

5877

Exhibit C
To Registration Statement
Pursuant to the Foreign Agents Registration Act of 1938, as amended

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**REVISED AND RESTATED
OPERATING AGREEMENT**

THIS OPERATING AGREEMENT (the "Agreement") of **AVALANCHE STRATEGIC COMMUNICATIONS** (the "Company") is effective as of February 4, 2008 (the "Effective Date"), by and between **KEITH ZAKHEIM ("KZ")**, with an address at 408 Burnet Place, Paramus, New Jersey 07652; **SARA ZAKHEIM ("SZ")**, with an address at 408 Burnet Place, Paramus, New Jersey 07652 and those other Persons (as hereinafter defined) executing this Agreement as Members (as hereinafter defined) listed on **Exhibit A** annexed hereto and made a material part hereof, and each Person subsequently admitted as a Member of the Company.

RECITALS

WHEREAS; the Members have formed a limited liability company in accordance with the provisions of the New Jersey Limited Liability Company Law, as amended from time to time, and any successor statute (the "Act"), and desire to enter into a written agreement pursuant to the Act governing the affairs of the Company and the conduct of its business; and

WHEREAS, an Operating Agreement was signed to form Avalanche Strategic Communication, L.L.C. (the "Company") on November 1, 2005;

WHEREAS, this is the revised and restated Operating Agreement for the Company;

Accordingly, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, Members agree as follows:

ARTICLE I

1. The foregoing recitals are hereby incorporated as if fully set forth herein and are made a material part of this Agreement.

1.1 Defined Terms. As used herein, the following terms shall have the meanings set forth below:

"Additional Member" shall mean a Person who has acquired Percentage Interests from the Company after the Effective Date and been admitted as a Member of the Company pursuant to Section 9.2 hereof.

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“Articles of Organization” shall mean the articles of organization of the Company filed in the Office of the Secretary of State of the State of New Jersey pursuant to the Act and through which the Company has been formed.

“Assignee” shall mean a transferee of Percentage Interests to a Person that has not been admitted as a Substitute Member.

“Bankruptcy” shall mean, with respect to any Person, the occurrence of any of the following events: (a) the filing by such Person of a petition in bankruptcy or for relief under applicable bankruptcy laws; (b) the filing against such Person of any such petition (unless such petition is dismissed within ninety (90) days from the date of filing thereof); (c) entry against such Person of an order for relief under applicable bankruptcy laws; (d) written admission by such Person of its inability to pay its debts as they mature, or an assignment by such Person for the benefit of creditors; or (e) appointment of a trustee, conservator or receiver for the property or affairs of such Person.

“Business Day” shall mean each day of the calendar year other than a Saturday, a Sunday or a day on which banks are required or authorized to close in the State of New Jersey.

“Capital Account” shall mean the account established, determined and maintained for each Member in accordance with Section 704(b) of the Internal Revenue Code and Treasury Regulation Section 1.704-1 (b)(2)(iv). The capital account for each Member shall be increased by (1) the amount of money contributed by such Member to the Company, and (2) allocations to such Member of Company income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Treas. Reg. Section 1.704-1 (b)(2)(iv)(g), but excluding income and gain described in subsection (b)(4)(i) of said Regulation, and shall be decreased by (3) the amount of money distributed to such Member by the Company, (4) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code), (5) allocations to such Member of expenditures of the Company described in Section 705(a)(2)(B) of the Code, and (6) allocations of Company loss and deduction (or items thereof) including loss and deduction described in Treas. Reg. Section 1.704-1 (b)(2)(iv)(g), but excluding items described in (5) above and loss or deduction described in subsections (b)(4)(i) or (b)(4)(iii) of said Regulation. Net profits and net losses of the Company from other than capital transactions, as of the end of any fiscal year or other period, shall be credited or charged to the capital accounts of the Members prior to any charge or credit to said capital accounts for net profits and net losses of the Company from capital transactions as of the end of such fiscal year or other period. The capital account for each Member shall be otherwise adjusted in accordance with the additional rules of Treas. Reg. Section 1.704- 1 (b)(2)(iv).

“Capital Contribution” shall mean any contribution of cash and services to the Company or the obligation to contribute cash or services to the Company made by or on behalf of a Member.

“Cash Receipts” shall mean all cash receipts of the Company from whatever source derived, including without limitation capital contributions made by the Members; the

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proceeds of any sale, exchange, or other disposition of all or any part of the assets of the Company; the proceeds of any loan to the Company; the proceeds of any insurance policy payable to the Company; and the proceeds from the liquidation of the assets of the Company following a termination of the Company.

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

“Company” shall have the meaning set forth in the first paragraph of this Agreement.

“Distribution” shall mean a transfer of cash or fair market value of property by the Company to a Member in respect of the Member’s Percentage Interests as described in Article VI hereof.

“Disposing Member” shall have the meaning set forth in Section 8.2(a) hereof.

“Majority of Members” shall mean Members owning fifty and one tenth percent (50.10%) or more of the Company’s issued and outstanding Percentage Interests.

“Managing Member” shall mean that Person or those Persons voted by the Members as the Managing Member, which, as of the Effective Date, shall be KZ. If KZ is no longer the Managing Member of the Company, then “Managing Member” shall mean a successor Managing Member as provided for in this Agreement.

“Member” shall mean a Member (including the Managing Member), Substitute Member and Additional Member, as the case may be; and “Members” shall mean all Members (including the Managing Member), Substitute Members and Additional Members, collectively.

“Members’ Right of First Refusal” shall have the meaning set forth in Section 8.2(b) hereof.

“Net Profits” and “Net Losses” shall mean the profits or losses of the Company from the conduct of the Company’s business, after all expenses incurred in connection therewith have been paid or provided for. The net profits or net losses of the Company shall be determined in accordance with the income, gains, expenses, deductions or losses, as the case may be, reported by the Company for Federal income tax purposes.

“No recourse Deductions” shall have the meaning set forth in Treasury Regulations Section 1.704-2(b) (1).

“Offered Percentage Interest” shall have the meaning set forth in Section 8.2(a).

“Offerees” shall have the meaning set forth in Section 8.2(a).

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“Percentage Interests” means, as to a Member, the percentage set forth after the Member’s name on **Exhibit A**, as amended from time to time in accordance with this Agreement.

“Permitted Transferee” shall have the meaning set forth in Section 8.2(d).

“Person” shall mean an individual, trust, estate, corporation, partnership, Limited Liability Company or any other incorporated or unincorporated entity permitted to be a member of a limited liability company under the Act.

“Preferred Return” shall not be applicable unless this Agreement is amended otherwise.

“Proposed Terms” shall have the meaning set forth in Section 8.2(a) hereof.

“Sales Notice” shall have the meaning set forth in Section 8.2(a).

“Sales Price” shall have the meaning set forth in Section 8.2(a).

“SEC” means the Securities and Exchange Commission, or any successor organization thereto performing similar regulatory functions.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Substitute Member” shall mean an Assignee who has been admitted to all of the rights of membership pursuant to Section 9.3 hereof.

“Supermajority of Members” shall mean Members owning eighty percent (80%) or more of the Company’s issued and outstanding Percentage Interests.

“Taxable Year” shall mean the taxable year of the Company as determined for federal income tax purposes.

“Transfer” shall mean, as a noun, any voluntary or involuntary transfer, sale, assignment, pledge, encumbrance or other disposition; and, as a verb, voluntarily or involuntarily to sell, assign, transfer, grant, give away, hypothecate, pledge, encumber or otherwise dispose of, and shall include any transfer by will, gift or intestate succession.

“Treasury Regulations” shall mean, except where the context indicates otherwise, the permanent and temporary regulations of the Department of the Treasury promulgated under the Code, as such regulations may be lawfully changed from time to time (including corresponding provisions of succeeding regulations).

“Unreturned Capital Contribution” means a Member’s Capital Contribution less any distributions received by such Member hereunder.

ARTICLE II
The Limited Liability Company

2.1 Formation. The Company has been formed as a limited liability company pursuant to the provisions of the Act. Articles of Organization for the Company have been filed on November 1, 2005 in the Office of the Secretary of State of the State of New Jersey in conformity with the Act. The Company and, if required, each of the Members shall execute or cause to be executed from time to time all other instruments, certificates, notices and documents and shall do or cause to be done all such acts and things (including keeping books and records and making publications or periodic filings) as may now or hereafter be required for the formation, valid existence and, when appropriate, termination of the Company as a limited liability company under the laws of the State of New Jersey.

2.2 Name. The name of the Company shall be “**Avalanche Strategic Communications**” and its business shall be carried on in such name with such variations and changes as the Managing Members shall determine or deem necessary to comply with requirements of the jurisdictions in which the Company’s operations are conducted.

2.3 Business Purposes. The Company is formed for the purposes of engaging in any lawful business, purpose or activity for which limited liability companies may be formed under the Act. The initial business of the Company shall be to acquire, hold, sell, develop, maintain, operate and otherwise engage in the business of public relations. The Company is located at One University Plaza, Suite 407, Hackensack, NJ 07601 (the “Premises”) (the “Business”), and may engage in any other lawful business.

2.4 Company Powers. The Company and the Managing Member (acting on behalf of the Company), shall possess and may exercise all of the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes of the Company specified in Section 2.3 hereof, including, without limitation, the power:

(a) to acquire, hold, manage, own, sell, transfer, convey, assign, exchange, license, pledge or otherwise dispose of the Company’s interests in assets or any property (real or otherwise) held by the Company, including, without limitation, interests in technology, intellectual property rights and other proprietary processes, products or services;

(b) to establish, have, maintain or close one or more offices within or without the State of New Jersey and in connection therewith to rent or acquire office space and to engage personnel;

(c) to open, maintain and close bank and brokerage accounts, including the power to draw checks or other orders for the payment of moneys, and to invest such funds as are temporarily not otherwise required for Company purposes;

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(d) to bring and defend actions and proceedings at law or in equity or before any governmental, administrative or other regulatory agency, body or commission;

(e) to hire consultants, custodians, attorneys, accountants and such other agents, officers and employees of the Company as it may deem necessary or advisable, and to authorize each such agent and employee to act for and on behalf of the Company;

(f) to make all elections, investigations, evaluations and decisions, binding the Company thereby, that may, in the sole judgment of the Managing Members, be necessary or appropriate to further the business purposes of the Company;

(g) to enter into, perform and carry out contracts and agreements of every kind necessary or incidental to the accomplishment of the Company's business purposes, and to take or omit to take such other action in connection with the business of the Company as may be necessary or desirable to further the business purposes of the Company;

(h) to issue any securities of any class of the Company, the reverse or forward split of any equity securities of any class of the Company or the entering into of any commitments or obligations, options, warrants or rights of any kind to acquire or receive any securities of any class of the Company or any securities or obligations convertible into or exchangeable for (whether or not upon the payment of additional consideration) any securities of any class of the Company; and

(i) to carry on any other activities necessary to, in connection with, or incidental to any of the foregoing or the Company's business.

2.5 Registered Office and Agent. The location of the registered office of the Company shall be One University Plaza, Suite 407, Hackensack, NJ 07601. The Company's registered agent at such address shall be Keith Zakheim. The Managing Member may, from time to time, change the Company's registered office or registered agent, and shall forthwith amend the Articles of Organization to reflect such change.

2.6 Term. The existence of the Company commenced on the date of the filing of the Articles of Organization in the Office of the Secretary of State of the State of New Jersey in accordance with the Act.

2.7 Principal Place of Business. The principal place of business of the Company shall be located at One University Plaza, Suite 407, Hackensack, NJ 07601, or at such other location as the Managing Member may, from time to time, select.

2.8 Title to Company Property. Except for the trademarks and servicemarks used by the Company, legal title to all property of the Company shall be held, vested and conveyed in the name of the Company and no real or other property of the Company shall be deemed to be owned by the Members individually. The Percentage Interests of each Member shall constitute personal property.

2.9 Fiscal Year. The fiscal year of the Company (the "Fiscal Year") for financial statement purposes shall end on December 31 of each year, or such other date as may be determined by the Managing Members from time to time.

ARTICLE III
The Members

3.1 The Members. The name, address, Capital Contribution of, and Percentage Interests of each Member are set forth on **Exhibit A** hereto, which shall be amended from time to time to reflect the admission of an Additional Member or Substitute Member, an additional Capital Contribution the cessation of a Member pursuant to Section 9.4 hereof or a change in Percentage Interests pursuant to Section 5.3(c) hereof.

3.2 Member Meetings.

(a) Actions by the Members: Meetings. The Members may vote, approve a matter or take any action by the vote of Members at a meeting, in person or by proxy, or without a meeting by the written consent of Members pursuant to subparagraph (b) below. Meetings of the Members may be called by the Managing Member and shall be held upon at least three (3) days' prior written notice of the time and place of such meeting given by the Managing Member. Notice of any meeting may be waived by any Member before or after any meeting. Meetings of the Members may be conducted in person or by conference telephone facilities.

(b) Action by Written Consent. Any action required or permitted under the Act or this Agreement to be taken by the Members, and any action otherwise referred to the Members for their approval by the Managing Member, may be taken by the Members without a meeting if authorized by the written consent of a Supermajority of Members. In no instance where action is authorized by written consent shall a meeting of Members or a notice of a meeting be required. However, a copy of the action taken by written consent shall be sent promptly to all Members and filed with the records of the Company.

(c) Quorum: Voting. For any meeting of Members, the presence in person or by proxy of a Supermajority of Members shall constitute a quorum for the transaction of any business. Except as otherwise provided in this Agreement, the affirmative vote of a Supermajority of Members shall constitute approval of any action. Except as set forth in this Agreement, each Member shall be entitled to vote on all matters upon which Members have the right to vote ratably in proportion to the number of Percentage Interests held by such Member.

3.3 No Liability of Members. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

3.4 Power to Bind the Company. No Member other than the Managing Member shall have any authority to bind the Company to any third party with respect to any

matter except pursuant to a resolution expressly authorizing such action which resolution is duly adopted by the Managing Member.

3.5 Regulatory Disclosures. Each Member understands, acknowledges and agrees that, from time to time and as may be required by any and all regulatory agencies (the "Agencies") having jurisdiction over the Company, including but not limited to the New Jersey State Liquor Authority (the "SLA"), that each Member may be required to disclose, and does hereby agree to timely, truthfully and accurately disclose such information and complete such documents as may be required by the Agencies.

ARTICLE IV
Management of the Company

4.1 Management By The Managing Member(s).

(a) (i) Subject to such matters as are expressly reserved hereunder or under the Act to the Members for decision, the business and affairs of the Company shall be managed by the Managing Member. The Managing Member shall be KZ, and all Members agree to vote accordingly. The Managing Member shall be responsible for policy setting, approving the overall direction of the Company and making all decisions affecting the business and affairs of the Company. Notwithstanding any other provision of this Agreement, the Company shall not make the following certain major decisions without the affirmative vote at a meeting of a Supermajority of Members of the Company:

- (i) any amendment to this Agreement;
- (ii) any change in the nature or character of the Business of the Company;
- (iii) borrow money on behalf of the Company in excess of Ten Thousand Dollars (\$10,000) in the aggregate;
- (iv) lend any Company funds or other assets to any person;
- (v) confess a judgment against the Company; settle, compromise or release, discharge or pay any claim, demand or debt in excess of Ten Thousand Dollars (\$10,000) in the aggregate, including, without limitation, claims for insurance;
- (vi) conduct any sale, reorganization or recapitalization of the Company, whether directly or pursuant to a merger, consolidation, share exchange or otherwise;
- (vii) conduct any sale, lease, exchange, assignment, transfer or other disposition of all or substantially all of the Company's Business, properties or assets;
- (viii) any dissolution or winding-up of the Company;

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(ix) other than pursuant with Section 5.3(c) hereof, issue, redeem, repurchase or cancel any membership Percentage Interests.

4.2 Committees. The Managing Member may designate one or more committees. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise those powers and authority of the Managing Member in the management of the business and affairs of the Company as given to such committee under the resolution establishing such committee. Each committee shall keep regular minutes and report to the Managing Member when required.

4.3 Officers and Related Persons. Subject to the terms and conditions of this Agreement, the Managing Member shall have the authority to appoint and terminate officers of the Company and retain and terminate employees, agents and consultants of the Company and to delegate such duties to any such officers, employees, agents and consultants as the Managing Member deems appropriate, including the power, acting individually or jointly, to represent and bind the Company in all matters, in accordance with the scope of their respective duties.

4.4 Restrictions on Other Activities. Except as otherwise expressly provided in this Agreement, nothing in this Agreement shall be deemed to restrict in any way the rights of any Member, Managing Member or of any Affiliate of any Member or Managing Member, to conduct any other business or activity whatsoever, and no Member shall be accountable to the Company or to any other Member with respect to that business or activity even if the business or activity competes with the Company's business. The Members expressly understand, acknowledge and agree that some of the Members and Managing Members may operate, own or are affiliated with businesses that may be deemed to compete directly with the Company. Accordingly, the organization of the Company shall be without prejudice to the Members' and Managing Members' respective rights (or the rights of their respective Affiliates) to maintain, expand, or diversify such other interests and activities and to receive and enjoy profits or compensation therefrom. Each Member waives any rights the Member might otherwise have to share or participate in such other interests or activities of any other Managing Member, Member or the Managing Member's or Member's Affiliates.

ARTICLE V

Capital Structure and Contributions

5.1 Percentage Interests. Each Member shall have the Percentage Interests attributable to such Member as set forth in **Schedule A** as may be changed pursuant to this Agreement.

5.2 Capital Contributions. No Interest shall accrue on any Capital Contribution and no Member shall have the right to withdraw or be repaid any Capital Contribution, except as provided in this Agreement. If any Member withdraws from the Company pursuant to Section 9.5 hereof, such Substitute Member shall be obligated for any unpaid Capital Contributions and shall not be entitled to a return of its Capital Contribution. The value of any Additional Member's Capital Contribution and the terms upon which such Capital

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Contribution shall be made shall be determined by a Majority of Members and set forth in such Member's Subscription Agreement, if any.

5.3 Additional Contributions. The Members understand that additional capital may be required by the Company, from time to time, not otherwise available from Company revenues or reserves, to meet the Company's then existing obligations or for working capital purposes, capital expansion or other cash flow needs of the Company. In such event, the Managing Member may deliver a written notice to the Members requiring a contribution in cash of capital to the Company (such notice, a "Capital Call"). Each Capital Call shall state the reason for the Capital Call, the total amount of the required contributions by the Members and each Member's pro rata share of such total based on such Member's Percentage. In the event a Capital Call is made, each Member shall be requested, but not required, within thirty (30) days after delivery of such Capital Call, to contribute in cash to the capital of the Company such Member's pro rata portion of such Capital Call based upon Percentage Interests as set forth herein (the "Additional Capital Contribution").

5.4 Liability of Members for Liabilities of Company. The liability of any Member for the losses, debts, liabilities and obligations of the Company shall be limited to paying such Member's share of any undistributed assets of the Company and any amounts previously distributed to such Member by the Company, as required by applicable law.

5.5 Sale or Exchange of Percentage Interests. In the event of a Transfer of some or all of a Member's Percentage Interests, the Capital Account of the transferring Member shall become the capital account of the Assignee, to the extent it relates to the Member's Percentage Interests so Transferred.

ARTICLE VI

Allocations of Profits and Losses; Distributions

6.1 Cash Receipts. The cash receipts of the Company shall be applied in the following order of priority: (1) as the Managing Member sees fit.

6.2 Distributions for Taxes. Notwithstanding any other provision of this Agreement, the Managing Member shall cause to be distributed to each Member on an annual basis, at least five days prior to the applicable tax payment due date, that percentage of the net profit equal to the highest combined federal, state and local tax rate required in order to pay any Member's taxes on the net profits allocation for any year that was not previously distributed and for the current year.

6.3 Timing of Distributions. The cash receipts of the Company available for distribution shall be distributed to the Members from time to time at such times as the Managing Members shall determine, but in no event less than quarterly.

6.4 Special Allocations. Notwithstanding the preceding provisions of this Article VI, the following special allocations shall be made in the following order:

(1) Minimum Gain Chargeback -- Except as otherwise provided in Treas. Reg. Section 1.704-2(f), if there is a net decrease in partnership minimum gain (within the meaning of Treas. Reg. Sections 1.704-2(b)(2) and 1.704-2(d)) during any fiscal year, each Member shall be allocated items of the Company's income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in partnership minimum gain, determined in accordance with Treas. Reg. Section 1.704-2(g). Allocations made pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treas. Reg. Sections 1.704-2(f)(6) and 1.704-2(j)(2). This provision is intended to comply with the minimum gain chargeback requirement in Treas. Reg. Section 1.704-2(f) and shall be interpreted consistently therewith.

(2) Partner Minimum Gain Chargeback -- Except as otherwise provided in Treas. Reg. Section 1.704-2(i)(4), if there is a net decrease in partner nonrecourse debt minimum gain attributable to a partner nonrecourse debt during any fiscal year, each Member who has a share of the partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Treas. Reg. Section 1.704-2(i)(5), shall be allocated items of the Company's income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Treas. Reg. Section 1.704-2(i)(4). Allocations made pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treas. Reg. Sections 1.704-2(i)(4) and 1.704-2(j)(2). As used herein, "partner nonrecourse debt" has the meaning set forth in Treas. Reg. Section 1.704-2(b)(4). As used herein, "partner nonrecourse debt minimum gain" shall mean an amount, with respect to each partner nonrecourse debt, equal to the partnership minimum gain (within the meaning of Treas. Reg. Sections 1.704-2(b)(2) and 1.704-2(d)) that would result if such partner nonrecourse debt were treated as a nonrecourse liability (within the meaning of Treas. Reg. Section 1.704-2(b)(3)) determined in accordance with Treas. Reg. Section 1.704-2(i)(3). This provision is intended to comply with the minimum gain chargeback requirement in Treas. Reg. Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(3) Qualified Income Offset -- In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of the Company's income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, any Adjusted Capital

Account Deficit in such Member's capital account, as quickly as possible, provided that an allocation pursuant to this provision shall be made only if and to the extent that such Member would have a Adjusted Capital Account Deficit in such Member's capital account after all other allocations provided for in this Article VI have been tentatively made as if this provision were not in this Agreement. As used herein, "Adjusted Capital Account Deficit" shall mean the deficit balance, if any, in a Member's capital account at the end of the relevant fiscal year after the following adjustments: (i) credit to such capital account the minimum gain chargeback which the Member is obligated to restore pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5); and (ii) debit to such capital account the items described in Treas. Reg. Sections 1.704-1 (b)(2)(ii)(d)(4), (5) and (6). This provision is intended to constitute a qualified income offset within the meaning of Treas. Reg. Section 1.704-1 (b)(2)(ii)(d) and shall be interpreted consistently therewith.

(4) Gross Income Allocation -- In the event any Member has a deficit capital account at the end of any fiscal year which is in excess of the sum of the amounts such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be allocated items of the Company's income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this provision shall be made only if and to the extent that such Member would have a deficit in such Member's capital account in excess of such sum after all other allocations provided for in this Article VI have been tentatively made as if this provision and the provisions of clause (3) above were not in this Agreement.

(5) Nonrecourse Deductions -- Nonrecourse deductions (within the meaning of Treas. Reg. Section 1.704-2(b)(1)) for any fiscal year shall be allocated among the Members in proportion to the Members' Percentage Interests.

(6) Partner Nonrecourse Deductions -- Any partner nonrecourse deductions (within the meaning of Treas. Reg. Sections 1.704-2(b)(1) and 1.704-2(b)(2)) for any fiscal year shall be allocated to the Member who bears the economic risk of loss with respect to the partner nonrecourse debt (within the meaning of Treas. Reg. Section 1.704-2(b)(4)) to which such partner nonrecourse deductions are attributable in accordance with Treas. Reg. Section 1.704-2(i)(1).

(7) Contributed Property and Book-Ups -- In accordance with Treas. Reg. Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of the property to the Company for Federal income tax purposes and its fair market value as of the date of contribution (or deemed contribution). If the adjusted book value of any Company's asset is adjusted as provided herein, subsequent allocations of income, gain, loss and deduction with respect to the asset shall take account of any variation between the

adjusted basis of the asset for Federal income tax purposes and its adjusted book value in the manner required under Code Section 704(c) and the Regulations thereunder. The Members agree that with respect to allocations of items of income, gain, loss and deduction for Federal, state and local income tax purposes only, Section 704(c) of the Code and the traditional allocation method of Treas. Reg. Section 1.704-3(b) will apply, unless the Tax Matters Member selects and a majority of the Members consent to an alternative method permitted by the Regulations under Code Section 704(c).

(8) Code Section 754 Adjustment – To the extent an adjustment to the tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treas. Reg. Section 1.704-1 (b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall 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 shall be specifically allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Treas. Reg.

(9) Guaranteed Payments – To the extent any compensation paid to any Member by the Company, including any fees payable to any Member pursuant to this Agreement, is determined by the Internal Revenue Service not to be guaranteed payment under Code Section 707(c) or is not paid to the Member other than in the Member's capacity as a Member within the meaning of Code Section 707(a), the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to reflect the payment of that compensation.

(10) Unrealized Receivables – If a Member's Percentage Interests is reduced (provided the reduction does not result in a complete termination of the Member's Percentage Interests in the Company), the Member's share of the Company's "unrealized receivables" (within the meaning of Code Section 751) shall not be reduced, so that, notwithstanding any other provision of this Agreement to the contrary, that portion of the profit otherwise allocable upon a dissolution pursuant to Article X or liquidation of the Company pursuant to Article XI which is taxable as ordinary income (recaptured) for Federal income tax purposes shall, to the extent possible without increasing the total gain to the Company or to any Member, be specially allocated among the Members in proportion to the deductions (or basis reductions treated as deductions) giving rise to such recapture. Any questions as to the aforesaid allocation of ordinary income (recapture), to the extent such questions cannot be resolved in the manner specified above, shall be resolved by the Managing Members.

(11) Withholding – All amounts required to be withheld pursuant to Code Section 1446 or any other provisions of Federal, state or local tax law shall be

treated as amounts actually distributed to the affected Members for all purposes under this Agreement.

(12) Other Mandatory Allocations -- In the event Section 704(c) of the Internal Revenue Code or the Regulations thereunder require allocations in a manner different than that set forth above in this Article VI, the provisions of Section 704(c) and the Regulations thereunder shall control such allocations among the Members.

6.5 Curative Allocations. It is the intention of the Members that the allocations hereunder shall be deemed to have "substantial economic effect" within the meaning of Section 704 of the Internal Revenue Code and Treas. Reg. Section 1.704-1. Should the provisions of this Agreement be inconsistent with or in conflict with Section 704 of the Code or the Regulations thereunder, then Section 704 of the Code and the Regulations shall be deemed to override the contrary provisions hereof. If Section 704 or the Regulations at any time require that limited liability company operating agreements contain provisions which are not expressly set forth herein, such provisions shall be incorporated into this Agreement by reference and shall be deemed a part of this Agreement to the same extent as though they had been expressly set forth herein, and the Members shall be authorized by an instrument in writing to amend the terms of this Agreement to add such provisions, and any such amendment shall be retroactive to whatever extent required to create allocations with a substantial economic effect.

ARTICLE VII

Books, Reports and Taxes

7.1 Tax Matters. The Members of the Company and the Company intend that the Company be treated as a partnership for all income tax purposes and the Company will file such necessary and appropriate forms in furtherance thereof.

7.2 Tax Matters Partners. KZ shall be the "tax matters partner" of the Company pursuant to Section 6231(a) (7) of the Code. The "tax matters partner" shall take any action as may be necessary to cause each and every other Member to become a "notice partner" within the meaning of Section 6223 of the Code and shall keep the Internal Revenue Service informed of the names, addresses and Tax Identification Numbers of all Members. In addition thereto, but only with the consent of all of the Members, they may extend the Statute of Limitations for income tax purposes and thereby bind all Members, choose the forum for judicial review of adjustments arising out of Company proceedings, request administrative adjustments to partnership items on behalf of the Company and enter into settlement agreements with the Internal Revenue Service which are binding on all Members. The preceding shall in no way limit any Member's rights to participate in any Company proceedings.

7.3 Books. The Managing Member shall cause to be maintained complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept by Robert Sperber of Krinitz, Krinitz & Sperber, CPA's P.C.

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located at 580 Sylvan Avenue, Suite 10, Englewood Cliffs, NJ 07632 or any other person delegated by KZ in his reasonable discretion on such method of accounting as KZ shall select.

7.4 Reports. The books of account of the Company shall be closed after the close of each Fiscal Year, and there shall be prepared and sent to each Member a statement of the profits and losses of the Company for that period and a statement of such Member's distributive share of income and expense for income tax reporting purposes.

7.5 Quarterly Reports. The Managing Member shall provide each Member with quarterly financial reports including account balances, income and expenses and disbursements, which shall include a comparison to the budget for such period.

7.6 Audited Financial Statements. The Managing Member shall cause to be prepared audited books of account of the Company's affairs by selecting an independent certified public accounting firm to provide same in accordance with Generally Accepted Accounting Principles ("GAAP").

ARTICLE VIII

Transfers of Percentage Interests

8.1 Prohibition. No Member shall, directly or indirectly, sell, donate, pledge, hypothecate, encumber or otherwise transfer all or any part of his Percentage Interests now or hereafter owned by him without complying with the provisions of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no sale, donation, pledge, hypothecation, encumbrance or other transfer of Percentage Interests (a "Transfer") shall be recognized or deemed effective unless the transferee shall execute and agree to be bound by this Agreement. In addition, notwithstanding any other provision of this Agreement to the contrary, no Transfer shall be recognized or deemed effective if in the opinion of the Managing Members, such Transfer would cause the Company to be an "investment company" as such term is defined in the Investment Company Act of 1940, or require the registration of the Percentage Interests under Section 12 of the Securities Exchange Act of 1934. Any sale, donation, pledge, hypothecation, encumbrance or other transfer which is not in strict accordance with this Article VIII and in compliance with the provisions of this Agreement shall be null and void, and shall not be recognized by the Company or the Members, and the transferee shall not be entitled to vote any of such Percentage Interests, nor receive any profits or other distributions, nor shall the transferee have any other rights as a Member or Assignee hereunder.

8.2 Rights of First Refusal.

(a) If at any time, any Member has received a bona fide offer which such Member proposes to accept from a third party other than a Permitted Transferee to acquire any or all of the Percentage Interests then owned by it, such disposing Member (the "Disposing Member") shall give the Members (the "Offerees") notice (a "Sales Notice") in writing stating, as to such proposed transfer, the number of Percentage Interests proposed to be transferred (the "Offered (Percentage Interests)") and the proposed price per Offered Unit, which price shall be in cash (the "Sales Price"), the identity of the third party, including such third party's name, place

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of business, occupation, and to the extent and in the event the Member has actual knowledge, investment objective and whether such third party is acting as a principal or agent (and, if acting as agent, such information with respect to any principal), and any other terms and conditions (in reasonable detail) pertaining to such proposed transfer, including, without limitation, the proposed closing date for such transaction (the "Proposed Terms"). The Sales Notice shall be deemed to constitute an irrevocable offer (open to acceptance as described in Section 8.2(b) and (c) and subject to such requirements and restrictions imposed by the Securities Act and state securities laws) to sell the Offered Percentage Interests to each of the Offerees pursuant to the exercise periods described in Section 8.2(b) at the Sales Price per Offered Unit and otherwise pursuant to the Proposed Terms, and the Disposing Member shall not consummate any transfer of the Offered Percentage Interests until the terms of this Agreement have been fully complied with.

(b) Exercise Periods. Members' Right of First Refusal. For a period of fifteen (15) days after receipt of the Sales Notice by the Members, the Members shall have the option, exercisable by written notice to the Disposing Member, to accept the Disposing Member's offer to sell the Offered Percentage Interests pursuant to the Proposed Terms (the "Members' Right of First Refusal"). If, after such fifteen (15) day period, any of the Members have not exercised their Right of First Refusal to the fullest extent permitted, the other Members (if they have so exercised their right of first refusal to the fullest extent permitted) shall have the right for an additional five (5) day period to exercise their right of first refusal with respect to any remaining Offered Percentage Interests on a pro rata basis or as otherwise agreed by and between such Members.

(c) Acceptance of all Offered Percentage Interests; Disposition Period. If, after complying with Sections 8.2 (a) and (b), all of the Offered Percentage Interests are not exercised upon by the Offerees, the Disposing Member shall be free for a period of sixty (60) days thereafter to sell or otherwise transfer, all but not part of the remaining Offered Percentage Interests at not less than the price, and on the identical terms as those set forth in the Sales Notice, at a closing. If the Offered Percentage Interests are not disposed of within the sixty (60) day period, the Disposing Member shall not be permitted to dispose of such Offered Percentage Interests without again complying with this Section 8.2.

(d) Permitted Transferee. A "Permitted Transferee" shall mean a person or entity, which receives Percentage Interests pursuant to one of the following permitted transfers:

(i) The transfer of all or any of the Percentage Interests held by a Disposing Member to (a) a corporation or limited liability company in which the Disposing Member own(s) directly or indirectly more than 50% of the equity/interests and voting capital or has the right and power to direct the policy and management of such entity; or (b) a corporation or limited liability company that owns directly or indirectly more than 50% of the equity/interests and voting capital or has the right and power to determine the policy and management of the Disposing Member; or (c) in the case of a transfer by a partnership (including a limited partnership), to any partners, or any partnership (including a limited partnership) managed by the same management corporation or to the partners thereof; or (d) in the case of a corporation, to any person having ownership or interests in such Disposing Member, or to an entity which is wholly owned by such Disposing Member or by the shareholders of such

Disposing Member, all in the same proportion as their ownership or interests in such Disposing Member, or to the surviving entity in the merger of the Disposing Member and another entity; or

(ii) The transfer by a Disposing Member who is an individual to his siblings, spouse, children, or grandchildren, other than to minors (except as to minors where such transfer is made pursuant to the laws of descent and distribution pursuant to the legal will of any Member) and persons incapacitated as a matter of law, and to trusts and living trusts on behalf of any of the foregoing; all provided, however, that any such Permitted Transferee referenced in (i) and (ii) immediately above has agreed, in writing, to assume the obligations of the Disposing Member under all agreements involving the Company and to remain under the same ownership and control as at the time of the transfer.

8.3 Compliance With Law; Legend.

(a) No party hereto shall transfer any Percentage Interests unless such transfer is made (i) pursuant to an effective Registration Statement under the Securities Act and is qualified under applicable state securities or blue sky laws or (ii) without registration under the Securities Act and qualification under applicable state securities or blue sky laws as a result of the availability of an exemption from registration and qualification under such laws. The Company may, at its option, request a legal opinion as to the availability of an exemption from registration and qualification under the Securities Act and applicable state securities or blue sky laws for any transfer requested pursuant to clause 8.3(a)(ii) above.

(b) Upon initial issuance and thereafter until transferred pursuant to an effective Registration Statement under the Securities Act and qualified under applicable state securities or blue sky laws, the certificate or certificates representing any Percentage Interests issued from and after the date hereof shall bear a legend reading substantially as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

(c) Each Member hereby agrees that, until the expiration or termination of this Agreement, each outstanding certificate representing any Percentage Interests issued from and after the date hereof held by such Member shall also bear a legend reading substantially as follows:

THE PERCENTAGE INTERESTS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO, AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF ("TRANSFERRED") WITHOUT COMPLYING WITH, THE PROVISIONS OF THE OPERATING AGREEMENT BY AND AMONG THE MEMBERS OF THE COMPANY A COPY OF WHICH IS ON

FILE WITH THE COMPANY. IN ADDITION TO THE RESTRICTIONS ON TRANSFER SET FORTH IN SUCH AGREEMENT, NO TRANSFER OF THE PERCENTAGE INTERESTS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER (THE "ACT") AND ALL APPLICABLE STATE SECURITIES LAWS OR (B) IF SUCH TRANSFER IS EXEMPT FROM THE PROVISIONS OF THE ACT AND, IF REQUIRED BY THE COMPANY, THE COMPANY HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL FOR THE HOLDER OF THE PERCENTAGE INTERESTS REPRESENTED BY THIS CERTIFICATE, WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT THE PROVISIONS OF CLAUSE (A) OR (B) ABOVE HAVE BEEN SATISFIED AND THAT THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF THE AFORESAID AGREEMENT.

8.4 Transfer on Legal Proceeding. The Members agree that the interests of the Company would be seriously affected by any sale or disposition of any Member's Percentage Interests of the Company by any legal or equitable proceedings against such Member initiated by any third party. Accordingly, it is hereby covenanted and agreed that in the event that (i) there is a Bankruptcy of a Member; (ii) any portion of the Percentage Interests of any Member is attached (after such Member has been provided the opportunity to object to such attachment in a legal procedure and his objection was denied by a final decision of the appropriate court); (iii) any final judgment is obtained in any legal or equitable proceeding against any Member and the sale of any portion of his Percentage Interests is contemplated or threatened under legal process as a result of such judgment; (iv) any execution process is issued against any Member or against any of his Percentage Interests; (v) there is instituted by or against any Member any other form of legal proceeding or process by which the transfer of all or any portion of the Percentage Interests of such Member becomes imminent (i.e., such Percentage Interests may be sold or transferred either voluntarily or involuntarily within ninety (90) days), then and in any such event, and upon the receipt by the Company of a legal opinion of its counsel that this Section 8.4 has been triggered, the other Members shall have the option (subject to such requirements and restrictions imposed by the Securities Act and state securities laws) to purchase all, but not less than all, of such Member's Percentage Interests of the Company in accordance with the procedures set forth in Section 8.2 and in the same manner as if the Company and the other Members had received a Sales Notice pursuant to Section 8.2(a) on the date that the Member, subject to any such proceeding, receives notice of an event described above. The Proposed Terms of such Sales Notice (including the purchase price) shall be deemed to be those contained in Section 8.5 hereof.

8.5 Purchase Price for Transfers Pursuant to Section 8.4. The purchase price for any transfer occurring pursuant to Section 8.4 shall be an amount equal to the fair market value thereof determined by agreement by the Disposing Member or its representative and the Company; provided, however, that if those parties do not agree on the fair market value on or

before the 15th day following the exercise of the option, either party, by notice to the other, may require the determination of fair market value to be made by an independent appraiser specified in that notice. If the Person receiving that notice objects on or before the tenth day following receipt to the independent appraiser designated in that notice, and those parties otherwise fail to agree on an independent appraiser, either party may petition a United States District Court of competent jurisdiction to designate an independent appraiser. The determination of the independent appraiser, however designated, is final and binding on all parties. The Disposing Member and the Company each shall pay one-half of the costs of the appraisal. Payment and transfer of such Percentage Interests shall occur within 120 days after the determination of the purchase price.

8.6 Additional Provisions. The Members also agree to be bound by any additional provisions relating to restrictions on the transfer of Percentage Interests, if any, contained in the Articles of Organization, as amended, of the Company.

8.7 Additional Conditions to Transfers. A Member shall be entitled to make a Transfer of all or any portion of its Percentage Interests only upon satisfaction of each of the following additional conditions:

- (a) such Transfer does not cause a termination of the Company for federal or state income tax purposes; and
- (b) such Transfer does not result in a violation of applicable laws.

8.8 Effect of Transfers. Upon any Permitted Transfer, the Assignee of the Percentage Interests Transferred shall be entitled to receive the Distributions and allocations of income, gain, loss, deduction, credit or similar items to which the Transferring Member would be entitled with respect to such Percentage Interests, and shall not be entitled to exercise any of the other rights of a Member with respect to the Transferring Member's Percentage Interests, including, without limitation, the right to vote, unless and until such Assignee is admitted to the Company as a Substitute Member pursuant to Section 9.3 hereof.

ARTICLE IX

Additional and Substitute Members; Withdrawal of Members

9.1 Admissions; Withdrawal. No Additional or Substitute Member shall be admitted to the Company as a Member except in accordance with Section 9.2 or 9.3 hereof. Except as otherwise specifically set forth in Section 9.5 hereof, no Member shall be entitled to withdraw from the Company. Any purported admission or withdrawal, which is not in accordance with this Article IX, shall be null and void. Upon admission of any Additional or Substitute Member, or upon any Member ceasing to be a Member, Schedule A hereto shall be revised to reflect such admission.

9.2 Admission of Additional Members. A Person shall become an Additional Member pursuant to the terms of this Agreement only if and when each of the following conditions is satisfied:

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(a) the Supermajority of Members determine the nature and amount of the Capital Contribution to be made by such Person and the Percentage Interests to be issued to such Person.

(b) the Managing Member has received, on behalf of the Company, such Person's Unit Consideration as so determined;

(c) the Supermajority of Members consents to such admission in accordance with Section 3.2 hereof; and

(d) the Managing Member receives written instruments with respect to such admission (including, without limitation, such Person's consent to be bound by this Agreement as a Member) that are in a form reasonably satisfactory to the Managing Member.

9.3 Admission of Assignees as Substitute Members. An Assignee of all or any portion of a Member's Percentage Interests shall become a Substitute Member of the Company only if and when both of the following conditions are satisfied:

(a) the Supermajority of Members consents to such admission in accordance with Section 3.2 hereof; and

(b) the Managing Member receives written instruments with respect to such admission (including, without limitation, such Assignee's consent to be bound by this Agreement as a Member) that are in a form reasonably satisfactory to the Managing Member.

9.4 Cessation of Member.

(a) Events Resulting in Cessation of Member. Any Member shall cease to be a Member of the Company upon the earliest to occur of any of the following events:

(i) such Member's withdrawal from the Company pursuant to Section 9.5 hereof;

(ii) as to any Member that is not an individual, the filing of a certificate of dissolution, or its equivalent, for such Member; or

(iii) the Bankruptcy of such Member.

(b) Upon any Member's ceasing to be a Member pursuant to subsection (a) above, such Member or its successor in interest shall become an Assignee of its Percentage Interests, entitled to receive the Distributions and allocations of income, gain, loss, deduction, credit or similar item to which such Member would have been entitled and shall not be entitled to exercise any of the other rights of a Member in, or have any duties or other obligations of a Member with respect to, such Percentage Interests. No such Member shall have a right to a return of its Capital Contribution.

9.5 Withdrawal of Members Upon Transfer. If a Member has Transferred all of its Percentage Interests in one or more Transfers, then such Member shall withdraw from the Company on the date upon which each Assignee of such Percentage Interests has been admitted as a Substitute Member in accordance with Section 9.3 hereof, and such Member shall no longer be entitled to exercise any rights or powers of a Member under this Agreement.

ARTICLE X
Events of Dissolution

10.1 Dissolution. The Company shall be dissolved upon the occurrence of either of the following events (each, an “Event of Dissolution”):

- (a) Supermajority of the Members votes for dissolution; or
- (b) A judicial dissolution of the Company pursuant to Section 18-802 of the Act.
- (c) Sale of voting control or sale of all or substantially all of the assets of the Company in which the holders of the Company’s Percentage Interests do not own a majority of the outstanding shares of the surviving entity.

No other event, including the retirement, withdrawal, insolvency, liquidation, dissolution, insanity, resignation, expulsion, Bankruptcy, death, incapacity or adjudication of in competency of a Member, shall cause the dissolution of the Company.

ARTICLE XI
Termination

11.1 Liquidation. In the event that an Event of Dissolution shall occur, the Company shall be liquidated and its affairs shall be wound up. All proceeds from such liquidation shall be distributed as set forth below, in accordance with the provisions of Section 18-804 of the Act:

- (a) to creditors, including Members who are creditors to the extent permitted by law, in satisfaction of the Company’s liabilities; and
- (b) to the remaining 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 distributed pursuant to Section 11.1 hereof shall be paid within sixty (60) days of the end of the Company’s Taxable Year or, if later, within ninety (90) days after the date of liquidation. Such Distributions shall be in cash or other property (which need not be distributed proportionately) or partly in both, as determined by the Managing Members.

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11.2 Final Accounting. In the event of the dissolution of the Company, prior to any liquidation, a proper accounting shall be made to the Members from the date of the last previous accounting to the date of dissolution.

11.3 Certificate Regarding Dissolution. Upon compliance with the distribution plan, the Members shall cease to be such, and the Members shall execute, acknowledge and cause to be filed such certificates and other instruments as may be necessary or appropriate to evidence the dissolution and termination of the Company.

ARTICLE XII

Exculpation and Indemnification

12.1 Exculpation. Notwithstanding any other provisions of this Agreement, whether express or implied, or obligation or duty at law or in equity, neither the Managing Members nor any of the Members, or any officers, directors, stockholders, partners, employees, representatives, consultants or agents of either of the foregoing, nor any officer, employee, representative, consultant or agent of the Company or any of its affiliated companies (individually, a "Covered Person" and, collectively, the "Covered Persons") shall be liable to the Company or any other Person for any act or omission (in relation to the Company and the conduct of its business, the Agreement, any related document or any transaction contemplated hereby or thereby) taken or omitted in good faith by a Covered Person and in the reasonable belief that such act or omission was in or was not contrary to the best Interests of the Company; provided that such act or omission does not constitute fraud, willful misconduct, bad faith, or gross negligence.

12.2 Indemnification. To the fullest extent permitted by law, the Company shall indemnify and hold harmless the Managing Member, each Member and officer of the Company and each officer or director of any Member (individually, an "Indemnified Person" and, collectively, the "Indemnified Persons") from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all actions, suits or proceedings, whether civil, criminal, administrative or investigative ("Claims"), in which such Indemnified Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs. An Indemnified Person shall not be entitled to indemnification under this Section 12.2 with respect to any Claim in which it has engaged in fraud, willful misconduct, bad faith or gross negligence. Expenses incurred by an Indemnified Person in investigating or defending any Claim shall be paid by the Company in advance of the final disposition of such Claim upon receipt by the Company of an undertaking by or on behalf of such Indemnified Person to repay such amount if it shall be ultimately determined that such Indemnified Person is not entitled to be indemnified by the Company as authorized by this Section 12.2. The Company, upon a determination by the Managing Members, may, but shall not be obligated to, provide indemnification to any employees, representatives, agents or consultants of the Company to the same extent provided to Indemnified Persons pursuant to this Section 12.2.

ARTICLE XIII

Amendment to Agreement

13.1 Amendments. Except as expressly provided otherwise herein or prohibited under applicable law, this Agreement may be amended only upon approval of a Majority of Members; provided that no amendment shall increase the liability or required Capital Contributions or decrease the Percentage Interests of any Member without the express written consent of that Member; provided further that the Percentage Interests of a Member may be decreased without the express written consent of that Member if such decrease results from the admission of an Additional Member who has received the approval of a Majority of Members and which reduces proportionately the Percentages Interests of all Members. An amendment shall become effective as of the date specified in the Members' approval or, if none is specified as of the date of such approval, as otherwise provided in the Act.

ARTICLE XIV

Representations, Covenants, and Agreements

14.1 Representations and Warranties of the Members.

(a) This Agreement has been duly executed and delivered by such Member and is a legal, valid and binding obligation of such Member, enforceable against such Member in accordance with its terms. There is no beneficiary or holder of a voting trust certificate or other Interest of any trust of which such Member is trustee whose consent is required for the execution and delivery of this Agreement or the consummation by such Member of the transactions contemplated hereby.

(b) Such Member (i) owns beneficially and of record the number and type of Percentage Interests set forth next to such Member's name on **Schedule A**, which constitute all the Percentage Interests owned of record or beneficially by such Member; (ii) has sole voting power, sole power of disposition and all other ownership rights with respect to all of such Percentage Interests with no restrictions on such Member's rights of disposition pertaining thereto; and (iii) has good and valid title to all of such Percentage Interests, free and clear of all encumbrances; provided, however, that the representations and warranties in this Section 14.1(b) are subject to any encumbrance and restrictions (a) pursuant to applicable securities laws, and (b) pursuant to this Agreement.

ARTICLE XIV

General Provisions

15.1 Notices. Unless otherwise specifically provided in this Agreement, all notices and other communications required or permitted to be given hereunder shall be in writing and shall be (i) delivered by hand, (ii) delivered by a nationally recognized commercial overnight delivery service, (iii) mailed postage prepaid by first class mail or (iv) by telecopier, in any such case directed or addressed to each Member at the address or telecopy number set forth on **Schedule A** hereto and if to the Company, as follows: c/o Porzio, Bromberg & Newman, 100 Southgate Parkway, Morristown, NJ 07962. Such notices shall be effective: (a) in the case of hand deliveries when received; (b) in the case of an overnight delivery service, on the next

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business day after being placed in the possession of such delivery service, with delivery charges prepaid; (c) in the case of mail, seven (7) days after deposit in the postal system, first class mail, postage prepaid, and (d) in the case of facsimile notices, when electronic indication of receipt is received. Any Member may change its address and telecopy number by written notice to the Company.

15.2 Entire Agreement, etc. This Agreement constitutes the entire agreement among the Members hereto relating to the subject matter hereof and supersedes all prior contracts, agreements and understandings between them. No course of prior dealings among the Members shall be relevant to supplement or explain any term used in this Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or the acquiescing party has knowledge of the nature of the performance and an opportunity for objection. No provisions of this Agreement may be waived, amended or modified orally, but only by an instrument in writing executed by the waiving party. No waiver of any terms or conditions of this Agreement in one instance shall operate as a waiver of any other term or condition or as a waiver in any other instance.

15.3 Construction Principles. As used in this Agreement, words in any gender shall be deemed to include all other genders. The singular shall be deemed to include the plural and vice versa. The captions and article and section headings in this Agreement are inserted for convenience of reference only and are not intended to have significance for the interpretation of or construction of the provisions of this Agreement.

15.4 Counterparts. The parties may execute this Agreement by facsimile and in two or more counterparts, each of which when so executed will be an original, but all of which together will constitute one and the same instrument.

15.5 Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be ineffective to the extent of such invalidity or unenforceability; provided, however, that the remaining provisions will continue in full force without being impaired or invalidated in any way unless such invalid or unenforceable provision or clause shall be so significant as to materially affect the Members' expectations regarding this Agreement. Otherwise, the Members agree to replace any invalid or unenforceable provision with a valid provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

15.6 Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to the principles of conflicts of laws thereof. Any suit involving any dispute or matter arising under this Agreement may only be brought in a United States District Court or New Jersey State Court located in the City and State of New Jersey. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

15.7 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of the Members.

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15.8 Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and of the transactions contemplated hereby.

15.9 No Third-Party Beneficiary. Except to the extent set forth in this Agreement, this Agreement is made solely for the benefit of the parties hereto and no other person shall have any rights, Interest, or claims hereunder or otherwise be entitled to any benefits under or on account of this Agreement as a third-party beneficiary or otherwise.

15.10 Limited Liability Company. The parties to this Agreement agree to form a limited liability company and do not intend to form a partnership under the laws of the State of New Jersey or any other laws; provided, however, that, to the extent permitted by U.S. law, the Company will be treated as a partnership for U.S. federal, state and local income tax purposes.

15.11 Confidential Information. Each Member hereby agrees to hold in strict confidence and not to disclose to any third-party any of the valuable, confidential, and proprietary business, financial, technical, economic, sales, and/or other types of proprietary business information relating to the Company (including all trade secrets), in whatever form, whether oral, written, or electronic (collectively, the "Confidential Information"), to which such Member has, or is given (or has had or been given), access as a result of his membership in the Company. It is agreed that the Confidential Information is confidential and proprietary to the Company because such Confidential Information encompasses technical know-how, trade secrets, or technical, financial, organizational, sales, or other valuable aspects of the Company's business and trade, including, without limitation, technologies, products, processes, plans, clients, personnel, operations, customer lists and business activities. This restriction shall not apply to any Confidential Information that (a) becomes known generally to the public through no fault of the Member; (b) is required by applicable law, legal process, or any order or mandate of a court or other governmental authority to be disclosed; or (c) is reasonably believed by Member, based upon the advice of legal counsel, to be required to be disclosed in defense of a lawsuit or other legal or administrative action brought against Member; provided, that in the case of clause (b) or (c), the Member shall give the Company reasonable advance written notice of the Confidential Information intended to be disclosed and the reasons and circumstances surrounding such disclosure, in order to permit the Company to seek a protective order or other appropriate request for confidential treatment of the applicable Confidential Information.

IN WITNESS WHEREOF, each Member has duly executed this Agreement as of the day first above written.

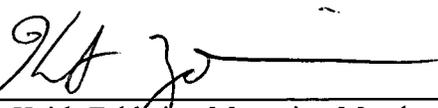
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By: 
Keith Zakheim
408 Burnet Place
Paramus, New Jersey 07652

By: 
Sara Zakheim
408 Burnet Place
Paramus, New Jersey 07652

**AVALANCHE STRATEGIC
COMMUNICATIONS**

By: 
Keith Zakheim, Managing Member
One University Plaza
Suite 407
Hackensack, NJ 07601

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CRM/CES/REGISTRATION UNIT

EXHIBIT A

Members, Capital Contributions and Percentage Interests

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
Keith Zakheim, Managing Member One University Plaza Suite 407 Hackensack, NJ 07601	\$200,000.00	95%
Sara Zakheim 408 Burnet Place Paramus, New Jersey 07652	\$10,000.00	5%
TOTAL	\$210,000.00	100%

2008 AUG 14 PM 4: 16
CRM/CES/REGISTRATION UNIT