

**DISPUTES UNDER THIS AGREEMENT ARE SUBJECT TO BINDING  
ARBITRATION UNDER THE COMMERCIAL ARBITRATION RULES OF THE  
AMERICAN ARBITRATION ASSOCIATION**

**OPERATING AGREEMENT  
OF  
SCAHI BROOKDALE PLACE GP, LLC**

THIS OPERATING AGREEMENT of SCAHI Brookdale Place GP, LLC (the “Agreement”) is effective as of May 21, 2025 and entered into by South Carolina Affordable Housing Initiative Incorporated, a South Carolina nonprofit corporation, and Brookdale Management, LLC.

Recitals

A. Articles of Organization dated May 2, 2025, as amended on May 21, 2025 (the “Articles”), have been filed to form a limited liability company under the name SCAHI Brookdale Place GP, LLC (the “Company”) pursuant to and in accordance with the South Carolina Uniform Limited Liability Company Act of 1996, as amended (S. C. Code §33-44-101, *et seq.*) (The “Act”).

B. South Carolina Affordable Housing Initiative Incorporated (“SCAHI”), a South Carolina non-profit corporation, is the sole member of the Company (the “Member”), and Brookdale Management, LLC is the sole manager of the Company (the “Manager”).

C. By executing this Agreement, the Member hereby (i) ratifies the formation of the Company and the filing of the Articles, as amended, (ii) continues the existence of the Company, and (iii) adopts this Agreement to set forth the terms governing the affairs of the Company and the conduct of its business.

Terms of Agreement

1. Name. The name of the limited liability company is SCAHI Brookdale Place GP, LLC. The Member, with the consent of the Manager, may change the name of the Company from time to time.

2. Purpose. The purposes of the Company shall be to act as General Partner of Brookdale Place, LP, a South Carolina limited partnership formed to (i) to facilitate the provision of property to provide housing to low or very low income residents of South Carolina, including the development of an approximately 80-unit multi-family housing development, to be known as Brookdale Place, to be located at 9850 Two Notch Road, Columbia, South Carolina 29223 (the “Project”); (ii) to manage, own, hold, maintain, encumber, lease, sell, transfer or otherwise dispose of all property or assets or interests in property or assets as may be necessary, appropriate or

convenient to accomplish the activities described in clause (i) above; (iii) to incur indebtedness or obligations in furtherance of the activities described in clauses (i) and (ii) above; and (iv) to conduct such other activities as may be necessary or incidental to the foregoing, all on the terms and conditions and subject to the limitations set forth in this Agreement.

3. Registered Office and Agent. The registered agent of the Company shall be T. Kevin Connelly and the registered office of the Company shall be 125 Old Chapin Road, Lexington, SC 29072.

4. Member. SCAHI is the sole member of the Company.

5. Management by Manager. The business and affairs of the Company shall be managed exclusively by the Manager. Except for situations in which the approval of the Member is expressly required by this Operating Agreement, the Manager shall have full and complete authority, power, and discretion to manage and control the business, affairs and properties of the Company, 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, particularly as General Partner of Brookdale Place, LP. This includes the authority, on behalf of the Company in its role as General Partner, to engage and pay the Project architect; engineers; environmental consultants; construction company/builder; attorneys, accountants, and other professional service providers for the Project; other contractors, subcontractors, and service providers reasonably determined by the Manager to be required for the Project; and to enter into agreements to purchase real property for the Project. Until its successor is duly elected and qualified the initial Manager shall be Brookdale Management, LLC. The Member may only replace the Manager for cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the following:

- (a) repeated failure to perform substantially the duties as Manager of the Company which failure, whether committed willfully or negligently, has continued unremedied for more than thirty (30) days after the Company has provided written notice thereof;
- (b) fraud or embezzlement;
- (c) material dishonesty or breach of fiduciary duty against the Company;
- (d) willful misconduct or gross negligence which is injurious to the Company;
- (e) any conviction of, or the entering of a plea of guilty or *nolo contendere* to, a crime that constitutes a felony (or any state-law equivalent) or that involves moral turpitude;
- (f) any conviction of any other criminal act or act of material dishonesty, disloyalty, or misconduct that has a material adverse effect on the property, operations, business, or reputation of the Company;
- (g) the unlawful use (including being under the influence) or possession of illegal drugs on the premises of the Company while performing any duties or responsibilities with the Company; or
- (h) the material violation of any agreement, rule, or policy of the Company.



6. Restrictions on Authority of Managers and Officers. Notwithstanding the powers and authority set forth in Section 5 above, the Manager shall not have the authority to perform any of the following acts without the prior written consent of the Member:

- (a) do any act which would make it impossible to carry on the ordinary business of the Company;
- (b) do any act in contravention of this Agreement;
- (c) deploy, or permit to deploy, the funds or assets of the Company in any manner except for Company purposes, as permitted by the terms hereof;
- (d) enter into, amend in any material respect, waive or terminate any contract, agreement or loan with, render services to or for the benefit of, or pay or permit to be paid, directly or indirectly, any compensation for services or materials to any manager or any family member or affiliate of any manager;
- (e) change or alter the status of the Company for tax purposes;
- (f) incur any expenditure or obligation, the amount of which will, or may reasonably be expected to, exceed five hundred thousand dollars (\$500,000);
- (g) amend or modify the Articles of Organization of the Company;
- (h) issue additional membership interests of or admit additional members to the Company;
- (i) incur any indebtedness, pledge or grant liens on any assets or guarantee, assume, endorse or otherwise become responsible for the obligations of any other person or entity;
- (j) make any loan, advance or capital contribution to or in any person or entity;
- (k) enter into or effect any transaction or series of related transactions involving the purchase, lease, license, exchange or other acquisition (including by merger, consolidation, acquisition of stock or acquisition of assets) by the Company of any assets and/or equity interests of any person or entity;
- (l) establish a subsidiary or enter into any joint venture, partnership, or similar business arrangement;
- (m) settle any lawsuit, action, dispute or other proceeding or otherwise assume any liability or agree to the provision of any equitable relief by the Company;
- (n) dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company; or
- (o) agree to any of the foregoing.

7. Capital Contributions. Concurrent with the execution of this Agreement, the Member has made an initial contribution to the capital of the Company of \$100.00. Except to the extent

required under the Act, the Member shall not be required to make any additional contributions to the capital of the Company.

8. Limitation on Liability; Indemnification. Except as otherwise provided in the Act, the 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. No Member, its board members, officers, employees, trustees, and agents, or the manager, or any agents or employees of the Company shall be obligated personally for any debt, obligation, or liability of the Company solely by reason of his, her, or its status as such Member, manager, officer, employee, trustee, or agent. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Act or this Agreement shall not be grounds for imposing personal liability on the Member, its officers, employees, trustees, and agents, the manager, or agents or employees of the Company for liabilities of the Company. The Company and the Manager shall indemnify and hold harmless the Member, its officers, board members, employees, trustees, and agents, the manager, and any employees and agents of the Company (individually, in each case, an "Indemnatee"), to the fullest extent permitted by law from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which the Indemnatee may be involved, or threatened to be involved as a party or otherwise, arising out of or incidental to the business or activities of or relating to the Company, regardless of whether the Indemnatee continues to be the Member, manager, officer, board member, employee, trustee, or agent, at the time any such liability or expense is paid or incurred; *provided, however*, that this provision shall not eliminate or limit the liability of an Indemnatee (i) for any breach of the Indemnatee's duty of loyalty to the Company or its Member or (ii) for acts or omissions which involve intentional misconduct, gross negligence, or a knowing violation of law.

9. Manager Fee and Distributions. The Company shall pay Manager a manager fee equal to 80% of any Management Fee paid by Brookdale Place, LP to the Company and as defined under that certain Amended Initial Agreement of Limited Partnership for Brookdale Place, LP (the "Partnership"), as amended from time to time (the "Manager Fee"). The Manager Fee shall be paid by the Company to the Manager within five (5) business days of the Company's receipt of any management fee from the Partnership. After payment of the required Manager Fee to the Manager, distribution of profit of the Company shall be made by the Company to the Member, and in such amounts, at such times and as of such record dates as the Member determines in its sole discretion.

10. Tax Classification. The Company and the Member intend that the Company be treated as a disregarded entity for federal, state and local income tax and financial reporting purposes, and the Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment. Notwithstanding any other provision of this Agreement, neither the Company nor the Member shall take any action inconsistent with such intention.



11. Assignment of Interest. The Member may not assign or transfer any part of its interest in the Company, including granting security interests in such interest, without the prior written consent of the Manager, such consent not to be unreasonably withheld.

12. Term. The Company is a term limited liability company expiring on April 7, 2075.

13. Winding Up and Distribution Upon Dissolution. Upon dissolution of the Company, the Member shall wind up the business and affairs of the Company, and shall cause all property and assets of the Company to be distributed as follows:

- (i) first, all of the Company's debts, liabilities, and obligations, including any Manager Fee due to the Manager, and any loans or advances from the Member, shall be paid in full or reserves therefor shall be set aside; and
- (ii) any remaining assets shall be distributed to the Member.

14. Amendments. The Member at any time and from time to time may amend this Agreement by executing a written amendment. Any amendment to Section 5, 6, or 9 shall require the consent of the Manager.

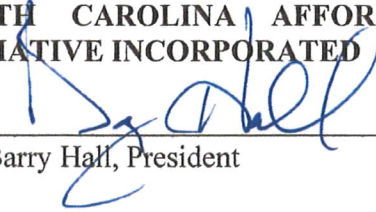
15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina (but not including the choice of law rules thereof), including without limitation the Act.

16. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the Member has caused this Operating Agreement to be duly executed on its behalf to be effective as of the date first set forth above.

**The Member:**

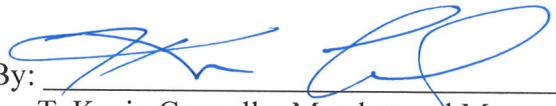
**SOUTH CAROLINA AFFORDABLE HOUSING  
INITIATIVE INCORPORATED**

By:   
Barry Hall, President

The undersigned, being the initial manager, has executed this Operating Agreement for the limited purposes of agreeing to the terms applicable to a manager provided herein, to be effective as of the date first noted above.

**The Initial Manager:**

**Brookdale Management, LLC**

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By:   
T. Kevin Connelly, Member and Manager