

OPERATING AGREEMENT

OF

SKANEATELES, LLC

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OPERATING AGREEMENT

OF

RSP HOLDINGS, LLC

This Operating Agreement of Skaneateles, LLC (the “Operating Agreement”), a limited liability company organized pursuant to the District of Columbia Limited Liability Company Law, is effective as of July 18, 2008, by and among the persons set forth in Schedule A attached hereto (all such persons may be referred to individually as “Member” and collectively, as the “Members”).

ARTICLE I DEFINITIONS

The terms and conditions used in this Agreement have the meanings set forth in Section 29-1001 of the Act, or as set forth below (unless otherwise expressly provided here)

“*Act*” means the District of Columbia Limited Liability Company Statute, and all amendments.

“*Additional Member*” means a member other than an initial member or a substitute member who has acquired a membership interest in the Company.

“*Agreement*” means this Operating Agreement, as originally executed and as it may be amended from time to time.

“*Articles of Organization*” means the Articles of Organization of the Company filed or to be filed with the Mayor of the District of Columbia for the purpose of forming the Company, pursuant to Section 29-1006 of the Act, as amended.

“*Assignee*” means the transferee of a Membership Interest who has not been admitted as a substituted member.

“*Bankrupt Member*” means a Member who (a) has become the subject for an order for relief under the United States Bankruptcy Code, or (b) has initiated, either in an original proceeding or by way of answer in any state, insolvency receivership proceeding, an action for liquidation arrangements, composition, readjustment, dissolution or similar relief.

“*Capital Account*” as of any date means the capital contribution to the Company by a Member, adjusted as of that date pursuant of this Agreement.

“*Capital Contribution*” means any Member's contribution to the capital of the Company in cash, property, services rendered or a promissory note or other binding obligation to contribute cash or property or to render services.

“Initial capital contribution” means the initial contribution to the capital of the Company pursuant to this Operating Agreement.

“Capital Interest” means the proportion that the Member's positive capital account bears to the aggregate positive capital accounts of all Members whose capital accounts have positive balances, as may be adjusted from time to time.

“Code” means the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any superseding federal revenue statute.

“Company” refers to Skaneateles, LLC, and any successor limited liability company.

“Company Property” means any Property owned by the Company.

“Deficit Capital Account” means with respect to any Member, the deficit balance, if any, in that Member's Capital Account as of the end of the taxable year, after making the following adjustments:

(1) Credit to the Capital Account any amount that the Member is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations, as well as any addition to it pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations, after taking into account any changes during the year in partnership minimum gain (as determined in accordance with Treasury Regulations Section 1.704-2(d)) and in the minimum gain attributable to any partner's nonrecourse debt (as determined under Treasury Regulations Section 1.704-2(i)(3)); and

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

This definition of Deficit Capital Account is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

“Distributable Cash” means all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on the Company's indebtedness and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; and (iii) Reserves.

“Disposition” (“**Dispose**”) means any sale, assignment, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including dispositions by operation of law).

“Disassociation” means any action that causes a person to cease to be a Member as described in Article XIII hereof.

“Dissolution Event” means an event results in the dissolution of the Company under Article XIV unless the Members agree to the contrary.

“Distribution” means any cash and other property paid by the Company to a Member in his, her or its capacity as a Member.

“Economic Interest” means a Member's or Economic Interest Owner's share of one or more of the Company's net profits, net losses and distributions of the Company's assets pursuant to this Operating Agreement and the Act, but it does not include any right to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or Managers.

“Economic Interest Owner” means the owner of an economic interest who is not a Member.

“Effective Date” means the date of this agreement.

“Entity” means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association, or any foreign trust or foreign business organization.

“Fiscal Year” means the fiscal year of the Company, which will be the calendar year or such other fiscal year as the Manager will determine pursuant to the provisions of Section 706(b) of the Internal Revenue Code of 1986 (the “Code”), as amended from time to time.

“GAAP” means generally accepted accounting principles.

“Gifting Member” means any Member or Economic Interest Owner who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Membership Interest or Economic Interest.

“Majority Interest” means one or more interests of Members which, taken together, exceed 50 percent of the aggregate of all Capital Interests.

“Manager” means one or more managers. References to the Manager in the singular or as him, her, it, itself, or other like references will also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

“Member” means each of the parties who executes a counterpart of this Operating Agreement as a Member, and each of the parties who may subsequently become Members in accordance with Article XII. To the extent a Manager has acquired a Membership Interest in the Company, he or she will have all the rights of a Member with respect to that Membership Interest, and the term “Member” as used here includes a Manager to the extent he or she has purchased the Membership Interest in the Company. If a Person is a Member immediately prior to the purchase or other acquisition of an Economic Interest, such person will have all the rights of a Member with respect to the purchased or otherwise acquired Membership Interest or Economic

Interest, as the case may be. The term includes initial members, substituted members and additional members.

“Membership Interest” means a Member's entire interest in the Company, including Member's Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement and the Act.

“Member Nonrecourse Debt” has the meaning set forth in Treasury Regulations Section 1.704-2(b)(4).

“Net Losses” means the losses and deductions of the Company, determined in accordance with accounting principals consistently applied from year to year in accordance with GAAP, and as reported separately or in the aggregate, as appropriate, on the Company's tax return filed for federal income tax purposes.

“Net Profits” means the Company's income and gains, determined in accordance with accounting principals consistently applied from year to year in accordance with GAAP, and as reported separately or in the aggregate, as appropriate, on the Company's tax return filed for federal income tax purposes.

“Person” means any association, corporation, stock company, estate, general partnership (including any Registered Limited Liability Partnership or Foreign Limited Liability Partnership), limited association, limited liability company (including a professional service limited liability company), foreign limited liability company, joint venture, limited partnership, natural person, real estate investment trust, business trust or other trust, custodian, nominee or other individual in its own or any representative capacity. In addition, the term means the heirs, executors, administrators, legal representatives, successors and assigns of that “Person” where the context so permits.

“Proceeding” means any judicial or administrative trial, hearing or other activity, civil, criminal or investigative, the result of which may be that a court, arbitrator or governmental agency may enter a judgment, order, decree or other determination that, if not appealed and reversed, would be binding on the Company, a Member or other Person subject to the jurisdiction of that court, arbitrator or governmental agency.

“Property” means any Property, real or personal, tangible or intangible, including money and any legal or equitable interest in Property, but excluding services and promises to perform future services.

“Reserves” means, with respect to any fiscal period, funds set aside or amounts allocated during that period to Reserves that must be maintained in an amount deemed sufficient by the Manager for working capital and to pay taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company's business.

“Resignation” means the act by which a Manager ceases to be a Manager.

“Selling Member” means any Member or Economic Interest Owner who desires to or does sell, assign, pledge, hypothecate or otherwise transfers for a consideration all or any portion of the Member's Membership Interest or Economic Interest.

“Taxable Year” means the taxable year of the Company as determined pursuant to Section 706 of the Code.

“Taxing Jurisdiction” means any state, local or foreign government that collects tax, interest or penalties, however designated, and any Member's share of the income or gain attributable to the Company.

“Transferring Member” collectively means a Selling Member and a Gifting Member.

“Treasury Regulations” means all proposed, temporary and final regulations promulgated under the Code as from time to time in effect.

ARTICLE II ORGANIZATION

2.1 Formation.

The Company was organized pursuant to the Act, as defined herein. The Articles of Organization filed on July 18, 2008 are hereby adopted and ratified by the Members.

2.2 Filings.

The Manager will execute and deliver such documents and perform such acts as may be necessary (a) to comply with the requirements of the law for the formation, qualification and operation of a limited liability company under the laws of each jurisdiction in which the LLC will conduct business, and (b) to comply with the rules and regulations for qualification and operation of the Company as may be required by any regulatory authority or securities exchange.

2.3 Name.

The name of the Company is Skaneateles, LLC, and all business of the Company will be conducted under that name or such other name as the Members may designate in writing. Title to all assets of the Company will be held in such name.

2.4 Effective Date.

This Agreement is effective as of the date of its execution.

2.5 Principal Place of Business.

The Company's principal place of business within the District of Columbia will be 1010 Wisconsin Avenue, Suite 705, Washington, DC 20007. The Company may establish any other places of business as the Manager deems advisable.

2.6 Registered Office and Registered Agent.

The Company's initial Registered Office is at the office of its Registered Agent at 1010 Wisconsin Avenue, Suite 705, Washington, DC 20007, and the name of its initial Registered Agent at that address is Eric Schwerin. The Registered Office and Registered Agent may be changed from time to time by filing the address of the new Registered Office and/or the name of the new Registered Agent with the Mayor of the District of Columbia pursuant to the Act.

2.7 Term.

The Company's term is perpetual from the date of filing of the Articles of Organization with the Mayor of the District of Columbia, unless the Company is dissolved and its affairs wound up in accordance with the Act or this Agreement.

ARTICLE III BUSINESS OF COMPANY

The purposes of the Company will be to act as the Manager and sole holder of membership interests of RSP Holdings, LLC, a limited liability company organized pursuant to the District of Columbia, and for such other purposes as determined by the Manager and as permitted by the laws of the District of Columbia.

ARTICLE IV MEMBERS

4.1 Names and Addresses.

The names and addresses of the Initial Members are set forth in Schedule A to this Agreement.

4.2 Additional Members.

In the event that a Person or an Entity is subsequently admitted as an Additional Member in accordance with Article XI that Person's or Entity's name, address and Capital Contribution must be added to Schedule A.

4.3 Membership Interest.

(a) Each Member has acquired a Percentage Interest in the Company ("Percentage Interest") proportionate to his, her or its capital contribution as set forth in Schedule A (as amended or

restated from time to time) attached hereto and incorporated by reference herein. Unless otherwise authorized by the Manager, no certificates will be issued reflecting such ownership.

(b) The Manager may in its sole discretion determine to use units (each, a "Unit") to calculate each Member's Percentage Interest, rather than expressing such interest as a percentage. After the initial allocation of Units, each Member's Percentage Interest shall equal the percentage determined by dividing the number of Units held of record by such Member by the aggregate number of Units outstanding at such time.

(c) All property shall be owned by the Company and, insofar as permitted by applicable law, the Member shall have no ownership interest in the property. Except as provided by law, an ownership interest in the Company shall be personal property for all purposes.

ARTICLE V MEMBER RIGHTS AND DUTIES

5.1 Management Rights.

All Members (other than Assignees) are entitled to vote on any matter submitted to a vote of the Members. Notwithstanding the foregoing, the following actions require the vote or consent of a majority of the Members:

- (a) Any amendment to this Agreement.
- (b) The admission of an Assignee as a Member.
- (c) The Company's continuation after a Dissolution Event.

5.2 Majority.

Whenever any matter is required or allowed to be approved by a Majority of the Members or a Majority of the Remaining Members under the Act or this Agreement, the matter will be considered approved or consented to on the receipt of the affirmative approval or consent, either in writing or at a meeting of the Members, of Members having Capital Accounts in excess of one-half of the Capital Accounts of all the Members entitled to vote on a particular matter. Assignees and, in the case of approvals to withdrawal where consent of the remaining Members is required, disassociating Members will not be considered Members entitled to vote for the purpose of determining a Majority. In the case of a Member who has disposed of that Member's entire Membership Interest to an Assignee, but has not been removed as provided in Section 11.5 (b), the Capital Account of that Assignee will be considered in determining a Majority and that Member's vote or consent will be determined by that Capital Account.

5.3 Limitation of Liability.

Members are not liable for any debts, obligations or liabilities of the Company or each other, whether arising in tort, contract or otherwise, solely by reason of being a Member except to the extent of their capital contributions as set forth in Schedule A. Members may be required

to make further or additional contributions to the Company as provided in Section 8.2. Notwithstanding the foregoing, (i) if any court of competent jurisdiction holds that distributions (or any part thereof) received by a Member pursuant to the provisions hereof constitute a return of capital and directs that a Member pay such amount (with or without interest thereon) to or for the account of the Company or any creditor thereof, such obligation will be the obligation of that Member and not of any other Member or the Company, and (ii) a Member will indemnify and hold harmless the Company and each Member from any liability or loss incurred by virtue of the assessment of any tax with respect to such Member's allocable share of the profits or gain of the Company.

5.4 Priority and Return of Capital.

Except as expressly provided in Article XVIII or IX, no Member has priority over any other Member, whether for the return of a Capital Contribution or for Net Profits, Net Losses or a Distribution; provided, however, that this Section does not apply to loans or other indebtedness (as distinguished from a Capital Contribution) made by a Member to the Company.

5.5 Liability to Company.

A Member who rightfully receives the return of any portion of a Capital Contribution is liable to the Company only to the extent now or subsequently provided by the Act. A Member who receives a Distribution made by the Company in violation of this Agreement, or made when the Company's liabilities exceed its assets (after giving effect to the Distribution) is liable to the Company for the amount of the Distribution for a period of 2 years after the Distribution.

5.6 Financial Adjustments.

No Members admitted after the date of this Agreement are entitled to any retroactive allocations of losses, income or expense deductions incurred by the Company. The Manager may, at the Manager's discretion, at the time a Member is admitted, close the Company's books and records (as though the Fiscal Year had ended) or make pro rata allocations of loss, income and expense deductions to that Member for that portion of the Fiscal Year in which that Member was admitted in accordance with the Code.

5.7 Representations and Warranties.

As of the date hereof, each Member hereby makes each of the representations and warranties set forth in this section 5.7 applicable to such Member:

(a) Due Incorporation or Formation; Authorization of Agreement. If a corporation, limited partnership, limited liability company or other entity, such Member is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and has the power and authority to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such Member is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform

its obligations hereunder. Such Member has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and the execution, delivery and performance of this Agreement has been duly authorized. This Agreement constitutes the legal, valid and binding obligation of such Member.

(b) No Conflict with Restrictions; No Default. Neither the execution, delivery and performance of this Agreement, nor the consummation by such Member of the transactions contemplated hereby, (i) will conflict with, violate or result in a breach of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction, decree, determination or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign or any arbitrator applicable to such Member, or (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions or provisions of the articles of incorporation or bylaws of such Member, or of any material agreement or instrument to which such Member is a party or by which such Member is or may be bound or to which any of its material properties or assets is subject.

(c) Governmental Authorizations. Any registration, declaration, or filing with, or consent, approval, license, permit, or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance and performance by such Member under this Agreement or the consummation by such Member of any transaction contemplated hereby has been completed, made or obtained on or before the effective date of this Agreement.

(d) Absence of Litigation, Claims and Regulatory Actions. There are no suits, claims, litigation, arbitration, demands or proceedings pending, asserted or threatened against or relating to the Member or the Member's shareholders, or the Member's business, properties, assets or activities nor is there any meritorious basis for any such suit, claim, litigation, arbitration, demand or proceeding, nor is there in existence any judgment or award against the Member or its shareholders related to or affecting the Member's business, properties, assets or activities. To the best of such Member's knowledge, the Member is not under investigation for violation of any law or regulation related to or affecting the business, properties, assets or activities of the Member.

(e) Confidentiality. Except as contemplated hereby or required by a court of competent jurisdiction, each Member will keep confidential and will not disclose to others and will use its reasonable efforts to prevent its present or former employees, agents and representatives from disclosing to others without the prior written consent of all Members any information which (i) pertains to this Agreement, any negotiations pertaining thereto, any of the transactions contemplated hereby, or the business of the Company, or (ii) pertains to confidential or proprietary information of any Member or the Company or which any Member has labeled in writing as confidential or proprietary; provided that any Member may disclose to its employees, agents and representatives any information made available to such Member who requires such information in connection with their employment or engagement by the Member; no Member will use any information which (iii) pertains to this Agreement, any negotiations pertaining hereto, any of the transactions contemplated hereby or the business of the Company, or (iv) pertains to the confidential or proprietary information of any Member or the Company or which

any Member has labeled in writing as confidential or proprietary, except in connection with the transactions contemplated hereby.

(f) Purpose. Each Member, and in the case of an organization, the person(s) executing the Agreement on the organization's behalf, represents and warrants to the Company and each other Member and Manager that the Member is acquiring its interest in the Company for the Member's own account as an investment and without intent to distribute the interest and the Member acknowledges that the interests have not been registered under the Securities Act of 1933 or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from those requirements.

5.8 Conflicts of Interest.

(a) A Member is entitled to enter into transactions that may be considered competitive with, or into a business opportunity that may be beneficial to, the Company, it being expressly understood that some of the Members may enter into transactions that are similar to the transactions into which the Company may enter. Notwithstanding the foregoing, Members must account to the Company and hold as trustee for it any property, profit or benefit derived by the Member, without the consent 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 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 non-Member, subject to other applicable law. No transaction with the Company will be voidable solely because a Member has a direct or indirect interest in the transaction if either (i) the transaction is fair to the Company, or (ii) disinterested Members, knowing the material facts of the transaction and the Member's interest, authorize, approve or ratify the transaction.

ARTICLE VI MANAGER RIGHTS AND DUTIES

6.1 General.

The Company's business and affairs will be managed by its Manager. The Manager will direct, manage and control the Company's business to the best of their ability. Except for situations in which Member approval is expressly required by this Operating Agreement or by nonwaivable provisions of law, the Manager has full authority and discretion to manage and control the Company's business, affairs and properties, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by the Manager, unless the approval of more than one of the Managers is expressly required pursuant to this Operating Agreement or the Act.

6.2 Number, Tenure and Qualifications.

The Company will have one Manager – Eric Schwerin. The number of Managers of the Company may be amended from time to time by the vote or written consent of Members holding a majority of the Membership Interests. Managers are elected by the vote or written consent of Members holding at least a majority of all Membership Interests and need not be residents of the District of Columbia or Members of the Company.

6.3 Certain Powers.

Subject to the limitations and restrictions set forth in this Agreement (including, without limitation, those set forth in this Article VI), the Manager is hereby granted the right, power and authority, which may be possessed by “managers” (as that term is defined in the Act) under the Act to do on behalf of the Company all things which, in such Manager’s sole judgment, are necessary, proper or desirable for the conduct of the Company’s business, including, but not limited to the following:

- (a) Open, maintain and close bank accounts and otherwise invest the Company's funds;
- (b) Designate those Members and employees of the Company authorized to sign on behalf of the Company with respect to bank and other financial accounts and safekeeping arrangements;
- (c) Make expenditures of Company funds;
- (d) Purchase, lease or otherwise acquire from, or sell, lease or otherwise dispose of, to any Person any property;
- (e) Borrow money for the Company from banks or other lending institutions and on terms as the Members deem appropriate, and in connection with this power, to hypothecate, encumber or grant security interests in the Company's assets to secure repayment of the borrowed sums. No debt may be contracted nor liability incurred by or on behalf of the Company except by the Manager or, to the extent permitted under the Act, by agents or employees of the Company expressly authorized to contract such debt or incur liability by the Manager.
- (f) Purchase insurance on the Company's business and assets;
- (g) Ask, demand, sue for, recover, collect and receive each and every obligation which may become due, owing or payable to the Company in connection with its Property or business and use or take any lawful means for the recovery thereof by legal process or otherwise, and execute and deliver a satisfaction and release therefore, together with the right and power to compromise any claim or demand;
- (h) Enter into contracts and agreements on behalf of the company and thereafter carry out and perform all of the company’s obligations under any contract or agreement entered into by the Company;

(i) Employ and dismiss from employment any and all employees, agents independent contractors, accountants, attorneys and other consultants;

(j) Make any and all elections for federal, state and local tax purposes including, without limitation, any election, if permitted by applicable law; (i) to adjust the basis of Company Property pursuant to Code Sections 754, 734(b), and 743(b), or comparable provisions of state or local law, in connection with transfers of interests in the Company and Company distributions; (ii) to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, state or local tax returns; and (iii) to the extent provided in Code Sections 6221 through 6231, to represent the Company and the Members before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company and the Members in their capacity as such and to file any tax returns and to execute any agreements or other documents relating to or affecting such tax matters, including agreements or the documents that bind the Members with respect to such tax matters or otherwise affect the rights of the Company and the Members;

(k) If approved by the Members holding a Majority of Membership Interests, the Manager and each of those members have the right to make a filing under the federal Bankruptcy Code;

(l) Take any other lawful action that the Manager considers necessary, convenient or advisable in connection with any Company business;

(m) Execute, acknowledge and deliver any and all instruments to effectuate any and all of the foregoing.

6.4 Restrictions of Authority of the Manager

The Manager will not have the authority to do any of the following without the consent of the Members:

(a) Cause or permit the Company to engage in any activity that is not consistent with the purposes of the Company as set forth in Article III hereof;

(b) Knowingly do any act which would make it impossible to carry on the ordinary business of the Company, except as otherwise provided in this Agreement;

(c) Make or permit the Company to make loans or advances to any Person (including, without limitation, any Member, Manager or employee), except loans and advances to suppliers and employees of the Company made on an arms-length basis in the ordinary course of business; and

(d) Merge, consolidate or participate in any transaction the effect of which will require the Company, or its successor, to be taxable as a corporation rather than as a partnership for federal income tax purposes.

6.5 Binding Authority.

Unless authorized to do so by the Manager, no attorney-in-fact, employee or other agent of the Company has any power or authority to bind the Company in any way, to pledge its credit or to render it pecuniarily liable for any purpose. No Member has any power or authority to bind the Company unless the Member has been authorized by the Manager to act as an agent of the Company in accordance with the previous sentence.

6.6 Liability for Certain Acts.

Each Manager must perform his or her duties as Manager in good faith, in a manner he or she reasonably believes to be in the best Company's interests, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Manager who so performs the duties as Manager does not have any liability by reason of being or having been a Manager of the Company. The Manager does not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the Company operations. The Manager is not liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage was the result of fraud, deceit, gross negligence, willful misconduct, or a wrongful taking by the Manager.

6.7 No Exclusive Duty to Company.

The Manager is not required to manage the Company as his, her or its sole and exclusive function and they may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member has any right pursuant to this Agreement to share or participate in the other business interests or activities of the Manager or in the income or proceeds derived from them. The Manager incurs no liability to the Company or any Member as a result of engaging in any other business interests or activities.

6.8 Indemnification.

The Company will indemnify to the fullest extent permitted by law, the Manager of the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by the Manager in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred of the Manager by this Agreement, except that the Manager will be liable for any such loss, damage or claim incurred by reason of such Person's gross negligence or willful misconduct.

The Company will advance to the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Manager defending any claim, demand, action, suit or proceeding, from time to time, prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Manager to repay such amount if it will be determined that the Manager is not entitled to be indemnified as authorized.

A Manager will be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Manager 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, or any other facts pertinent to the existence and amount of assets from which distributions to any Member might properly be paid.

6.9 Resignation.

Any Manager may resign at any time by giving written notice to the Company, with a copy to each Member. The resignation of any Manager takes effect on receipt of notice by the Company or at any later time specified in the notice. Unless otherwise specified in the notice, the acceptance of the resignation is not necessary to make it effective. The resignation of the Manager who is also a Member does not affect the Manager's rights as a Member and does not constitute a withdrawal of the Member.

6.10 Removal.

Any Manager may be removed or replaced with or without cause by the vote of Members who hold at least a majority of Membership Interests. The removal of a Manager who is also a Member will not affect the Manager's rights as a Member and will not constitute a withdrawal of the Member.

6.11 Salaries.

The Manager will be reimbursed for all reasonable expenses incurred in managing the Company. The salary and other compensation of the Manager will be fixed from time to time by the vote or written consent of at least a majority of the Membership Interests. No Manager is prevented from receiving such a salary or other compensation because the Manager is also a Member.

ARTICLE VII MEMBER MEETINGS

7.1 Annual Meeting.

Meetings of the members may be held once per calendar year, but the failure to hold such meeting will not affect any matter approved or undertaken by the Manager of the Company in compliance with the terms of this Operating Agreement and will not subject the Manager to any liability.

7.2 Special Meetings.

Special meetings of the Members, for any purpose or purposes, may be called by any Manager or any Member or group of Members holding collectively not less than fifty percent

(50%) of the Membership Interests.

7.3 Place.

Meetings of the Members may be held at any place, within or outside the District of Columbia for any Member meeting designated in any notice of the meeting. If no designation is made, the place of any meeting will be the Company's chief executive office.

7.4 Notice of Meetings.

Written notice stating the place, day and hour of the meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting, stating the purpose or purposes for which the meeting is called, must be delivered no fewer than fourteen (14) days before the date of the meeting.

7.5 Record Date.

For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment of the meeting, or Members entitled to receive payment of any Distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring Distribution is adopted, as the case may be, is the record date for making a determination. When a determination of Members entitled to vote at any meeting of Members has been made pursuant to this section, the determination applies to any adjournment of the meeting.

7.6 Quorum.

Members holding not less than fifty percent (50%) of all Membership Interests, representing in person or by proxy, constitute a quorum at any meeting of Members.

7.7 Manner of Acting.

If a quorum is present at any meeting, the vote or written consent of Members holding not less than a majority of Membership Interests is the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by this Agreement.

7.8 Proxies.

At all Member meetings, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. The proxy must be filed with the Manager before or at the time of the meeting. No proxy will be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

7.9 Waiver of Notice.

Notice of a meeting need not be given to any Member who submits a signed waiver of

notice, in person or by proxy, whether before or after the meeting. The attendance of any Member at a meeting, in person or by proxy, without protesting prior to the meeting's conclusion the lack of notice of that meeting, constitutes a waiver of notice by him or her.

7.10 Voting Agreements.

An agreement between two or more Members, if in writing and signed by them, may provide that in exercising any voting rights, the Membership Interests held by them will be voted as provided in the agreement, or as they may agree, or as determined in accordance with a procedure agreed on by them.

ARTICLE VIII CONTRIBUTIONS AND CAPITAL CONTRIBUTIONS

8.1 Capital Contributions.

Each Member will make a Capital Contribution to the Company in the form of a bank check, cash or otherwise immediately available funds, concurrently with the execution of this Agreement. The initial Capital Contribution of each member will be at least \$100.00 or such other amount as the Manager may permit in his, her or its sole discretion.

8.2 Additional Contributions Required.

Members may be required to make additional Capital Contributions as determined by the Manager from time to time. On the making of any determination, the Manager must give written notice to each Member of the amount of required additional contribution, and each member must deliver to the Company its pro rata share (in proportion to the respective Capital Interest of the Member on the date such notice is given) not later than ten (10) days following the date notice is given.

8.3 Additional Contribution Default.

If any member fails to make a capital contribution when required, the Company may, in addition to the other rights and remedies the Company may have under the Act or applicable law, take such enforcement action (including, the commencement and prosecution of court proceedings) against such Member as the Manager considers appropriate. Moreover, the remaining Members may elect to contribute the amount of such required capital themselves according to their respective Sharing Ratios. In such an event, the remaining Members will be entitled to treat such amounts as an extension of credit to such defaulting Member, payable upon demand, with interest accruing thereon at the federal midterm rate provided for under Code Sec.1274(d), plus Two Percent (2%) until paid, all of which will be secured by such defaulting Member's interest in the Company, each Member who may hereafter default, hereby granting to each Member who may hereafter grant such an extension of credit, a security interest in such defaulting Member's interest in the Company.

8.4 Adjusted Percentage Interests.

Following each Additional Capital Contribution and Additional Capital Loan, the respective Units and Percentage Interests of the Members will be calculated as follows: (i) additional Units will be issued to each Member (including, if applicable, to Non-Defaulting Members) equal in number to the amount of each Member's respective Additional Capital (if any, in the case of a Defaulting Member) divided by the Initial Funding Price, and (ii) each Member's Percentage Interest will be adjusted based on the aggregate number of Units held by each such Member relative to the total number of Units outstanding, in each case after giving effect to any issuances pursuant to this Section 8.4 (it being understood that if no Member is a Defaulting Member in respect of such Additional Capital, each Member's Percentage Interest will remain the same as prior to the making of such Additional Capital); provided, however, that no additional Units will be issued in respect of any Additional Capital made by Non-Defaulting Members in the form of a Default Loan pursuant to Section 8.3 above.

8.5 Capital Accounts.

A Capital Account will be established and maintained for each Member and each Assignee. Each Member's Capital Account will be credited with (i) an amount equal to such Member's cash capital contributions and the fair market value of property contributed to the Company (net of liabilities secured by such property), and (ii) such Member's share of the Company's Net Profit and any item of gain specially allocated to such Member in accordance with Article IX hereof, but for this purpose including income and gain exempt from tax. The fair market value of such property will be calculated by a certified public accountant who is selected by the Manager in good faith after reasonable investigation into the individual's competency.

Subject to the terms and conditions of this Operating Agreement, the Capital Account of each Member will be debited by (i) the amount of cash distributions to such Member and the fair market value of property distributed to the Member (net of liabilities secured by such property), and (ii) such Member's share of the Company's Net Loss and any item of loss or expense specially allocated to such Member pursuant to Article IX hereof, and of expenditures which are permitted to be neither capitalized nor deducted for tax purposes (including for this purpose losses or expenses which may not be deducted for tax purposes pursuant to either Section 267(a)(1), Section 709 or Section 707(b) of the Code).

8.6 Transfers.

Upon the transfer of an interest in the Company, the Capital Account of the transferor Member that is attributable to the transferred interest will be carried over to the transferee Member. The Capital Account will not be adjusted to reflect any adjustment under Section 743 of the Code. If (i) such transfer causes a termination of the Company for tax purposes within the meaning of Section 708(b)(1)(B) of the Code, or (ii) upon (1) the liquidation of the Company, (2) the liquidation of a Member's interest in the Company, (3) the distribution of money or property to a Member, or (4) the contribution of money or property to the Company by a new or existing Member as consideration for an interest in the Company, adjustments will be made to the Members' Capital Accounts. Any property of the Company which is not sold in connection with such

event will be valued at its then fair market value. Such fair market value will be used to determine both the amount of gain or loss which would have been recognized by the Company if the property had been sold for such fair market value (subject to any debt secured by the property) at such time, and the amount of Net Cash Flow (hereinafter defined) which would have been distributable by the Company pursuant to Article IX if the property had been sold at such time for said fair market value (less the amount of any debt secured by the property). The Capital Accounts of the Members will be adjusted to reflect the allocation of such hypothetical gain or loss (in accordance with Article IX). The Capital Accounts of the Members (or of a transferee of a Member) will thereafter be adjusted to reflect the Member's share of "book items" rather than tax items in accordance with Treasury Regulation Sections 1.704-1(b)(2)(iv)(g) and 1.704(b)(4)(i) and subsequent allocations of income, gain, loss and deductions will be made as necessary so as to take account of the variation between the adjusted tax basis and the fair market value of such property in accordance with Section 704 of the Code.

8.7 Modifications.

The manner in which Capital Accounts are to be maintained pursuant to this section is intended to comply with the requirements of Section 704(b) of the Code. If, in the opinion of the Manager, the manner in which Capital Accounts are to be maintained pursuant to this Agreement should be modified to comply with Section 704(b) of the Code, then the method in which Capital Accounts are maintained will be so modified; provided, however, that any change in the manner of maintaining Capital Accounts will not materially alter the economic agreement between or among the Members.

For purposes of this section 8.7 the term "liquidation of the Company" means (1) a termination of the Company effected in accordance with Article XIV, but only if the Company ceases to be a going concern and is continued in existence solely to wind-up its affairs, or (2) a termination of the Company pursuant to Section 708(b)(1) of the Code, and (B) the term "liquidation of a Member's interest in the Company" means the termination of the Member's entire interest in the Company effected by a distribution, or a series of distributions, by the Company to the Member.

8.8 Deficit Capital Account.

Except as otherwise required in the Act or this Agreement, no Member has any liability to restore all or any portion of a deficit balance in a Capital Account.

8.9 Withdrawal or Reduction of Capital Contributions.

A Member will not receive from the Company any portion of his or her Capital Contribution until all indebtedness and liabilities of the Company, except any indebtedness, liabilities and obligations to Members on account of their Capital Contributions, have been paid or there remains property of the Company, in the sole discretion of the Manager, sufficient to pay them. No distributions will be made from the Capital Contributions of a Member without the consent of Members owning a majority of Membership Interests in the Company. A Member, irrespective of the nature of the Capital Contribution of that Member, has only the right to demand and re-

ceive cash in return for the Capital Contribution.

ARTICLE IX
ALLOCATIONS AND DISTRIBUTIONS

9.1 Allocations of Profits and Losses.

The Net Profits and the Net Losses of the Company for each Fiscal Year will be allocated to each Member in accordance with the ratio of the value of his, her or its Capital Account bears to the value of all Capital Accounts in the aggregate.

9.2 Special Allocations.

The following special allocations will be made in the following order and priority before the allocations of Profits and Losses:

(a) **Partnership Minimum Gain Chargeback:** If there is a net decrease in Partnership Minimum Gain during any taxable year or other period for which allocations are made, before any other allocation under this Agreement, each Member will be specially allocated items of Company income and gain for that period (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in Partnership Minimum Gain during such year determined in accordance with Treasury Regulations Section 1.704-2(g)(2). The items to be allocated will be determined in accordance with Regulations Section 1.704-2(g). This Section is intended to comply with the Partnership Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(b) **Partner Nonrecourse Debt Minimum Gain Chargeback:** Notwithstanding any other provision of this Article IX (other than Section 9.2(a) which will be applied first), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain with respect to a Partner Nonrecourse Debt during any taxable year or other period for which allocations are made, any Member with a share of such Partner Nonrecourse Debt Minimum Gain (determined under Regulations Section 1.704-2(i)(5)) as of the beginning of the year will be specially allocated items of Company income and gain for that period (and, if necessary, subsequent periods) in an amount equal to such Member's share of the net decrease in the Partner Nonrecourse Debt Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(g)(2). The items to be so allocated will be determined in accordance with Regulations Section 1.704-2(g). This Section 9.2(b) is intended to comply with the Partner Nonrecourse Debt Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(c) **Qualified Income Offset:** A Member who unexpectedly receives any adjustment, allocation or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Company income and gain in an amount and man-

ner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible.

(d) **Nonrecourse Deductions:** Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Members in proportion to their respective Series Capital Account for the Series obligated on the nonrecourse liabilities giving rise to the Nonrecourse Deductions.

(e) **Partner Nonrecourse Deductions:** Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Member who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i).

(f) **Code Section 754 Adjustments:** To the extent an adjustment to the adjusted tax basis of any Company asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted under Regulations Section 1.704-1(b)(2)(iv)(m).

9.3 Adjustment of Gross Asset Value.

“Gross Asset Value”, with respect to any asset, is the adjusted basis of that asset for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed (or deemed contributed under Code Sections 704(b) and 752 and the Regulations promulgated thereunder) by a Member to the Company will be the fair market value of the asset on the date of the contribution, as determined by the Manager;

(b) The Gross Asset Values of all Company assets will be adjusted to equal the respective fair market values of the assets, as determined by the Manager, as of (1) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis capital contribution, (2) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company if an adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company, and (3) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); *provided, however*, that adjustments pursuant to clauses (1) and (2) above will be made only if the Manager reasonably determine that such adjustments are necessary to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Member will be the gross fair market value of the asset on the date of distribution as determined by the Manager;

(d) The Gross Asset Values of Company assets will be increased or decreased to reflect any adjustment to the adjusted basis of the assets under Code Section 734(b) or 743(b), but only to the extent that the adjustment is taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), provided that Gross Asset Values will not be adjusted under this Subsection to the extent that the Manager determines that an adjustment under Subsection (b) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment under this Subsection;

(e) After the Gross Asset Value of any asset has been determined or adjusted under Subsections (a) (b) or (d), Gross Asset Value will be adjusted by the Depreciation taken into account with respect to the asset for purposes of computing Profits or Losses.

9.4 Curative Allocations.

The allocations set forth in Section 9.2 (the “**Regulatory Allocations**”) are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations may effect results which would be inconsistent with the manner in which the Members intend to divide Company distributions. Accordingly, the Manager is authorized to divide other allocations of Profits, Losses, and other items among the Members, to the extent that they exist, so that the net amount of the Regulatory Allocations and the special allocations to each Member is zero. The Manager will have discretion to accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Regulations.

9.5 Tax Allocations—Code Section 704(c).

For federal, state and local income tax purposes, Company income, gain, loss, deduction or expense (or any item thereof) for each fiscal year will be allocated to and among the Members to reflect the allocations made pursuant to the provisions of this Article IX for such fiscal year. In accordance with Code Section 704(c) and the related Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Company, solely for tax purposes, will be allocated among the Members so as to take account of any variation between the adjusted basis to the Company of the property for federal income tax purposes and the initial Gross Asset Value of the property (computed in accordance with Section 9.3). If the Gross Asset Value of any Company asset is adjusted, subsequent allocations of income, gain, loss and deduction with respect to that asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the related Regulations. Any elections or other decisions relating to allocations under this Article IX will be made in any manner that the Manager determines reasonably reflects the purpose and intention of this Agreement. Allocations under this Section are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Member’s Capital Account or share of Profits, Losses or other items or distributions under any provision of this Agreement.

9.6 Distributions in General.

Distributions will be made pursuant to this Section 9.6 proportionately among all Members. The Manager will not make any distributions of capital in capital accounts to any Member if such distributions would violate any regulation, rule or statute applicable to the Company or its business.

9.7 Net Cash Flow.

Subject to the provisions of Section 9.6, the Manager, upon the majority vote of the Members, will distribute or cause to be distributed to the Members, in accordance with Section 9.4, the excess, if any (“Net Cash Flow”), of:

(a) The aggregate amount of all income and receipts of all kinds received by or for the account of the Company, from all sources as determined on a cash basis, less

(b) All cash disbursements of the Company including (a) all costs to form the Company (including the costs and expenses of the preparation of this Operating Agreement), (b) operating costs and an adequate reserve for operating costs to be incurred in the next six (6) months on a basis consistent with the Company's prior practices, (c) any taxes imposed on the Company, (d) payment of interest and principal on any loans when and if due, and (e) legal and accounting fees incurred in connection with the Company business. If the Manager determines that any reserve described above is no longer necessary, funds so reserved will be distributed to the Members in the same proportion which would have been determined if such funds had been distributed pursuant to Section 9.4 at the time of placement in the reserve.

Net Cash Flow distributable in accordance with this Section 9.7 will be distributed, upon a majority vote of the Members, within sixty (60) days after the end of each calendar year, commencing after the initial receipt of revenues to the Members in proportion to their Percentage Interest in the Company on a pari passu basis.

9.8 Liquidation Distributions.

Notwithstanding Section 9.7, Net Cash Flow from a transaction which is a part of the liquidation of the Company in accordance with Article XIV, together with other funds remaining to be distributed at such time, will be distributed to the Members in proportion to their Percentage Interest in the Company on a pari passu basis.

9.9 Tax Distributions.

To the extent that the distributions of Net Cash Flow made pursuant to Section 9.7 above in any fiscal year have not been sufficient to do so, the Manager will use his, her or its best efforts to cause the Company to distribute to the Members within ninety (90) days after the end of each fiscal year an amount of cash which, together with all distributions of Net Cash Flow made with respect to that fiscal year, is sufficient to enable the Members to fund their Federal, state, local and foreign income tax liabilities attributable to their respective distributive shares of the

taxable income of the Company for that fiscal year, in each case based on the assumption that all Members are subject to tax at the highest combined Federal, state and local tax rate applicable to corporate taxpayers located in the District of Columbia. Nothing in this Section 9.9 will require the Manager or the Company to borrow money in order to pay the Members for any tax obligations, nor will any Member be required to make a capital contribution to the Company for such purpose.

9.10 Tax Withholdings.

With respect to any distributions to Members who are not U.S. residents for Federal income tax purposes, the Company will withhold Federal income taxes in accordance with Sections 1441, 1442 and 1446 of the Code.

9.11 Loans to Company.

Nothing in this Operating Agreement prevents from or requires any Member to make secured or unsecured loans to the Company by agreement with the Company.

9.12 Books and Records.

The Company will cause to be maintained separate books of account for the Company which will show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received, and all income derived in connection with the conduct of the Company and the operation of its business in accordance with GAAP. The Company will use the accrual method of accounting in preparation of its annual reports and for tax purposes and will keep its books and records accordingly.

At a minimum, the Company will keep at its principal place of business the following records:

- (a) A current list, in alphabetical order, of the full name and last known business, residence, or mailing address of each member;
- (b) A copy of the articles of organization and the certificate of organization, and all articles of amendment and certificates of amendment thereto;
- (c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;
- (d) Copies of any effective operating agreement; and
- (e) Unless contained in an operating agreement, a writing setting out:
 - (i) The amount of cash, if any, and a description and statement of the agreed value of the other property or services, if any, contributed by each member and which each member has agreed to contribute;

(ii) The times at which, or events on the happening of which, any additional contributions agreed to be made by each member are to be made;

(iii) Any right of a member to receive, or of the limited liability company to make, distributions to a member which include a return of all or any part of the member's contribution; and

(iv) Any events upon the happening of which the limited liability company is to be dissolved and its affairs wound up.

9.13 Members Rights Regarding Books, Records and Tax Information.

Each member of the Company has the right, upon reasonable request to inspect and copy, during normal business hours, at the Member's own expense, any of the Company records required to be kept by the Company and to obtain a copy of the Company's federal, state, and local income tax or information returns for each year.

The Manager will send to each Member within sixty (60) days after the end of each taxable year such information as is necessary for each Member to complete federal and state income tax or information returns.

The Member and Member's representatives will not divulge to any other person any confidential or proprietary data, information or property or any trade secrets of the Company discovered in any inspection of the Company's books and records, except as required.

9.14 Reports.

The Manager will make available an annual report to each of the Members not later than sixty (60) days after the close of the fiscal year. The report will contain a balance sheet as of the end of the fiscal year, an income statement and a statement of Members equity and of changes in financial position for the fiscal year.

9.15 Bank accounts.

The Company will establish and maintain accounts in financial institutions (including, without limitation, national and state banks, trust companies, or savings and loan institutions) in such amounts as the Manager may deem necessary from time to time. The funds of the Company will be deposited in such accounts and will not be commingled with the funds of the Manager or any affiliates thereof.

ARTICLE X
TAXES

10.1 Tax Returns.

The Manager must cause to be prepared and filed all necessary federal and state income tax returns for the Company. Copies of such returns or pertinent information from them will be furnished to the Members within a reasonable time after the end of the Company's Fiscal Year. Each Member must furnish to the Manager all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

11.2 Accountant.

The Manager will engage an accountant, upon the approval of a majority vote of the Members, to prepare at the expense of the Company all tax returns and statements, if any, which must be filed by or on behalf of the Company.

10.3 Tax Elections.

Company will make the following elections on the appropriate tax returns:

- (a) To adopt the calendar year as the Fiscal Year;
- (b) To adopt the accrual method of accounting and keep the Company's books and records on the income tax method;
- (c) If a Distribution as described in Section 734 of the Code occurs, or if a transfer of a Membership Interest described in Section 743 of the Code occurs, on the written request of any Member, to elect to adjust the basis of the property of the Company pursuant to Section 754 of the Code;
- (d) To elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company under Section 195 of the Code ratably over a period of 60 months as permitted by Section 709(b) of the Code; and
- (e) Any other election that the Manager deems appropriate and in the best interests of the Members. Neither the Company nor any Member may make an election for the Company to be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Code or any similar provisions of applicable state law, and no provisions of this Agreement will be interpreted to authorize any such election.

10.4 Tax Treatment.

The Manager agrees to each use his, her or its reasonable efforts to meet all requirements of the Code and currently applicable regulations, rulings and other procedures of the Internal

Revenue Service to ensure that the Company will be classified for Federal Income tax purposes as a partnership and not as an association taxable as a corporation.

10.5 Tax Matters Partner.

The Manager must designate a “tax matters partner” of the Company pursuant to Section 6231(a)(7) of the Code. The designated tax matter partner for RSP Holdings, LLC will be Eric Schwerin. Any Manager who is designated “tax matters partner” must take any action as may be necessary to cause each other Member to become a “notice partner” within the meaning of Section 6223 of the Code.

ARTICLE XI SALE, TRANSFER OR ASSIGNMENT OF MEMBERSHIP INTERESTS

11.1 Restrictions on Transfers.

Except as otherwise permitted by this Agreement, a Member will not Transfer all or any portion of its Interest without the consent of the Manager, which consent may be withheld in the Manager’s sole and absolute discretion.

No assignment or transfer of all or any part of the interest of a Member permitted to be made under this Operating Agreement will be binding upon the Company unless and until a duplicate original of such assignment or instrument of transfer, duly executed and acknowledged by the assignor and the transferee, has been delivered to the Company. Further, the Members agree that they will not sell or transfer any Interest unless upon the prior written consent of a majority of the Members. Notwithstanding the foregoing, however, Members will have the right to transfer their Membership Interest to their own third party holding companies, in which they are the sole owner and operator, but will be restricted from selling or transferring any ownership interest in such holding companies in contravention of this Operating Agreement.

As a condition to the admission of any substituted Member, as provided in this Operating Agreement, the person so to be admitted will execute and acknowledge such instruments, in form and substance reasonably satisfactory to a majority of the Members as it may deem necessary or desirable to effectuate such admission and to confirm the agreement of the person to be admitted as such Member to be bound by all of the covenants, terms and conditions of this Operating Agreement, as the same may have been amended. Any person to be admitted as a Member pursuant to the provisions of this Operating Agreement will, as a condition to such admission as a Member, pay all reasonable expenses in connection with such admission as a Member, including, but not limited to, the cost of the preparation, filing and publication of any amendment to this Operating Agreement and/or Certificate of Formation of the Company which the Manager deem necessary or desirable in connection with such admission.

11.2 Prohibited Transfers.

Any Transfer of an Interest by any Member that is not consented to by the Manager will be null and void and of no force or effect whatever; provided, however, that, if the Company is

required by law to recognize a Transfer, the Interest transferred will be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations or liabilities for damages that the transferor or transferee of such Interest may have to the Company.

11.3 Assignment; Rights of Unadmitted Assignees.

A Person who acquires an Interest but who is not admitted as a substituted Member pursuant to section 11.5 hereof will be entitled only to allocations and distributions with respect to such Interest in accordance with this Agreement, and will have no right to any information or accounting of the affairs of the Company, will not be entitled to inspect the books or records of the Company, and will not have any of the rights of a Member under the Act or this Agreement.

11.4 Distributions and Allocations in Respect of Transferred Interests.

If any Interest is Transferred during any Fiscal Year in compliance with the provisions of this Article XI, Profits, Losses, each item thereof, and all other items attributable to the transferred Interest for such Fiscal Year will be divided and allocated between the transferor and the transferee by taking into account their varying Percentage Interests during the Fiscal Year in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Manager. All distributions on or before the date of such Transfer will be made to the transferor, and all distributions thereafter will be made to the transferee. Solely for purposes of making such allocations and distributions, the Company will recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer; provided, that if the Company is given notice of a Transfer at least ten (10) Business Days prior to the Transfer, the Company will recognize such Transfer as of the date of such Transfer; and, provided further, that, if the Company does not receive a notice stating the date such Interest was transferred and such other information as the Manager may reasonably require within thirty (30) days after the end of the Fiscal Year during which the Transfer occurs, then all such items will be allocated, and all distributions will be made, to the Person who, according to the books and records of the Company, was the owner of the Interest on the last day of such Fiscal Year. Neither the Company nor the Manager will incur any liability for making allocations and distributions in accordance with the provisions of this section 11.4, whether or not the Manager or the Company has knowledge of any Transfer of ownership of any Interest.

11.5. Admission of Substituted Members.

Subject to the other provisions of this Article XI, a transferee of an Interest may be admitted to the Company as a substituted Member only upon satisfaction of the conditions set forth in this section 11.5:

- (a) Consent from the Manager to such admission, which consent may be given or withheld in the sole and absolute discretion of the Manager;

(b) The transferee becomes a party to this Agreement as a Member and executes such documents and instruments as the Manager may reasonably request as may be necessary or appropriate to confirm such transferee as a Member of the Company and such transferee's agreement to be bound by the terms and conditions hereof;

(c) The transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the Transferred Interest.

ARTICLE XII DEATH OR INCAPACITY

Notwithstanding anything contained herein to the contrary, in the event of the death or incapacity of any Member, his, her or its interest in the Company will continue until the last day of the month in which such death occurs or incapacity is determined. If, in the judgment of the Manager Member, such Member's interest is necessary to maintain the required net capital under the applicable Uniform Net Capital Rules, the Manager Member may defer the withdrawal of all or part of the deceased or incompetent Member's interest for up to one month after such Member's interest has terminated or a later period. During such deferral period, the interest of the Member will remain at the risk of the business of the Company and will remain as capital of the Company. Furthermore, during such deferral period, any claim of any legal representative of the deceased or incompetent Member for payment of any or all of such Member's interest will be subordinate in right of payment and subject to prior payment or provision for payment in full of claims of all the existing and other creditors of the Company, and any continuing or successor organization, arising out of any matters occurring before the end of the deferral period. Subject to the approval of the relevant regulatory bodies, as determined in the discretion of the Manager Member, the Company may, at the option of the Manager Member, return all or any part of the deceased or incompetent Member's interest at any time prior to the expiration of the deferral period and will, in any event, return such Member's interest in full not later than two (2) business days following expiration of the deferral period.

ARTICLE XIII WITHDRAWAL OF A MEMBER

13.1 General.

(a) Withdrawal of a Member includes cessation of his status as a Member as a result of death, dissolution, Bankruptcy, incapacity, voluntary withdrawal, or any other reason, other than termination of the Company.

(b) Upon the withdrawal of a Member, such Member, or his heirs, executors or administrators will be entitled to withdraw the Capital Account of such Member in accordance with Section 8.9. It is expressly agreed and acknowledged that, except as provided in this Section 13.1, upon the withdrawal of a Member, such Member will have no rights or privileges accruing to a Member in the Company as provided herein or under applicable law, including, without limitation, any voting rights whatsoever.

13.2 Voluntary Withdrawal.

Any Member may voluntarily withdraw all or any part of the cash value of his or her capital account, provided that the Member's capital contribution to the Company is compliant with applicable regulatory requirements (determined by the Manager in his discretion). The withdrawing Member must give thirty (30) days written notice of the withdrawal to the Manager. The withdrawal will be effective on the last business day of the month in which notice of such withdrawal is properly received in accordance with this Section 4.08, and such Member will receive the distribution of the cash value of his, her or its capital account less any charges owed within fifteen (15) days of the effective withdrawal date.

13.3 Required Withdrawal.

The Manager may, at any time, require any Member to withdraw entirely from the Company, or to withdraw a portion of his Capital Account, as of any month-end, by giving not less than twenty (20) days' advance notice in writing to the Member. The Member will withdraw from the Company or withdraw that portion of his Capital Account specified in such notice, as the case may be, as of such month-end. The Member will be deemed to have withdrawn from the Company or to have made a partial withdrawal from his Capital Account, as the case may be, without further action on the part of the Member.

ARTICLE XIV DISSOLUTION AND WINDING UP

14.1 Liquidating Events

The Company will dissolve and commence winding up and liquidating upon the first to occur of any of the following ("Liquidating Events"):

- (a) The sale of all or substantially all of the assets of the Company;
- (b) The determination of the Manager to dissolve, wind up and liquidate the Company;
- (c) The happening of any other event that makes it unlawful, impossible or impractical to carry on the business of the Company.

The Members hereby agree that, notwithstanding any provision of the Act, the Company will not dissolve prior to the occurrence of a Liquidating Event.

14.2 Winding Up

Upon the occurrence of a Liquidating Event, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its Assets and satisfying the claims of its creditors and Members, and no Member will take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and

affairs. To the extent not inconsistent with the foregoing, all covenants and obligations in this Agreement will continue in full force and effect until such time as the Assets have been distributed pursuant to this section 14.2. The Manager will be responsible for overseeing the winding up and dissolution of the Company, will take full account of the Company's liabilities and Assets, will cause the Assets to be liquidated as promptly as is consistent with obtaining the fair value thereof unless the Members unanimously consent to distributions of all or any part of the Assets in kind, and will cause the Assets or the proceeds therefrom, to the extent sufficient therefore, to be applied and distributed in the following order:

(a) First, to the payment and discharge of all of the Company's debts and liabilities to creditors other than to Members;

(b) Second, to the payment and discharge of all of the Company's debts and liabilities to Members; and

(c) The balance, if any, to the Members in accordance with their Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods.

No Member or Manager will receive any additional compensation for any services performed pursuant to this Article XII. Each Member understands and agrees that by accepting the provisions of this section 14.2 setting forth the priority of the distribution of the assets of the Company to be made upon its liquidation, such Member expressly waives any right which it, as a creditor of the Company, might otherwise have under the Act to receive distributions of assets *pari passu* with the other creditors of the Company in connection with a distribution of assets of the Company in satisfaction of any liability of the Company, and hereby subordinates to said creditors any such right.

14.3 Rights of Members

Except as otherwise provided in this Agreement, (a) each Member will look solely to the Assets for the return of its Capital Contribution and will have no right or power to demand or receive property other than cash from the Company, and (b) no Member will have priority over any other Member as to the return of its Capital Contributions, distributions or allocations.

14.4 Articles of Dissolution

Within ninety (90) days following the dissolution and the commencement of winding up of the Company, the Manager must file articles of dissolution with the Mayor pursuant to the Act.

14.5 Deficit Capital Account

On a liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other adjustments for all Fiscal Years, including the Fiscal Year in which such liquidation occurs), the Member has no obligation to make any Capital

Contribution, and the negative balance of any Capital Account will not be considered a debt owed by the Member to the Company or to any other Person for any purpose.

14.6 Nonrecourse to Other Members

Except as provided by applicable law or as expressly provided in this Agreement, on dissolution, each Member will receive a return of his, her or its Capital Contribution solely from the assets of the Company. If the assets of the Company remaining after the payment or discharge of the debts and liabilities of the Company are insufficient to return any Capital Contribution of any Member, the Member will have no recourse against any other Member.

14.7 Termination

On completion of the dissolution, winding up, liquidation, and distribution of the assets of the Company, the Company is deemed terminated.

ARTICLE XV GENERAL PROVISIONS

15.1 Notices

Any notice or other communication required or which may be given pursuant to this Agreement will be in writing and delivered via facsimile or email to the fax number or email address for each Member on the records of the Company. Such notice will be deemed given at the time indicated on the printed confirmation of electronic delivery via email or facsimile provided such notice is addressed to that information set forth on the records of the Company. Such contact information can be updated by any Member at any time by sending written notice to the Company at its principal place of business.

15.2 Entire Agreement and Amendments

This Agreement contains the entire agreement among the Members with respect to the subject matter of this Agreement, and supersedes each course of conduct previously pursued or acquiesced in, and each oral agreement and representation previously made, by the Members with respect to them, whether or not relied or acted on. No course of performance or other conduct subsequently pursued or acquiesced in, and no oral agreement or representation subsequently made, by the Members, whether or not relied or acted on, and no usage of trade, whether or not relied or acted on, amends this Agreement or impairs or otherwise affects any Member's obligations pursuant to this Agreement or any rights and remedies of a Member pursuant to this Agreement. No amendment to this Agreement is effective unless made in a writing duly executed by a majority of the Members and specifically referring to each provision of this Agreement being amended.

15.3 No Partnership Intended for Nontax Purposes

The Members have formed the Company under the Act, and expressly do not intend to

form a partnership under either the District of Columbia Uniform Partnership Act or the District of Columbia Uniform Limited Partnership Act. The Members do not intend to be partners to one another, or partners as to any third party. To the extent any Member, by work or action, represents to another person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation is liable to any other Member who incurs personal liability by reason of such wrongful representation.

15.4 Rights of Creditors and Third Parties Under Agreement

The Agreement is entered into between 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 third party has any rights under the Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

15.5 Execution of Additional Instruments

Each Member agrees to execute other and further statements of interests and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

15.6 Telephone Conferences

The Members and/or Manager may participate in a meeting of Members by means of conference telephone or similar communications equipment in which all Persons participating in the meeting can hear each other and participation in a meeting constitutes presence of the Person at the meeting.

15.7 Construction

Whenever the singular number is used in this Agreement, and when required by the context, the same includes the plural and vice versa, and the masculine gender includes the feminine and neuter genders and vice versa.

15.8 Waiver

No failure of a Member to exercise, and no delay by a Member in exercising, any right or remedy under this Agreement constitutes a waiver of such right or remedy. No waiver by a Member of any right or remedy under this Agreement is effective unless made in a writing duly executed by all Members and specifically referring to each such right or remedy being waived.

15.9 Severability

Whenever possible, each provision of this Agreement is to be interpreted to be effective and valid under applicable law. However, if any provision of this Agreement is prohibited by or

invalid under such law, it is deemed modified to conform to the minimum requirements of such law or, if for any reason it is not deemed so modified, it is prohibited or invalid only to the extent of such prohibition or invalidity without the remainder of the Agreement or any other provision being prohibited or invalid.

15.10 Binding

This Agreement is binding on and inures to the benefit of all Members, and each of the successors and assignees of the Members, except that rights or obligations of a Member under this Agreement may be assigned by the Member to another Person without first obtaining the written consent of all other Members.

15.11 Counterparts

This Agreement may be executed in counterparts, each of which is deemed an original and all of which constitutes one and the same instrument.

15.12 Governing Law

This Agreement is governed by, and interpreted and construed in accordance with, the laws of the District of Columbia, without regard to principles of conflict of laws.

In witness, the individuals and entities signing this Agreement below conclusively evidence their agreement to the terms and conditions of this Agreement by so signing this Agreement.

Skaneateles, LLC

By: *Eric Schwerin*
Eric Schwerin, Manager

By the Members:

OWASCO, PC,
a Member of Skaneateles, LLC

By: *RHB*
R. Hunter Biden, Managing Member

Aqaba International, LLC
a Member of Skaneateles, LLC

By: *Eric Schwerin*
Eric Schwerin, Managing Member

**Schedule A to
Limited Liability Company Operating Agreement of
Skaneateles, LLC**

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
Owasco, P.C. 1010 Wisconsin, Suite 705 Washington, DC 20007	\$75.00	75%
Aqaba International, LLC 1010 Wisconsin, Suite 705 Washington, DC 20007	\$25.00	25%