payment date being referred to as an "Accelerated Payment Date"), such remaining unpaid portion of the Purchase Price shall be accelerated and paid to the Class A Member on such Accelerated Payment Date.

(e) All payments made pursuant to Section 10.6(d) above shall be in cash unless otherwise agreed by the purchaser and seller. Simple interest shall accrue on the unpaid portion of the Purchase Price at a rate equal to 12-month LIBOR plus 100 basis points commencing as of the date of the applicable Purchase Event and reset on each anniversary of the Purchase Event. All interest accrued to date which has not previously been paid shall be due and payable by the Company to the selling Class A Member on an annual basis at the same time as each installment of the Purchase Price is due and payable (commencing with the first installment of the Purchase Price). Any amounts due hereunder may be pre-paid by the Company at any time without penalty.

(f) The Purchase Price of an affected Class B Membership Interest to be purchased and sold pursuant to this Section 10.6 (the "Affected Class B Membership Interest") shall be the lesser of (i) the then-current positive balance in the Capital Account associated with such Affected Class B Membership Interest, and (ii) the amount of the initial Capital Contribution, if any, made to the Company in conjunction with the issuance of the Affected Class B Membership Interest, such Purchase Price to be payable by the Company in cash, without interest, within one hundred and eighty (180) days following the date of the applicable Purchase Event.

(g) If the Company is unable to make a purchase of a Membership Interest required of it under this ARTICLE 10 for any reason whatsoever, the Manager and each Member agrees to take or approve such actions as may be necessary to permit the Company to make such purchase.

10.7 Dispositions not in Compliance with this Article Void. Any attempted Disposition of a Membership Interest, or any part thereof, not in compliance with this ARTICLE 10 shall be void *ab initio* and ineffectual and shall not bind the Company.

ARTICLE 11 DISSOLUTION AND WINDING UP

11.1 **Dissolution.** The Company shall be dissolved and its affairs wound up upon the written determination of the Manager. The Manager may determine to do so at any time for any reason in its discretion.

11.2 **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, if required, a certificate of dissolution has been duly filed with the Secretary of State of the State of Delaware.

11.3 **Distribution of Assets on Dissolution.** Upon the winding up of the Company, the Manager (or, if there is no Manager then remaining, such other Person(s) designated by a majority-in-interest of the Class A Members based on their respective Sharing Ratios) shall appoint a liquidating agent to take full account of the assets and liabilities of the Company, shall liquidate the assets (unless the Manager (or liquidator, as applicable) 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, subject to applicable law, 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 Manager (or liquidator, as applicable) 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 Manager (or liquidator, as applicable) to an escrow agent or trustee selected by the Manager (or liquidator, as applicable) 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 Manager (or liquidator, as applicable) 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 their 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 sixty (60) days after the end of the Company's taxable year in which the liquidation occurs, or as promptly thereafter as is practicable. Such distributions shall be in cash or Property or partly in both, as determined by the Manager (or liquidator, as applicable).

If at the time of liquidation the Manager (or liquidator, as applicable) shall reasonably determine that an immediate sale of some or all Company Property would cause undue loss to the Members, it may, in order to avoid such loss, defer liquidation for a reasonable period of time.

11.4 **Winding Up.** The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and all of the remaining Property of the Company has been distributed to the Members.

ARTICLE 12 MISCELLANEOUS

12.1 **Notices.** Any notice required or permitted under the terms of this Agreement shall be in writing and shall be deemed served if personally delivered or delivered by overnight mail, or mailed by U.S. registered or certified mail postage prepaid and properly addressed to the respective party to whom such notice relates at the address set forth on Exhibit 1 or at such different address as may appear in the Company's records.

12.2 **Amendments.** The terms and provisions of this Agreement may be modified or amended at any time and from time to time only upon the unanimous written consent of the Members and the Manager, insofar as is consistent with the Act. Notwithstanding the foregoing, the Manager shall have the right to effect immaterial, insubstantial amendments to this Agreement without the consent of any Member.

12.3 **Headings.** All ARTICLE and section headings in this Agreement are for convenience only and are not intended to qualify the meaning of any ARTICLE or section.

12.4 **Entire Agreement.** This Agreement, along with the Exhibit attached hereto and any applicable Employment Agreements and Membership Agreements, constitutes the entire agreement between the parties and supersedes any prior agreement or understanding between them respecting the subject matter of this Agreement.

12.5 **Binding Agreement.** This Agreement shall be binding upon, and inure to the exclusive benefit of, the parties hereto, their successors, heirs, legatees, devisees, permitted assigns, legal representatives, executors and administrators, except as otherwise provided herein. This Agreement is expressly not intended for the benefit of any creditor of the Company. Except and only to the extent provided by applicable law, no such creditor or any third party shall have any rights or any remedies, claims or causes of action under any provision of this Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

12.6 **Savings Clause.** If any provision of this Agreement, or the application of such provision to any Person or circumstance, or the duration or scope of any restriction, 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, and the provision so held invalid shall be deemed rewritten to the minimum extent necessary to eliminate such invalidity. If the operation of any provision of this Agreement would contravene the provisions of the Act, such provision shall be void and ineffectual.

12.7 **Counterparts.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatory to the original or the same counterpart.

12.8 Governing Law; Exclusive Jurisdiction. The validity, interpretation and enforcement of this Agreement, matters arising out of or related to this Agreement or its making, performance or breach, and related matters shall be governed by the internal laws of the State of Delaware (without reference to choice of law doctrine). Any legal action or proceeding concerning the validity, interpretation and enforcement of this Agreement, matters arising out of or related to this Agreement or its making, performance or breach, or related matters shall be brought exclusively in a state or federal court of appropriate jurisdiction sitting in the State of New York in the County of Westchester, and all parties consent to the exclusive jurisdiction of those courts, waiving any objection to the propriety or convenience of such venues.

12.9 Tax Characterization and Additional Tax Terms; No Partnership Intended for Nontax Purposes. 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, and (ii) all references to a "Partner," to "Partners" and to the "Partnership" 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. The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership, either general or limited. 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.

12.10 Right to Hire; Other Activities. Nothing herein shall preclude the Manager from engaging on behalf of the Company the services of any Person, whether or not affiliated with the Manager, to render for compensation such services to the Company as may be necessary to implement the business purposes of the Company.

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

- (a) the terms defined in this Agreement include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender; and
- (b) accounting terms not otherwise defined herein have the meanings given to them in the United States in accordance with generally accepted accounting principles.

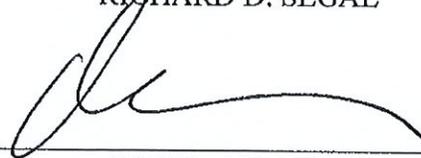
[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have each duly executed and delivered this Operating Agreement of Seavest Investment Group, LLC as of the date set forth above.

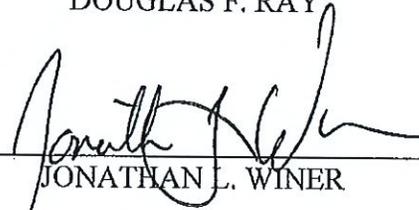
CLASS A MEMBERS:



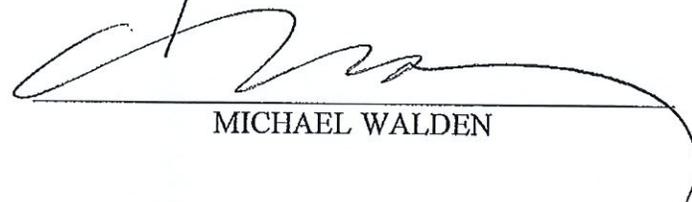
RICHARD D. SEGAL



DOUGLAS F. RAY



JONATHAN L. WINER



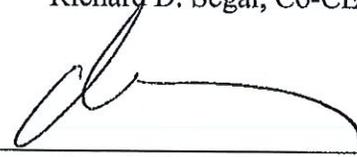
MICHAEL WALDEN

MANAGER:

SEAVEST INC.

By: 

Richard D. Segal, Co-CEO

By: 

Douglas F. Ray, Co-CEO

EXHIBIT 1Seavest Investment Group, LLC
Operating AgreementMembers

As of the Effective Date 01/01/2015

<u>Name and Address of Member</u>	<u>Class of Membership Interest</u>	<u>Sharing Ratio</u>
Richard D. Segal 7 Puritan Road Rye, New York 10580	Class A	40.9091%
Douglas F. Ray 12 Hobby Farm Drive Bedford, New York 10506	Class A	40.9091%
Jonathan L. Winer 18 South Beechcroft Road Short Hills, New Jersey 07078	Class A	9.0909%
Michael Walden 121 Millstone Road Wilton, CT 06897	Class A	9.0909%

* Prior to issuing an interest to Michael Walden on January 1, 2015, the agreed upon value of Seavest Investment Group is \$1,000,000 (One million dollar) only.