

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT
OF
NEW CHESTER TOWNHOUSES II OF SC, LLC**

Pursuant to the State of South Carolina Uniform Limited Liability Company Act of 1996 (the “Act”), the Company (as defined below) was formed by the filing by the Company’s Organizer, George T. Baker, of Articles of Organization with the South Carolina Secretary of State on December 28, 2023. The undersigned hereby continues the Company and agrees as follows:

1. Name. The name of the Company is New Chester Townhouses II of SC, LLC (the “Company”).
2. Purpose. The purpose of the Company is to acquire, own, rehabilitate and operate a 52 unit apartment complex in Chester, South Carolina know as “Chester Townhouses II” (the “Development”) and any business or activities related thereto and useful in connection therewith.
 - (a) The Company is expressly authorized to assume and borrow loan funds from the United States of America, United States Department of Agriculture, Rural Development (“RD”), repay the same and to execute all necessary documents in connection therewith.
 - (b) The Company is expressly authorized to undertake the rehabilitation and operation of the Development and to execute all necessary documents in connection therewith.
2. Place of Business and Registered Agent.
 - (a) The principal office of the Company is 7700 Trenholm Road Extension, Columbia, South Carolina 29223. The Members holding a Majority Interest by amendment to this Operating Agreement (this “Agreement”) may at any time change the principal office of the Company.
 - (b) The registered office within the State of South Carolina is 7700 Trenholm Road Extension, Columbia, South Carolina 29223, and the registered agent for service of process at that address is George T. Baker. The Members holding a Majority Interest by amendment to Agreement may at any time change the registered agent of the Company.
4. Name, Address and Membership Interest of Members. The name and business address and membership interest of the Members of the Company (the “Members”) are as follows:

Name and Address

Membership Interest

CHESTER II MM, LLC,
a South Carolina limited liability company
7700 Trenholm Road Extension
Columbia, South Carolina 29223

100%

5. Management.
 - (a) The Company shall be member managed by a managing member.
 - (b) The Managing Member shall have the authority to (i) exercise all the powers and privileges granted by the Act or any other law or this Agreement, together with any powers incidental thereto, so far as such powers are necessary or convenient to the conduct, promotion or attainment of the business, trade, purpose or activities of the

Company and (ii) to take any other action not prohibited under the Act or other applicable law.

- (c) Until its earlier (i) resignation (ii) removal by the Members holding a Majority Interest, with or without cause, or (iii) dissolution, CHESTER II MM, LLC, a South Carolina limited liability company, shall serve as the Managing Member.
- (d) Prior written consent by RD is required before the following actions may occur: (i) admittance of any new members, (ii) resignation or removal of the Managing Member, and (iii) appointment by the Company of a Managing Member.
- (e) The Managing Member shall possess at least a five (5) percent financial interest in the residual or refinancing proceeds of the Company.

6. Capital Contributions; Liability of the Members.

- (a) The Members have contributed or have agreed to contribute as their capital contribution ("Capital Contribution") to the Company cash in the amount equal to the greater of \$50.00 or 2% of the development costs of the Development and any further RD equity contribution requirements in proportion to the percentage of their membership interests.
- (b) 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, and the Members shall not be obligated for the payment of any such debt, obligation or liability of the Company solely by reason of being the Members of the Company.

7. Additional Contributions. The Members are not required to make additional contributions.

8. Substitute Member. The Company has no right to admit additional Members and each of the Members has no right to substitute an assignee as a substitute Member in his place unless the admission or the assignment receives the consent of USDA Rural Development and such other consents as are required by any loan documents, contracts, instruments and other documents entered into by the Company.

9. Withdrawals. No time has been agreed upon for the withdrawal or termination of the interest of the Members in the Company.

10. Distributions. Distributions of cash or other assets of the Company shall be made at such times and in such amounts as determined by the Managing Member.

11. Term and Dissolution. The Company shall continue in force and effect until:

- (a) the sale or other disposition of all or substantially all of the assets of the Company, which shall not occur without the prior written consent of USDA Rural Development;
- (b) the election to dissolve the Company made by the Members holding a Majority Interest, which shall not occur without the prior written consent of USDA Rural Development; or

- (c) the entry of a final decree of dissolution of the Company by a court of competent jurisdiction.

Upon the dissolution of the Company, the Managing Member shall cause the cancellation of the Company's Certificate of Organization, liquidate the Company assets and apply and distribute the proceeds thereof first to the Company's creditors and then to the Members.

12. Power of Attorney. The Company may act through the Managing Member of the Company, or through one or more persons to whom the Managing Member of the Company has granted a Power of Attorney, duly executed and notarized.
13. Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the laws of the State of South Carolina.
14. Entire Agreement. This Agreement constitutes the full and complete agreement of the parties hereto with respect to the subject matter hereof.
15. Word Meanings. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Any references to "Sections" are to Sections of this Agreement, unless reference is expressly made to a different document. The words "Majority Interest" means more than 50% of the Membership Interests in the Company.
16. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.
17. Section Titles. Section titles and any table of contents herein are for descriptive purposes only, and shall not control or alter the meaning of this Agreement as set forth in the text.
17. Amendment. After assumption of the RD loan, this Agreement may not be amended in whole or in part without the prior written consent of RD.


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IN WITNESS WHEREOF, the undersigned, being the sole member of the Company, has entered into this Agreement on this the 28th day of December, 2023.

CHESTER II MM, LLC,
a South Carolina limited liability company

By: CAHEC MM, LLC,
a North Carolina limited liability company
Its: Manager

By: CAHEC PROPERTIES CORPORATION,
a North Carolina non-profit corporation
Its: Manager

By: 
Name: George T. Baker
Its: Vice President