OPERATING AGREEMENT

OF

JUDSON TRACE MM LLC

(A South Carolina Limited Liability Company)

THE INTERESTS AND UNITS REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED, OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS, OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

OPERATING AGREEMENT
OF
JUDSON TRACE MM LLC

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OPERATING AGREEMENT
OF
JUDSON TRACE MM LLC

This OPERATING AGREEMENT OF JUDSON TRACE MM LLC is hereby adopted and entered into by its Members, as defined below, and confirmed and agreed to by Judson Trace MM LLC, a South Carolina limited liability company (the "Company"), effective as of April 22, 2026.

WHEREAS, the Company has been, or will be, formed as a South Carolina limited liability company upon the filing of its Articles of Organization with the office of the Secretary of State of the State of South Carolina under and pursuant to the South Carolina Uniform Limited Liability Company Act of 1996, as amended (the "Act"); and

WHEREAS, Dustin T. Mills is the organizer of the Company who shall cause its Articles of Organization to be filed under the Act (the "Organizer"), and it is the intention of the Members indicated below that this Agreement become effective and serve as the operating agreement of the Company upon and after the Company's formation under the Act;

NOW, THEREFORE, the Company and its Members hereby set forth and adopt the operating agreement (within the meaning of the Act) of the Company in its entirety, as follows.

ARTICLE I
DEFINITIONS

1.01 Definitions. Unless otherwise expressly provided herein, the following terms with initial capital letters shall have the meanings set forth below whenever used in this Agreement:

"Act" means the South Carolina Uniform Limited Liability Company Act of 1996, as from time to time amended, and any successor to the Act. Any reference in this Agreement to a specific statutory provision of the Act shall, unless otherwise specifically excluded, include any successor provision(s) to the referenced provision.

"Affiliate" means any Person that, directly or indirectly, owns or Controls any other Person on an aggregate basis, including all beneficial ownership and ownership or Control as a trustee, guardian or other fiduciary, or that is Controlled by or is under common Control with such other Person.

"Agreement" means this Operating Agreement of the Company and all schedules and exhibits hereto, as from time to time hereafter amended.

"Articles of Organization" means the Articles of Organization of the Company filed with the office of the South Carolina Secretary of State, as amended or restated from time to time.

"Capital Account" shall have the meaning set forth in Section 3.03 below.

"Capital Contribution" means any contribution to the capital of the Company in cash or property by a Member, whenever made.

"Code" means the Internal Revenue Code of 1986 and any successor statute, as the same may be amended from time to time. Any reference in this Agreement to a specific statutory provision of the Code shall, unless otherwise specifically excluded, include any successor provision(s) to the referenced provision.

"Company" means Judson Trace MM LLC, a South Carolina limited liability company.

"Control" (including, with correlative meanings, the terms "Controlled by" and "under common Control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Dissolution Event" shall have the meaning set forth in Section 9.01 below.

"Entity" means any foreign or domestic corporation, partnership, limited liability company, trust, unincorporated organization, joint venture, association or other entity, governmental body, or regulatory authority.

"Income" and "Loss" means, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code section 703(a)(1) shall be included in taxable income or loss), with the adjustments set forth below.

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Income and Loss pursuant to this definition shall be added to such income or loss.

(ii) There shall be subtracted from such income or loss any expenditures of the Company not deductible in computing its taxable income or not properly chargeable to capital account (and that are not otherwise taken into account in computing Income and Loss pursuant to this definition), any expenditures contemplated by section 709 of the Code (except for amounts with respect to which an election is properly made under section 709(b) of the Code), and any expenditures resulting in a deduction for a loss incurred in connection with the sale or exchange of Company property that is disallowed to the Company under sections 267(a)(1) or 707(b) of the Code.

(iii) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the book value of the disposed of property, notwithstanding that the adjusted tax basis of such property differs from its book value.

(iv) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account depreciation as computed on the Company's books and records for accounting purposes.

(v) Any payment of compensation to any Member in exchange for services as a Manager approved and paid pursuant to Section 5.07, and any other amounts paid to Members or affiliates thereof for the reasonable value of any goods or services provided to the Company and permitted pursuant to this Agreement, shall be taken into account in accordance with the Company's normal method of accounting and treated as a deductible expense paid to a third party unrelated to any Member (and shall not be treated as a distribution or allocation to a Member of Company income).

(vi) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Exhibit C of this Agreement shall not be taken into account in computing Income or Loss.

After taking into account the foregoing adjustments to taxable income, if the result is an excess of income and gains over expenditures, losses and deductions, the Company shall be treated as having "Net Income", and if the result is an excess of expenditures, losses and deductions over income and gains, the Company shall be treated as having "Net Loss". In addition, the amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Exhibit C of this Agreement shall be determined by applying rules analogous to those set forth above in clauses (i) through (v).

"Interest" means all of a Member's legal and equitable rights as an owner in the Company, including without limitation, the Member's ownership interest (within the meaning of the Act) of the Company, as provided in the Act and this Agreement.

"Majority in Interest" means, with respect to all or any referenced group of Members, a combination of any of such Members who, in the aggregate, own more than fifty percent (50%) of the Units owned by all or such referenced group of Members.

"Management" means (i) the Manager at such time or times as the Company may have only one Manager, (ii) the Managers as a group at such time or times as the Company may have more than one Manager, and (iii) officers to whom management authority is delegated by the Manager.

"Manager" means Taft-Mills Group, LLC, and any other Person that succeeds either such Manager in the capacity as a manager of the Company, and any other Person(s) who may be elected to act as a manager of the Company, during the period in which any such Person is serving as the manager of the Company as provided in this Agreement or under the Act, but does not include any Person that has ceased to be a Manager of the Company. The term "Managers" means the Manager at such time or times as the Company may have only one Manager, and means the Managers as a group at such time or times as the Company may have more than one Manager.

"Member" means each Person designated as a member of the Company on Exhibit B hereto and any other Person or Persons that shall become a member of the Company in accordance with this Agreement, during the period in which each such Person is a member of the Company as provided pursuant to this Agreement, but does not include any Person who has ceased to be a member of the Company. "Members" refers to such Persons as a group. At any time that there is only one Member of the Company, the term "Members" when used in this Agreement shall refer to the one Member.

"Owner Entity" means Judson Trace LLC, a South Carolina limited liability company, which the parties intend will acquire, develop, own, and operate an apartment project containing approximately 80 units of low-income housing on a site of approximately 1.7 acres in Greenville, South Carolina (the "Project"), if the Project obtains an allocation of low-income housing tax credits under section 42 of the Code from the South Carolina State Housing Finance and Development Authority out of its allocation authority for 2026.

"Owner Entity Agreement" means the operating agreement of the Owner Entity to be entered into by and between (i) the Company and (ii) either (A) one or more other Entities in which the managing member interest or other controlling interest is directly or indirectly held or Controlled by Taft-Mills Group, LLC, a North Carolina limited liability company, or an affiliate thereof, or (B) such other Entity or Entities as the Managers may approve to become a successor or an investor in the Owner Entity and make material capital contributions of cash to the Owner Entity in order to fund, all as such operating agreement may be amended from time to time.

"Partnership Representative" means Dustin T. Mills, or any other Persons that are designated by the Members as the "partnership representative," as that term is defined in the Code.

"Person" means an individual, a custodian for any individual under any jurisdiction's Uniform Transfers to Minors Act or similar statute, a trust or a trustee on behalf of a trust, a guardianship or guardian on behalf of a guardianship, an estate, or any Entity.

"Project" shall have the meaning set forth in the definition above of "Owner Entity".

"Regulations" means the temporary and final regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Secretary of State" means the office of the Secretary of State of South Carolina.

"Securities Act" means the federal Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Super Majority in Interest" means, with respect to all or any referenced group of Members, a combination of any of such Members who own, in the aggregate, more than ninety percent (90%) of the Units owned by all or such referenced group of Members.

"Unit" means each of the Units, which collectively constitute all of the Interests in the Company. Each individual Unit constitutes a fractional part of the Interest of each Member in the Company representing the relative interest, rights and obligations a Member has with respect to certain economic rights, voting, and other items pertaining to the Company as set forth in this Agreement. Unless otherwise provided herein, references in this Agreement to "Units" of a Member shall include all or the portion of such Member's Interest that is represented by or attributable to, or otherwise relates to, such Units. Whole, as well as fractional, numbers of Units may be issued by the Company and/or owned by Members and other transferees of Units. Each Member's numbers of Units are set forth in Exhibit B attached hereto, as such Exhibit B may be amended from time to time to reflect transfers or additional issuances of Units in accordance with the terms of this Agreement.

1.02 Successor Statutes and Agencies; Global Terms. Any reference contained in this Agreement to specific statutory or regulatory provisions or to specific governmental agencies or Entities shall include any successor statute or regulation, or agency or Entity, as the case may be. Unless otherwise specified, the references to "Section" and "Article" in this Agreement are to the Sections and Articles of this Agreement. When used in this Agreement, words such as "herein", "hereinafter", "hereof", "hereto", and "hereunder" shall refer to this Agreement as a whole, unless the context clearly requires otherwise. The use of the words "include" or "including" in this Agreement shall be by way of example rather than by limitation.

ARTICLE II

ORGANIZATION, OFFICES, PURPOSE, AND TERM

2.01 Formation and Organization. The Company shall be formed as a limited liability company pursuant to the Act upon the filing of the Articles of Organization of the Company with the South Carolina Secretary of State. Dustin T. Mills acted as the "organizer" of the Company as provided in the Act (the "Organizer"). The Organizer's actions and conduct in connection with the organization of the Company are hereby ratified and adopted by the Company as actions and conduct by and on behalf of the Company and are deemed to be in its best interest. The organizational activities for which the Organizer was responsible having been completed, the Organizer is hereby relieved of any further duties and responsibilities in that regard, and the Company and its Members hereby agree to indemnify and hold harmless the Organizer for any loss, liability, or expense arising from the Organizer's actions or conduct in such capacity. Such Members, constituting all of the Members of the Company as of the date hereof, hereby set forth and adopt the Operating Agreement of the Company in its entirety under the Act.

2.02 Operating Agreement. The Members and the Company hereby execute and deliver this Agreement for the purpose of governing and regulating the affairs of the Company and the conduct of its business in accordance with the provisions of the Act. It is hereby agreed that during the term of the Company set forth in Section 2.06, the rights and obligations of

Members with respect to the Company will be determined in accordance with the terms and conditions of this Agreement to the greatest extent permitted by law, and where the Act provides that such rights and obligations specified in the Act shall apply "unless otherwise provided in an operating agreement" or words of similar effect, such rights and obligations shall be as set forth in this Agreement to the greatest extent permitted by law.

2.03 Name. The name of the Company shall be "Judson Trace MM LLC", and its operations shall be conducted under such name; provided, however, that the operations of the Company may be conducted under any other name deemed necessary or desirable by the Management or as may be necessary to comply with the requirements of any jurisdiction in which the Company may conduct operations.

2.04 Offices and Registered Agent. The principal office of the Company shall be located at such place as shall be determined by the Management. In addition, the Company may maintain such other offices as the Management may deem advisable at any other place or places. The initial registered office of the Company is at 508 Meeting Street, West Columbia, South Carolina 29169, and the initial registered agent of the Company for service of process at such address is CSC. The Management may change the registered agent and registered office of the Company to such other agent or office as may be permitted under the Act, upon satisfaction of the requirements for making such a change as are set forth under the Act.

2.05 Purpose.

(a) The principal purpose and business of the Company shall be to serve as a manager and member of Owner Entity and do all other things and engage in all other activities and business permitted under applicable South Carolina law.

(b) The Company shall have any and all powers that are necessary or desirable to carry out the purposes and business of the Company, to the extent the same may be legally exercised by limited liability companies under the Act. The Company shall carry out the foregoing activities pursuant to the provisions set forth in the Articles of Organization and this Agreement.

2.06 Term. The term of the Company shall commence upon the effective date and time of the filing of the Articles of Organization of the Company with the South Carolina Secretary of State pursuant to the Act. The Company shall continue in existence in perpetuity, unless the Company's Articles of Organization are amended to provide for a definite period of duration, in which case the Company shall continue in existence until the close of business on the last day of such period, or unless the Company is sooner dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Act.

2.07 Income Tax Classification of Company. At such time or times as the Company may be treated for purposes of federal income taxation as having more than one owner, the Company shall be classified as a partnership for purposes of federal income taxation in accordance with Regulations section 301.7701-3, unless and until a Majority in Interest of the Members gives written consent to the Company's making an affirmative election with the United

States Internal Revenue Service to be classified for federal income tax purposes as an association taxable as a corporation.

2.08 Nature of Units and Interests. The Interests and Units in the Company shall be personal property for all purposes. Legal title to all Company assets shall be held in the name of the Company. No Member and no successor, representative, or assignee of any Member shall have any right, title, or interest in or to any Company property or the right to partition any real property owned by the Company. Interests or Units may, but need not necessarily, be evidenced by a certificate of membership interest issued by the Company, in such form as the Management may determine.

ARTICLE III

MEMBERS, UNITS, AND CAPITAL CONTRIBUTIONS

3.01 Members, Units, and Capital Contributions.

(a) Each Member hereby agrees to contribute cash or cash equivalents to the Company in the amount set forth on Exhibit B attached hereto as a Capital Contribution. In exchange for such Capital Contributions, the Company hereby issues the number of Units to such Member as set forth beside such Member's name on Exhibit B attached hereto. The name, address, and number of Units of each Member are as listed on Exhibit B attached hereto, which Exhibit may be amended by the Management without obtaining the consent or approval of the Members as of the effectiveness of any subsequent transfer or issuance of any Interest or Units that is in accordance with this Agreement.

(b) A Member shall have no obligation to make any Capital Contribution to the Company beyond the Capital Contributions described in this Section 3.01, unless such Member otherwise agrees in writing. A Member shall not be entitled to interest on any Capital Contributions, or to a return of any Capital Contributions, except as specifically provided in this Agreement.

3.02 Liability of Members. A Member shall not be liable for the debts, liabilities, or obligations of the Company beyond the Capital Contributions the Member has made or has agreed to make in writing. Except as otherwise expressly provided herein, a Member shall not be required to contribute to the capital of, or to loan any funds to, the Company.

3.03 Capital Accounts. The Company shall maintain separate capital accounts (each a "Capital Account") for each Member pursuant to the principles of this Section 3.03 and Regulations section 1.704-1(b)(2)(iv). The initial Capital Account balance with respect to the Units of each Member shall be the initial amounts of cash or cash equivalents contributed to the Company in exchange for the Units pursuant to Section 3.01(a). After the initial Capital Contributions set forth above, in the maintenance of Capital Accounts for the Members, the following provisions shall apply.

(a) To each Member's Capital Account there shall be credited the amount of any cash and the agreed fair market value of any other property contributed by such Member as an additional Capital Contribution, such Member's distributive share of Income and Net Income, any items in the nature of income or gain that are specially allocated to such Member pursuant to Exhibit C to this Agreement, and the amount of any Company liabilities that are assumed by such Member or that are secured by any Company property distributed to such Member.

(b) To each Member's Capital Account there shall be debited the amount of cash and the fair market value of any other Company property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Loss and Net Loss, any items in the nature of deduction or loss that are specially allocated to such Member pursuant to Exhibit C to this Agreement, and the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company.

(c) Upon the transfer of all or any portion of any Member's Units in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the transferred Units.

(d) In the event that the values of the Company assets are adjusted in accordance with Regulations section 1.704-1(b)(2)(iv)(f), the Capital Accounts of all Members shall be adjusted simultaneously to reflect the aggregate adjustments as if the Company recognized gain or loss equal to the amount of such aggregate adjustment and allocated such gain or loss to the Members at such time pursuant to the terms of this Agreement.

(e) In accordance with Regulations section 1.704-1(b)(2)(iv)(e), upon any actual or deemed distribution to a Member of any Company property (other than cash or cash equivalents), the Capital Accounts of all Members shall, immediately prior to any such distribution, be credited or debited to reflect any unrealized gain or unrealized loss attributable to such distributed property, as if such unrealized gain or unrealized loss had been recognized in a sale of such property immediately prior to such distribution for an amount equal to the fair market value of such property, and had been allocated to the Members at such time pursuant to the provisions of this Agreement.

The provisions of this Section 3.03 and other portions of this Agreement relating to allocations and the proper maintenance of Capital Accounts are designed and intended to comply with the requirements of Regulations section 1.704-1(b). The Members intend that such provisions be interpreted and applied in a manner consistent with such Regulations. The Management is authorized to modify the manner in which the Capital Accounts are maintained if the Management determines, after consultation with the Company's tax advisors, that such modification (i) is required or prudent to comply with the Regulations and (ii) is not likely to have a material adverse effect on the amounts distributable to any Member of the Company.

3.04 Withdrawal or Reduction of Contributions to Capital.

(a) No Member shall have the right to withdraw all or any part of his, her, or its Capital Contributions or to receive any return on any portion of his, her, or its Capital Contributions, except as may be otherwise specifically provided in this Agreement. Under circumstances involving a return of any Capital Contributions, no Member shall have the right to receive property other than cash; provided, however, that no Member shall have the right to refuse an in-kind distribution of property.

(b) Except as may be otherwise set forth in Article IV, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Income, Net Loss, or distributions; provided, however, that this subsection shall not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company.

ARTICLE IV

ALLOCATIONS AND DISTRIBUTIONS

4.01 Allocation of Income and Loss. After first giving effect to any required special allocations provided in Exhibit C attached hereto, for purposes of maintaining Capital Accounts and in determining the rights of the Members among themselves, Net Income or Net Loss, if any, as determined for book purposes within the meaning of Regulations section 1.704-1(b), for all years or other periods, shall be allocated to the Members in accordance with the provisions set forth below.

(a) Net Income, if any, for a year or other period shall be allocated to the Members in the following order and priority.

(i) First, Net Income shall be allocated to and among the Members in proportion to and to the extent of their Units' amounts of the excess, if any, of (A) the aggregate amount of Net Loss previously allocated to their Units pursuant to Section 4.01(b)(iii), over (B) the aggregate amount of Net Income previously allocated with respect to such Units under this Section 4.01(a)(i).

(ii) Next, Net Income shall be allocated to and among the Members in proportion to and to the extent of their Units' amounts of the excess, if any, of (A) the aggregate amount of Net Loss previously allocated to their Units pursuant to Section 4.01(b)(ii), over (B) the aggregate amount of Net Income previously allocated with respect to such Units under this Section 4.01(a)(ii).

(iii) Finally, any remaining Net Income shall be allocated to and among the Members *pro rata* in accordance with their numbers of Units.

(b) Net Loss, if any, for a year or other period shall be allocated to the Members in the following order and priority.

(i) First, Net Loss shall be allocated to and among the Members in proportion to and to the extent of their Units' amounts of the excess, if any, of (A) the aggregate amount of Net Income previously allocated to their Units pursuant to Section 4.01(a)(iii), over (B) the aggregate amount of Net Loss previously allocated with respect to such Units under this Section 4.01(b)(i).

(ii) Next, Net Loss shall be allocated to and among the Members in proportion to and to the extent of their Units' amounts of the excess, if any, of (A) the aggregate Capital Contributions with respect to their Units as of the time of the allocation, over (B) the aggregate amount of Net Loss previously allocated with respect to such Units under this Section 4.01(b)(ii).

(iii) Finally, any remaining Net Loss shall be allocated to and among the Members *pro rata* in accordance with their numbers of Units.

(c) All allocations of Net Income and Net Loss made under this Section 4.01 shall be made as of the last day of each year of the Company or other period for which allocations are being made, but shall be made after adjusting Capital Account balances to reflect all distributions or Capital Contributions made on or before the last day of the period at issue. In addition, for purposes of determining the amount of Net Loss to be allocated pursuant to Section 4.01(b)(ii), to the extent any prior allocations of Net Loss under that paragraph have been subsequently offset with allocations of Net Income pursuant to Section 4.01(a)(ii), such prior allocations of Net Loss shall be disregarded for purposes of computing subsequent allocations pursuant to Section 4.01(b)(ii).

4.02 Distributions. Subject to any nondiscretionary restrictions or limitations regarding distributions imposed on the Company by the Act or under any loan agreements, other financing documents, or other contracts or agreements to which the Company or its property may be subject, the Company may make distributions of cash or other property at any time and from time to time, and in such aggregate amounts, as may be determined by the Management, in its sole discretion, or by a Majority in Interest of the Members. Any such distributions shall be made to and among the Members as set forth in the remaining provisions of this Section.

(a) Regular Distributions. Except for distributions in connection with the dissolution and liquidation of the Company (to which the provisions of Section 9.03 shall apply), such distributions shall be made to and among the Members in the following order and priority.

(i) First, to the extent the aggregate amount of Capital Contributions made with respect to any Member's Units exceeds the aggregate amount of distributions previously made under this Section 4.02(a)(i) with respect to such Units, distributions shall be made to all such Members as necessary so that aggregate distributions under this paragraph to each of the Units are in proportion to, but not in excess of, the aggregate amount of Capital Contributions made with respect to the Units, until such time as the aggregate amount of distributions under this Section 4.02(a)(i) with respect to all outstanding Units equals the aggregate amount of Capital Contributions made with respect to the Units.

(ii) Finally, any remaining amounts shall be distributed to and among all of the Members *pro rata* in accordance with their respective numbers of Units.

(b) Right of Set-Off. The Management shall have the right to cause the Company to apply all or any portion of any amount of a distribution otherwise distributable to a Member against any advances or other sums then due and owing to the Company from or on behalf of such holder of Units, including, without limitation, advances under Section 4.05 that are not repaid. The portion of any such distribution so applied as a set-off against amounts due and owing shall, even though not physically distributed to the Member, be treated as a distribution with respect to the Member's Units for purposes of this Agreement, including, but not limited to, the determination of the Member's Capital Account balance and the amount of future allocations and distributions to which the Member is entitled. In addition, to the extent the amount applied is being set off for payment of an unpaid Capital Contribution, the amount shall be treated as a Capital Contribution by the Member as of the date of the distribution so applied.

4.03 Allocations for Tax Purposes; Effect of Change of Units. Except as otherwise provided herein, each item of income, gain, loss, or expense of the Company shall be allocated to the Members in the same manner as allocations are made of Net Income, Net Loss and other items of income, gain, loss, or expense pursuant to Section 4.01 and Exhibit C. If (i) there is a transfer of, or issuance of any additional, Units in the Company other than as of the end of a calendar year, and (ii) after such transfer or additional issuance the Company is treated as a partnership for federal income tax purposes, then all items to be allocated, credited, charged or distributed for such year shall be prorated in accordance with section 706 of the Code, using any convention permitted by law and selected by the Management; provided, however, that if the Company utilizes the cash method of accounting, certain "allowable cash basis items" as defined in Code section 706(d)(2) shall be allocated as therein specified. Selection of the specific allowable method shall be made by the Management, unless a transferor Member and a transferee themselves specify, with respect to the transferred Units, a method that is permitted under the Code. A Manager shall have no liability to any Member in connection with the determination of each Member's share of prorated allocations of income or losses if such allocations were made in good faith in accordance with the terms of this Agreement or in reliance on the advice of the Company's accountants or tax counsel.

4.04 Partnership Tax Items and Modifications to Allocations. At all times during which the Company is treated as a partnership for federal income tax purposes, the following provisions shall apply.

(a) The Management, in its sole discretion, may cause the Company to elect pursuant to section 754 of the Code and the Regulations to adjust the basis of the Company assets as provided by sections 743 or 734 of the Code and the Regulations thereunder. The Company shall make such other elections for federal income tax purposes as may be determined by the Management, acting in its sole and absolute discretion.

(b) The Management shall prepare and execute any amendments to this Agreement, which amendments need not be approved by the Members as otherwise required under Section 10.01 to become effective, as are necessary for the Company to comply with the

provisions of Regulations sections 1.704-1(b), 1.704-1(c), and 1.704-3 upon the happening of: (i) a liquidation of the Company within the meaning of Regulations section 1.704-1(b)(2)(ii)(g), other than a constructive termination of the Company pursuant to Code section 708(b)(1)(B); or (ii) the contribution or distribution of any property, other than a *de minimis* amount, to or by the Company in exchange for Units or another form of Interest in the Company; provided, however, that adjustments pursuant to clause (ii) shall be made only if Management reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members. Under any other circumstance, the Management shall prepare and execute any amendments to this Agreement, which amendments need not be approved by the Members as otherwise required under Section 10.01, as are necessary for the Company to comply with the provisions of Regulations sections 1.704-1(b), 1.704-1(c) and 1.704-3, but only if the Management determines that such amendment (iii) is required or prudent to comply with the Regulations and (iv) is not likely to have a material effect on the amounts distributable to any Member of the Company.

(c) The Partnership Representative shall serve as the "Partnership Representative" for federal income tax purposes. The Partnership Representative is authorized and required to represent the Company in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Partnership Representative shall have sole authority to bind the Company and its Members with respect to all federal income tax matters involving the Company. The Members agree to cooperate with the Partnership Representative and to do or refrain from doing any or all things reasonably required by Partnership Representative to conduct such proceedings. Any direct out-of-pocket expense incurred by the Partnership Representative in carrying out its obligations hereunder shall be allocated to and charged to the Company for which the Partnership Representative shall be reimbursed.

(d) In accordance with section 704(c) of the Code and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value (as agreed by the Company and the contributing Member) at the time of contribution. If any Company asset has been revalued on the books of the Company and the Capital Accounts of the Members adjusted under section 1.704-1(b)(2)(iv)(f) of the Regulations, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its adjusted book value in the same manner as, but not necessarily under the same convention(s) or method(s) specifically used by the Company for its allocations actually made or to be made by the Company, under section 704(c) of the Code and the Regulations thereunder.

(e) The Management shall cause the Company to file a federal income tax return and all other tax returns required to be filed by the Company for each fiscal year or part thereof for which such returns are required. In connection with all such returns, the Management shall provide to each Person who at any time during the fiscal year was recognized under this

Agreement as a holder of Units with an annual statement or statements (including a copy of Schedule K-1 to Internal Revenue Service Form 1065 or any successor Form) indicating such Person's share of the Company's income, loss, gain, expense and other items relevant for federal income tax purposes and any appropriate state or local income tax purposes.

4.05 Tax Withholding. The Management shall be, and hereby is, authorized to cause the Company to pay, on behalf of or with respect to any Member or any transferee of Units that is not a Member, any amounts to a federal, foreign, state or local taxing authority as may be necessary for the Company to comply with tax withholding provisions of the Code, the South Carolina General Statutes, or other income tax or revenue laws of any applicable taxing authority, whether because the Member or transferee is considered a nonresident for South Carolina income tax purposes or not to be a "United States person" for federal income tax purposes or for any other reason. Any such amount paid by the Company shall be treated as a distribution by the Company to such Member or transferee, and shall be offset against any distributions otherwise due to the Member or transferee. In addition, if the amount of any such tax withholding or payment exceeds the amount of unpaid distributions otherwise owing to such Member or transferee with respect to the year or other period for which such tax payment was made, the Company shall, in the sole discretion of the Management, either (i) treat such excess amount as an offset against any future distributions to be made to such Member or transferee, or (ii) require the Member or transferee on whose behalf such payments were made to reimburse the Company for such excess amount.

4.06 Limitation on Distribution. Notwithstanding Section 4.02 hereof, no distribution shall be declared and paid if payment of such distribution would cause the Company to violate any limitation on distributions provided in the Act, in any other applicable law, or pursuant to any contractual obligations of the Company with lenders or other Persons.

4.07 Books of Account; Member Inspection Rights.

(a) The Management shall maintain, or otherwise cause the Company to maintain, books, records and accounts of all operations and expenditures of the Company, and shall determine all items of income, expense, Net Income, and Net Loss in accordance with the method of accounting selected by the Management, consistently applied. All of the records and books of account of the Company, in whatever form maintained, shall at all times be maintained at the principal office of the Company or another location designated by the Management and shall be open to the inspection and examination of the Members or their representatives during reasonable business hours. Such right of inspection and examination may be exercised through any agent or employee of a Member designated by it or by an attorney or independent certified public accountant designated by such Member. Such Member shall bear all expenses incurred in any examination made on behalf of such Member.

(b) All expenses in connection with the keeping of the books and records of the Company and the preparation of financial statements required to implement the provisions of this Agreement or otherwise needed for the conduct of the Company's business shall be borne by the Company as an ordinary expense of its business.

ARTICLE V

MANAGEMENT

5.01 Management.

(a) The business and affairs of the Company shall be managed by its Management. In addition to the powers and authorities expressly conferred by this Agreement upon the Management, the Management shall have full and complete authority, power, and discretion to manage and control the business of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary to or incident to the management of the Company's business, except only as to those acts and things as to which approval by the Members is expressly required by the Articles of Organization, this Agreement, the Act, or other applicable law. At any time when there is more than one Manager, the act of the Management shall be the affirmative vote of a majority of the Managers, unless the approval of a greater number of the Managers is otherwise required pursuant to this Agreement or the Act.

(b) Notwithstanding the authority, power and discretion granted to the Management under Section 5.01(a) above to manage and control the business of the Company, the consent of the Members must be obtained for certain actions, as set forth below.

(i) Except as otherwise specifically provided elsewhere in this Agreement, the consent of a Super Majority in Interest of the Members must be obtained to amend this Agreement, and the consent of a Majority in Interest of the Members must be obtained to amend the Articles of Organization.

(ii) The consent of a Majority in Interest of the Members must be obtained to admit any new Person or Persons as a Member of the Company (except as otherwise specifically provided in Article VIII below).

(iii) The consent of a Majority in Interest of the Members must be obtained to approve any sale, transfer, or other disposition of all or substantially all of the assets of the Company other than in the ordinary course of business prior to the Company's dissolution and winding up under the Act.

(iv) The consent of a Majority in Interest of the Members must be obtained to approve any voluntary dissolution of the Company, pursuant to Section 9.01(b).

(v) The consent of a Majority in Interest of the Members must be obtained to merge, consolidate or convert the Company with or into another Entity; provided, however, that approval shall also be required of such a transaction from each other Member, if any, that will have personal liability for obligations of the surviving Entity after the merger, consolidation, or conversion that is greater than the liability to which the Member was subject prior to such merger, consolidation, or conversion. (This paragraph (v) is specifically intended to override the default voting requirements set forth in Article 9 of the Act for the Members' approval of a merger, consolidation, or conversion of the Company with or into another Entity.)

(c) Any instrument regarding a matter approved by the Management and/or Members, as appropriate, in accordance with this Section 5.01 may be executed and delivered on behalf of the Company by any Manager, including any deed, deed of trust, note or other evidence of indebtedness, lease agreement, security agreement, financing statement, contract of sale, or other instrument purporting to convey or encumber, in whole or in part, any or all of the assets of the Company, at any time held in its name, or any receipt or compromise or settlement agreement with respect to the accounts receivable and claims of the Company; no other signature shall be required for any such instrument to be valid, binding, and enforceable against the Company in accordance with its terms. All Persons may rely thereon and shall be exonerated from any and all liability if they deal with a Manager on the basis of documents approved and executed on behalf of the Company by a Manager as provided in this Section. Any Person dealing with the Company, its Manager(s), or its Members may rely upon a certificate signed by a Manager as to: (i) the identity of the Members or Managers; (ii) acts by the Members or Management; (iii) any act or failure to act by the Company; or (iv) any other matter whatsoever involving the Company or any Member.

(d) The Management may, but is not required to, contract with or delegate to one or more Persons (which may but need not be a Member or Manager), with such titles or positions as the Management may determine, any powers or authority granted to the Management pursuant to this Agreement or pursuant to the Act to decide or perform any of the Management's management, oversight or operational activities or functions; provided, however, that the delegation of authority by the Management pursuant to this paragraph shall not relieve the Management from the duties and responsibilities set forth in the Act or in this Agreement.

(e) Any action taken by the Management may be evidenced by a written consent, signed and executed by the number of Managers whose affirmative vote is required for such action by the Company to be effective under Section 5.01(a). A Manager's consent hereunder may be in electronic form and may be delivered by electronic mail or other electronic means. Any reasonable manifestation of a Manager's assent shall be considered such Manager's "signature" for this purpose.

5.02 Number and Selection. The Company initially shall have one (1) Manager; provided, however, that the Members, upon the determination of a Majority in Interest of the Members, may from time to time increase or decrease the number of Managers, but the total number of Managers shall never be reduced below one. The initial Manager of the Company shall be Taft-Mills Group, LLC. A Manager shall serve as Manager until his, her, or its death (if a human being), dissolution and liquidation (if an Entity), resignation, or removal as provided herein or in the Act. A Manager may, but need not be, a resident of the State of South Carolina or a Member of the Company. Upon a Manager's death, dissolution and liquidation, resignation or removal, a successor Manager shall be elected upon the determination of a Majority in Interest of the Members, and the successor Manager shall thereupon proceed to serve as the Manager. The name, address, and consent of each initial Manager and any additional or successor Manager to serve in such capacity shall be evidenced in the form of Exhibit A attached hereto and made a part hereof.

5.03 Removal. Any Person holding the position of Manager may be removed from such position without cause upon the determination of a Super Majority in Interest of the Members. Any Person holding the position of Manager may be removed from such position for cause upon the determination of a Majority in Interest of the Members. A Manager removed under this Section 5.03 shall thus cease to serve as Manager, and another Person elected as Manager shall proceed to serve as Manager in the place of the removed or replaced Manager as provided in Section 5.02. Any such removal shall be effective as determined by the Members agreeing to remove the Manager. For purposes of this Section 5.03, "cause" shall mean an adjudication, by a court of competent jurisdiction, that a Manager or, in the case of a Manager that is an Entity, the Person in Control of such Manager: (i) is mentally incompetent; (ii) has been guilty of gross negligence or willful misconduct with respect to Company business; (iii) has materially breached the terms of this Agreement and failed to cease and correct such breach within a reasonable time after written notice thereof from any Member; or (iv) has knowingly provided false information, materially affecting Company business, to any Member.

5.04 Resignation. Any Manager of the Company may resign at any time by giving written notice to each Member. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not affect the resigning Manager's rights as a Member under this Agreement.

5.05 Procedure upon Change of Manager. Upon any change in the identity of any Manager of the Company, the remaining or successor Manager(s) shall promptly, and within such period or periods as may be required under applicable law, (i) notify each Member; (ii) obtain all necessary signatures; (iii) amend Exhibit A attached hereto to confirm any new Manager's agreement to serve in such position, which amendment may be made by the Management without obtaining the consent or approval of Members as otherwise required under Section 5.01(b), as long as the selection of such new Manager has been approved as provided under this Agreement; and (iv) file an amendment to the Company's annual report with the Secretary of State and any other documents as may be necessary to reflect any former Manager's ceasing to be a manager of the Company, any new Manager's becoming a manager of the Company, and any other information that may be required in connection with such change in Managers.

5.06 Inspection of Books and Records. Any Manager shall have the right to examine all books and records of the Company for a purpose reasonably related to such Person's position as a Manager.

5.07 Compensation.

(a) Except for the allocations and distributions provided in Articles IV and IX with respect to any Units owned by a Manager or as set forth in subsection (b) below, a Manager shall receive no compensation, whether in the form of a management fee or otherwise, for serving in such capacity unless such compensation is pre-approved by a Majority in Interest of the Members, disregarding for this purpose all Units held by any Member that is also a Manager.

No Manager shall be prevented from receiving such fees or compensation, however, by reason of the fact that such Manager is also a Member of the Company. Any such approved payments that are made to a Manager who is also a Member shall be treated as a guaranteed payment for services within the meaning of Code section 707(c), and not as a distribution or allocation of Company Income, Net Income or profits.

(b) In addition, any and all amounts of "Incentive Management Fee" (if such term is defined in the Owner Entity Agreement) or similar items received or accrued by the Company from the Owner Entity shall be payable to Taft-Mills Group, LLC or its designee.

ARTICLE VI

ACTIONS OF THE MEMBERS

6.01 Meetings and Actions of Members. There shall be no required meetings of the Members, whether annually or otherwise. Any actions taken by the Members, including the removal of a Manager and the election of a successor Manager, shall be in accordance with the affirmative vote or written consent of the Members holding the requisite percentage of Units necessary to take such action. Unless action by Members holding a different percentage of Units is specifically required in this Agreement or in the Act, all actions taken by the Members shall be in accordance with the decision of Members constituting a Majority in Interest of the Members. A Member's consent hereunder may be provided in electronic form and may be delivered by electronic mail or other electronic means. Any reasonable manifestation of a Member's assent shall be considered such Member's "written consent" for this purpose. The voting requirements for action by the Members set forth in this Section 6.01, Section 5.01(b), and other Sections of this Agreement are intended to override, to the greatest extent permitted under applicable law, the default provisions regarding voting and approval by the Members contained in the Act, including, without limitation, voting and approval provisions contained in Article 9 of the Act.

ARTICLE VII

LIMITATION OF LIABILITY AND INDEMNIFICATION OF MANAGERS AND MEMBERS

7.01 Limitation of Liability. No Manager or Member of the Company shall be liable to the Company or its Members for monetary damages for an act or omission in such Person's capacity as a Manager or a Member, except as provided in the Act in the case of a Manager for (i) any liability or damages therefor arising by reason of the failure to comply with the duties and standards of conduct set forth under Section 33-44-409 of the Act, as modified or eliminated by this Agreement, or as otherwise imposed by the Act or other applicable law; or (ii) distributions in violation of the Act or this Agreement. If the Act is amended to authorize action further eliminating or limiting the liability of the Management and Members, then the liability of the Management or Members of the Company shall be eliminated or limited to the fullest extent permitted by the Act as so amended. Any repeal or modification of this Section shall not adversely affect the right or protection of a Manager or Member existing at the time of such repeal or modification.

7.02 Reimbursements; Indemnification. As long as incurred in a manner that conforms with the provisions of this Agreement and the Act, each Member and Manager shall be reimbursed by the Company for his, her, or its reasonable costs and expenses incurred or advanced in good faith in the ordinary course, and on behalf, of the Company's business or for the formation and organization of the Company (including, but not limited to, reasonable legal, accounting, filing, and other fees), even if incurred prior to the date of formation of the Company or execution of this Agreement. The Company shall indemnify the Managers and Members to the fullest extent permitted or required by the Act, as amended from time to time; provided, however, that no Member or other holder of Units shall be reimbursed or indemnified by the Company for any federal, state or local income, estate, gift or other taxes imposed on the holder or its ultimate owners by reason of (i) such holder's having, selling or otherwise transferring any Units or Interest in the Company or (ii) allocation of income or gain from the Company or the Company's being treated as a flow-through entity, and not a separate taxable entity, for purposes of income tax laws. The Company may advance expenses to be incurred by a Manager or Member upon application therefor and the receipt by the Company of an agreement by the Manager or Member to repay the Company for such advances, if the Manager or Member receiving such advances is found by a court of competent jurisdiction, upon entry of a final judgment, to have violated any of the exceptions to limitation of liability or indemnification contained in Section 7.01, in this Section 7.02 or in the Act, which shall be deemed to preclude indemnification. The Company may also indemnify its employees and other representatives or agents up to the fullest extent permitted under the Act or other applicable law. Any promissory note executed by or in connection with a request for indemnification shall be deemed paid and satisfied in full if it shall ultimately be determined that such Person is entitled to be indemnified by the Company against such expenses. Notwithstanding the foregoing, except as otherwise specifically approved by a Majority in Interest of the Members, the indemnity provided in this Section shall be operative only (i) in the context of third-party suits or claims, and not in connection with demands, claims, suits, actions or proceedings either (A) initiated by any Member or any Affiliate thereof against another Member or any Affiliate, or (B) between the Company and a Member or Manager, and (ii) with respect to courses of action or inaction of the party seeking indemnification that did not constitute gross negligence, fraud, willful misconduct, malfeasance, or material breach of any representation, warranty, covenant or agreement set forth in this Agreement.

7.03 Other Rights. The indemnification provided by this Agreement shall: (i) be deemed exclusive of any other rights to which a Person seeking indemnification may be entitled under any statute, agreement, vote of Members or disinterested Managers, or otherwise, both as to action in official capacities and as to action in another capacity while holding such office; (ii) continue as to a Person who ceases to be a Manager or Member; (iii) inure to the benefit of the estate, heirs, executors, administrators, or other successors of an indemnitee; and (iv) not be deemed to create any rights for the benefit of any other Person.

7.04 Fiduciary Duties and Obligations. Except to the extent required by the Act, no Member or Manager shall have fiduciary duties of loyalty or otherwise with respect to the Company.

ARTICLE VIII

TRANSFERABILITY OF INTEREST OR UNITS

8.01 Transferability of Interest or Units. The term "transfer" when used in this Agreement with respect to an Interest or Unit includes a sale, assignment, gift, exchange, or other disposition. A Member shall not at any time transfer any of his, her, or its Interest or Units except in accordance with the conditions and limitations set out in this Article VIII. Any transferee of Units by any means shall have only the rights, powers, and privileges set out in Section 8.03 or otherwise provided by law and shall not become a Member of the Company except as provided in this Article VIII.

8.02 Restrictions on Transfers of Units.

(a) In General; Permitted Transfers. In the event there is more than one Member and holder of Units, if any holder of Units desires to transfer all or any part of his, her, or its Units, such holder of Units (the "Transferor") shall give all of the Members written notice of such intent (the "Notice"). The Notice must be given thirty (30) days prior to the proposed transfer. The Notice shall contain a description of all of the terms and conditions under which the proposed transfer would take place, including the proposed transferee and any purchase consideration and payment terms.

(b) First Refusal Rights. Except as may be otherwise determined by a Majority in Interest of the other Members (excluding from both the denominator and numerator, for purposes of such computation, any Units owned by the Transferor and proposed transferee), a Notice shall constitute an offer to sell the Transferor's Units in the Company to the remaining Members on terms and conditions equal to the terms and conditions described in the notice; provided, however, that if such terms and conditions require the payment or performance of noncash consideration, the purchasing Members shall be entitled to satisfy such payment or performance terms by instead tendering payment of the cash equivalent of such noncash consideration. This offer may be accepted by all, or less than all, of the remaining Members in proportion to their respective numbers of Units (except as otherwise agreed by all of the accepting Members) by an accepting Member's giving the Transferor written notice of such acceptance, with a copy to the Management, within thirty (30) days of the receipt of such notice (the "Option Period"). If one or more of such remaining Members signify their intention to accept such offer, and other Members fail or decline to accept such offer, then (i) the Management, promptly after the expiration of the Option Period but in no event later than ten (10) days thereafter, shall give written notice to each of the accepting Members of (A) the name of each accepting Member, (B) the number of Units that each accepting Member has agreed to purchase, and (C) the number of offered Units not accepted by any Member; and (ii) each of the accepting Members shall have the option to purchase all of such unaccepted Units from the Transferor for a period of thirty (30) days after the expiration of the Option Period, in the proportion that the number of Units then owned by each purchasing Member bears to all of the Units owned by such purchasing Members, unless otherwise mutually agreed among all purchasing Members.

(c) Transfer to Third Party. If one or more of the remaining Members do not accept such offer to purchase all of the offered Units within the Option Period, or if the purchase consideration for all of the offered Units is not tendered to the Transferor by one or more of the remaining Members within forty (40) days after the expiration of the Option Period, the Transferor may transfer his, her, or its Units subject to the remaining provisions of this Section 8.02; provided, however, the Transferor may not transfer his, her, or its Units to the proposed transferee at a price or upon payment terms or conditions more favorable than originally offered to the remaining Members without first offering to the remaining Members, in writing in accordance with the above provisions of Section 8.02(b), the more favorable terms and conditions.

(d) Transfer Requirements. All or any part of the Units owned by a holder of Units may be transferred under this Section 8.02 only upon (i) satisfaction of the foregoing provisions of this Section 8.02; (ii) submission to the Company of (A) written acceptance by the transferee, in a form reasonably satisfactory to the Management, of all of the terms and conditions of this Agreement and (B) documentation, in a form reasonably acceptable to the Management, that evidences the transfer of such Units to the transferee; (iii) provision to the Company of the transferee's name, address, taxpayer identification number, and any other information about the transferee required for the Company's tax or other filings that the Management may reasonably request; and (iv) the written approval of either the Management or a Majority in Interest of the Members, which approval shall not be unreasonably withheld, except that the Management or a Majority in Interest of the Members may condition any such approval on the Company's receipt of, or withhold any such approval until the Company has received, an opinion of counsel, reasonably satisfactory in form, substance and identity of counsel to Management, stating, except to the extent waived by the Management or a Majority in Interest of the Members, that (A) neither the offering nor the proposed sale of the Units will violate any federal or applicable state securities law, (B) if the Company is classified as a partnership for purposes of federal income taxation immediately before the proposed transfer of Units, neither such offering nor the proposed sale will adversely affect the Company's treatment as a partnership for federal income tax purposes or will result in a "termination" of the Company within the meaning of Code section 708(b) that has a material adverse effect on the Company or the other Members, and (C) the proposed transferee is not a nonresident alien, a Person other than a "United States person" (as defined in section 7701(a)(30) of the Code), or a Person with respect to which the Company would have withholding obligations under Chapter 3 of the Code (sections 1441 through 1464 thereof).

(e) Other Transfers Void. Any attempted transfer of Units that does not comply with the provisions of this Section 8.02 shall be void *ab initio* and shall not be recognized by the Company for any purpose.

8.03 Rights of Transferees; Admission of Transferees. Unless and until admitted as a Member of the Company in accordance with this Section 8.03, a transferee of Units shall not be entitled to any rights, powers, or privileges of a Member, and shall be treated merely as an economic interest owner (within the meaning of the Act) and entitled only to receive the distributions and allocations of income, gains, expenses, and losses to which the transferor would be entitled but for the transfer of his, her, or its Units, subject to all terms and conditions of this

Agreement. A transferee of Units may be admitted as a Member of the Company only upon obtaining and providing to the Management (in the Management's role on behalf of the Company) (i) the written consent of a Majority in Interest of the Members, which consent may be granted or denied in their sole and absolute discretion, (ii) the transferee's agreement in writing, in a form reasonably acceptable to a Majority in Interest of the Members, to be bound by all of the terms and conditions of this Agreement, and (iii) the transferee's name, address, taxpayer identification number, and any other information about the transferee required for the Company's tax or other filings that the Management may reasonably request.

8.04 Issuance of New Units. In addition to the Units and Capital Contributions specifically set forth in this Agreement, the Company may issue additional Units or Interests to one or more other Persons in exchange for additional Capital Contributions to the Company. Such additional Units or Interests may be issued in exchange for such amount of Capital Contributions per Unit, and under such other terms and conditions, as may be determined and approved by a Majority in Interest of the Members. Upon the issuance of additional Units in accordance with this Section 8.04, any Person to which such Units were issued shall become a Member of the Company upon (i) the acceptance of all of the terms and conditions of this Agreement, (ii) the making of or agreement to make the Capital Contributions as may be required in exchange for such Units, and (iii) the satisfaction of any other terms and conditions, all as may be determined by or acceptable to a Majority in Interest of the Members. Upon the Company's issuance of additional Units in accordance with this Section 8.04, Exhibit B of this Agreement shall be amended by the Management (without requiring the approval of any Members) to reflect the names, addresses, and number of Units of all holders of Units after taking into account the additional issuance of Units.

8.05 Drag-Along Rights.

(a) From and after the time (if any) when the Management, upon the determination of a Majority in Interest of the Members, has informed each of the Members that a Majority in Interest of the Members desires to effectuate a sale or exchange of all of the Company's Units (a "Units Sale"), the Company and each Member shall (i) cooperate in good faith to effectuate such Units Sale, and (ii) consent to and raise no objections against, and take all necessary or desirable actions in connection with, the consummation of such Units Sale, including those reasonably requested by the Manager. The drag-along rights set forth in this Section 8.05 shall apply to a Units Sale only if (i) such sale is to be made only pursuant to a definitive purchase and sale agreement or similar agreement setting forth all of the material terms and conditions relative to such Units Sale, and the Management delivers a copy of such agreement to all of the Members in accordance with Section 10.11 at least ten (10) days before the closing or other consummation of such Units Sale, and (ii) such Units Sale is an arm's-length transaction with a primary buyer that is not an Affiliate of any Manager or any Member owning a Majority in Interest of the Units, except that the conditions and restrictions in this clause (ii) shall not be applicable to any Units Sale whose terms are approved by a Majority in Interest of the Members that are not Affiliates of such Manager or such Member owning a Majority in Interest of the Units. Without limiting the generality of the foregoing, subject to the terms set forth in this Section 8.05, each Member hereby waives any dissenter's rights, appraisal rights, or similar rights in connection with such Units Sale, and each Member agrees to sell or exchange

any or all of his, her or its Units on the terms and conditions approved by a Majority in Interest of the Members (including the making of all required customary representations, warranties, covenants, indemnities and agreements). Further, each Member agrees to and shall, in connection with such Units Sale, sell, assign, transfer and convey his, her, or its Units free and clear of any and all liens and encumbrances.

(b) In connection with any Units Sale pursuant to this Section 8.05, each Member shall receive the same form of consideration and the same portion of the aggregate consideration as such Member would have received if the aggregate consideration paid by the buyer in connection with such Units Sale (the "Aggregate Consideration") had been paid directly to the Company and then distributed by the Company pursuant to Section 9.03 determined as of the consummation of the Units Sale (after giving effect to any transfer taxes payable in connection with such Units Sale, the amount of which will be paid directly by the Person(s) owing such taxes). Each Member shall take all necessary or desirable actions in connection with the receipt of the Aggregate Consideration from such Units Sale as is requested by a Majority in Interest of the Members to effectuate the foregoing (including the making of all required customary representations, warranties, covenants and indemnities).

(c) The Company shall pay the costs of any sale of Units pursuant to a Units Sale to the extent such costs are incurred for the benefit of all Members and are not otherwise paid by the acquiring party, including, in any event, the reasonable fees and disbursements of one counsel selected by the Management to represent the Members and the Company. To the extent the Company does not have sufficient available cash to pay all such costs and the acquiring party does not pay such costs, the Management may cause such excess costs to be funded by withholding a proportionate amount of the consideration to be received by each Member from the Units Sale, with each Member's share of such withholding to be determined as if such costs were an expense of the Company in connection with a distribution pursuant to Section 9.03. Costs incurred by any Member on his, her, or its own behalf will not be considered costs of a Units Sale under this Section 8.05(c).

ARTICLE IX

DISSOLUTION AND TERMINATION

9.01 Dissolution Events. The Company shall be dissolved by the first to occur of the following events (a "Dissolution Event"):

(a) if the Company's Articles of Organization are subsequently amended to provide for a definite period of duration for the Company's existence, upon the close of business on the last day of such period;

(b) upon the written consent of a Majority in Interest of the Members to dissolve the Company;

(c) upon the sale or other disposition of all or substantially all of the Company's assets, except upon a determination at such time by a Majority in Interest of the Members for the Company not to dissolve;

(d) upon the happening of any event of withdrawal (as defined in the Act) with respect to a Member if the Company no longer has any other Member(s); provided, however, that the Company shall not be dissolved upon the withdrawal of its last Member if, within ninety (90) days of the event of withdrawal of its last Member, the assignee or the fiduciary of such Member agrees in writing that the business of the Company may be continued until the admission of the assignee or fiduciary of the estate or its designee to the Company as a Member, effective as of the occurrence of the event of withdrawal that causes the withdrawal of the last Member; or

(e) the entry of a decree of judicial dissolution under the Act.

Notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Dissolution Event as set forth above.

Upon the dissolution of the Company, the business and affairs of the Company shall terminate and be wound up, and the assets of the Company shall be liquidated under this Article IX. Dissolution of the Company shall be effective as of the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until there has been a complete winding up and liquidation of the Company's business and affairs, and the assets of the Company have been distributed as provided in Section 9.03. Upon dissolution of the Company, the Management may cause any part or all of the assets of the Company to be sold in such manner as the Management shall determine in an effort to obtain the best prices for such assets; provided, however, that the Management may, in its discretion, distribute assets of the Company in kind to the Members to the extent practicable.

9.02 Articles of Dissolution. Upon the occurrence of a Dissolution Event and the commencement of winding up of the Company, the Management (or such other Person or Persons as the Act may require or permit) shall file Articles of Dissolution with the Secretary of State of South Carolina as may be required under the Act. In addition, at that time or such other time or times as may be required in connection with the Company's dissolution and winding up, the Management (or such other Person or Persons as may be responsible for the Company's liquidation) shall cancel any other filings that are required to, or should, be canceled and take such other actions as may be necessary to wind up and liquidate the Company. The Company shall be deemed to continue in existence for all purposes of this Agreement until its liquidation is completed pursuant to this Section 9.02. On completion of the distribution of the Company's assets as provided in this Article IX, the liquidation of the Company shall be completed (and the Company shall not be liquidated prior to such time).

9.03 Liquidation Priorities. In settling accounts after dissolution of the Company, the assets of the Company shall be paid in the following order and priority:

(a) first, to the creditors of the Company, in the order of priority as provided by law, excluding to Members with respect to their Units or Capital Contributions, but including Members on account of any loans made to, or other debts owed to them by, the Company;

(b) next, to the Members and any other Persons recognized under this Agreement as an owner of Units in accordance with the positive balances in their Capital Accounts, after giving effect to all Capital Contributions, prior distributions, and allocations of income, gain, loss, or deduction for all periods (including allocations in connection with the Company's dissolution and liquidation); and

(c) the balance, if any, to the Members and other Persons recognized under this Agreement as an owner of Units, in proportion to their numbers of Units.

Distributions upon liquidation of the Company (or any Member's Interest in the Company) and related adjustments shall be made by the end of the taxable year of the liquidation (or, if later, within ninety (90) days after the date of such liquidation) or at such other time as may be permitted by the Regulations.

9.04 Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 9.03 in order to minimize any losses otherwise attendant upon such winding up and liquidation. The Company shall set aside adequate reserves to discharge all costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination so that all distributions in kind to Members or other holders of Units will be free and clear of such costs, expenses, and liabilities. The distribution of cash and/or property to a Member or other holder of Units in accordance with the provisions of Section 9.03 constitutes a complete return to the Members or other holders of Units of their Capital Contributions and a complete distribution to the Members or other holders of Units of and with respect to their Interest and all the Company's property. To the extent that a Member or other holder of Units returns funds to the Company, it has no claim against any other Member or other holder of Units for those funds.

9.05 Withdrawal. Except as otherwise provided in this Agreement, no Member or other holder of Units shall at any time retire or withdraw from the Company or withdraw any amount out of his, her, or its Capital Account or share of the Company's profits, income, or property. Any Member or other holder of Units that attempts to retire or withdraw in contravention of this Section 9.05 shall indemnify, defend and hold harmless the Company and all other Members (other than a Member who is, at the time of such attempted retirement or withdrawal, in default under this Agreement) from and against any losses, expenses, judgments, fines, settlements, or damages suffered or incurred by the Company or any such other Member arising out of, or resulting from, such attempted retirement or withdrawal.

9.06 No Deficit Restoration Obligation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulations section 1.704-1(b)(2)(ii)(g), if any Member has a deficit Capital Account balance (after giving effect to all contributions, distributions, allocations, and other Capital Account adjustments for all fiscal years, including the fiscal year in which the liquidation occurs), such Member shall have no

obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

9.07 Return of Capital Contributions Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Agreement, upon dissolution each Member or other holder of Units shall look solely to the assets of the Company for the return of any Capital Contribution with respect to his, her, or its Units. If the Company's property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contributions to one or more Members or other holders of Units, such Members or other holders of Units shall have no recourse against any other Member or Manager except as otherwise provided in Section 7.01.

ARTICLE X

MISCELLANEOUS

10.01 Amendment. Except as otherwise specifically provided in this Agreement, this Agreement may be amended in whole or in part only upon the written consent of a Super Majority in Interest of the Members; provided, however, that (i) any modifications or amendments that materially increase any Member's obligations under this Agreement beyond the obligations the Member would have without such amendment, or that are not applicable proportionately to all Members, shall not be effective against any adversely affected Member without such Member's written consent; and (ii) any provision requiring the consent of a specified level or group of Members shall not be amended to a lesser voting or consent requirement without the consent of the specified level or group of the Members.

10.02 Severability. Each provision of this Agreement is intended to be severable. If any term or provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

10.03 South Carolina Law. The substantive laws of the State of South Carolina shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of South Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of South Carolina.

10.04 Integrated Agreement. This Agreement supersedes any and all prior agreements or dealings between the parties hereto and their agents, employees, or officers with respect to the subject matter hereof (except as contained in any other agreements contemplated herein), and this Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, restrictions, representations or warranties among the parties other than those set forth herein or herein provided for.

10.05 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or of any of its Affiliates, and no creditor that makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time, as a result of making the loan, any direct or indirect interest in Company profits, losses, gains, distributions, capital or property other than as a secured creditor or unsecured creditor, as the case may be.

10.06 Gender. Unless the context clearly indicates otherwise, the masculine, feminine and neuter genders shall be deemed to be interchangeable, and the singular shall include the plural and *vice versa*.

10.07 Waiver. No consent or waiver, express or implied, by the Company, any Manager, or any Member to or for any breach or default by the Company, any Manager, or any other Member in the performance by the Company, any Manager or such other Member of his, her, or its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by the Company, any Manager, or such other Member of the same or any other obligations of the Company, the Manager or such other Member under this Agreement. Failure on the part of the Company, any Manager, or any Member to complain of any act or failure to act of the Company, any Manager, or any of the other Members or to declare the Company, any Manager, or any of the other Members in default, regardless of how long such failure continues, shall not constitute a waiver by the Company, a Manager, or such Member of his, her, or its rights hereunder.

10.08 Binding Agreement. Subject to the restrictions on transferability set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Members and their legal representatives, successors, and assigns.

10.09 Captions. Captions are included solely for convenience of reference; if there is any conflict between captions and the text of this Agreement, the text shall control.

10.10 Counterparts; Delivery by Facsimile. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one Agreement. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or contemplated hereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation of a contract and each such party forever waives any such defense.

10.11 Notice.

(a) All notices, demands, requests, or consents provided for or permitted to be given pursuant to this Agreement must be in writing, and electronic communications shall be considered to be in writing for this purpose.

(b) All notices, demands, requests and consents to be sent pursuant to this Agreement to a Manager, a Member, or another Person recognized hereunder as a holder of Units shall be deemed to have been properly given or served if addressed to such Person at the Person's address as it appears on the Company records and (i) personally delivered, with written receipt of acknowledgement by the addressee, (ii) deposited for next day delivery by Federal Express or other similar overnight courier service, (iii) deposited in the United States mail, prepaid, and registered or certified with return receipt requested, (iv) transmitted via telecopier or other similar device to the attention of such Person with receipt acknowledged, or (v) transmitted via electronic mail or other electronic means to the attention of such Person. If not otherwise specified herein, all notices to be sent to the Company shall be sent in care of any Manager.

(c) All notices, demands, and requests so given shall be deemed received: (i) when actually received, if personally delivered, deposited for next day delivery with an overnight courier, telecopied, or transmitted via electronic mail or other electronic means, or (ii) as indicated upon the return receipt if deposited in the United States mail.

(d) As of the date of this Agreement, the notice addresses for the Members are as set forth on Exhibit B attached hereto and for the Managers are as set forth on Exhibit A. The Managers, Members, and any other Persons recognized hereunder as a holder of Units shall have the right from time to time, and at any time during the term of this Agreement, to change their addresses for notice purposes by delivering written notice of such change to each Manager in the manner prescribed in Section 10.11(b), and then the Management shall provide, promptly after any Manager's receipt of such notice, notice (in the manner prescribed in Section 10.11(b)) of such change to each other Member and Manager not receiving the initial notice of such change.

(e) All distributions to any Member or other Person recognized hereunder as a holder of Units shall be made at the address to which notices are sent unless otherwise specified in writing by any such Member or other holder of Units.

10.12 Member Representations and Agreements. Notwithstanding anything contained in this Agreement to the contrary, each Member hereby represents and warrants to the Company, the Managers, and to each other that: (a) the Units of such Member are acquired for investment purposes only, for the Member's own account, and not with a view to or in connection with any distribution, reoffer, resale, or other disposition not in compliance with the Securities Act and applicable state securities laws; (b) such Member (i) is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act, and/or (ii) either alone or together with the Member's representatives, possesses such expertise, knowledge, and sophistication in financial and business matters generally, and in the type of transactions in which the Company proposes to engage in particular, that the Member is capable of evaluating the merits

and economic risks of acquiring and holding the Units and is able to bear all such economic risks now and in the future; (c) such Member has had access to all of the information with respect to the Units acquired by the Member under this Agreement that the Member deems necessary to make a complete evaluation thereof and has had the opportunity to question the other Members and the Management concerning such Units; (d) such Member's decision to acquire the Units for investment has been based solely upon the evaluation made by the Member; (e) such Member is aware that the Member must bear the economic risk of an investment in the Company for an indefinite period of time because Units in the Company have not been registered under the Securities Act or under the securities laws of the various states and, therefore, cannot be sold unless such Units are subsequently registered under the Securities Act and any applicable state securities laws or an exemption from registration is available; (f) such Member is aware that only the Company may take action to register Units and that the Company is under no such obligation and does not propose to attempt to do so; (g) such Member is aware that this Agreement provides restrictions on the ability of a Member to sell, transfer, assign, mortgage, hypothecate, or otherwise encumber the Member's Units; (h) such Member agrees that the Member will truthfully and completely answer all questions and make all covenants that the Company or the Management may, contemporaneously or hereafter, ask or demand for the purpose of establishing compliance with the Securities Act and applicable state securities laws; and (i) if that Member is an Entity, it is duly organized, validly existing, and in good standing under the laws of its state of organization, and it has full organizational power and authority to execute and agree to this Agreement and to perform its obligations hereunder.

THE NEXT PAGE IS THE SIGNATURE PAGE.

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Operating Agreement of Judson Trace MM LLC as of the date first above written, and do hereby assume and agree to be bound by and to perform all of the terms and provisions set forth in this Agreement.

COMPANY:

JUDSON TRACE MM LLC

By: Taft-Mills Group, LLC
a North Carolina limited liability company
Its: Sole Member and Manager

By: _____
Frankie Cash-Langley, Authorized Signatory

MEMBERS:

TAFT-MILLS GROUP, LLC
a North Carolina limited liability company

By: _____
Dustin T. Mills, Manager

EXHIBIT A
TO OPERATING AGREEMENT OF
JUDSON TRACE MM LLC

Management

By attaching his, her, or its signature hereto, each undersigned Person does hereby consent and agree to serve as a manager of Judson Trace MM LLC, pursuant to the South Carolina Uniform Limited Liability Company Act of 1996 and the Operating Agreement of Judson Trace MM LLC, as such Act and Agreement may be hereafter amended, until such time as the undersigned's death (if a human being), dissolution and liquidation (if an Entity), removal, resignation, or successor(s) have been duly elected and qualified to serve.

This consent shall be effective as of the 22nd day of April, 2026.

Taft-Mills Group, LLC

By: _____
Dustin T. Mills, Manager
(see Exhibit B for notice information)

EXHIBIT B
TO OPERATING AGREEMENT OF
JUDSON TRACE MM LLC

Membership

Member's Name and Address for Notice	Number of Units	Initial Cash Capital Contribution
Taft-Mills Group, LLC 631 Dickinson Avenue Greenville, NC 27834 Email: dustin@taftmillsgroup.com	1,000 Units	$100.00
TOTALS:	**1,000 Units**	**$100.00**

EXHIBIT C
TO OPERATING AGREEMENT OF
JUDSON TRACE MM LLC

Nonrecourse Debt and Other Allocations

The provisions of this Exhibit C shall apply to the Company and its Members at all times during which the Company is treated as a partnership for federal tax purposes.

Section C.1 Definitions. The following defined terms used in this Exhibit C shall have the meanings specified below.

(a) "Adjusted Capital Account" shall mean, with respect to any Member, the balance in such Member's Capital Account (as of the end of any period for which allocations of the Company's Income or Loss are made), increased by (i) the amount of any deficit balance that the Member is obligated to restore upon liquidation of the Company pursuant to Regulations section 1.704-1(b)(2)(ii)(b)(3) or is treated as obligated to restore pursuant to Regulations section 1.704-1(b)(2)(ii)(c), and (ii) the amount of the Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, and decreased by (iii) the items described in Regulations section 1.704-1(b)(2)(ii)(d)(4), (5), and (6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Company Minimum Gain" shall have the meaning set forth for "partnership minimum gain" in sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

(c) "Member Nonrecourse Debt" shall have the meaning set forth for "partner nonrecourse debt" in section 1.704-2(b)(4) of the Regulations.

(d) "Member Nonrecourse Debt Minimum Gain" shall mean an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with section 1.704-2(i)(3) of the Regulations.

(e) "Member Nonrecourse Deductions" shall have the meaning set forth for "partner nonrecourse deductions" in sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

(f) "Nonrecourse Deductions" shall have the meaning set forth in section 1.704-2(b)(1) of the Regulations.

(g) "Nonrecourse Liability" shall mean a liability of the Company for which no Member bears the economic risk of loss within the meaning of section 1.752-2 of the Regulations.

Unless otherwise defined, other terms with initial capital letters used in this Exhibit C shall have the same meaning as ascribed thereto in the main text of the Operating Agreement of the Company, as such agreement may be further amended or restated from time to time in

accordance with the provisions thereof (the "Agreement"). This Exhibit C shall be treated for all purposes as being fully a part of, and incorporated within, the Agreement, as if the provisions of this Exhibit C were set forth in the main text of the Agreement.

Section C.2 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Exhibit C or of Article IV of this Agreement, if there is a net decrease in Company Minimum Gain during any fiscal year or other applicable period, each Member shall be specially allocated items of Company income and gain for such fiscal year or other applicable period (and, if necessary, subsequent fiscal years or other applicable periods) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations section 1.704-2(g). Allocations pursuant to the previous 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 sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section C.2(a) is intended to comply with the minimum gain chargeback requirement in section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Exhibit C or of Article IV of this Agreement, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any fiscal year or other applicable period, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such fiscal year or other applicable period (and, if necessary, subsequent fiscal years or other applicable periods) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations section 1.704-2(i)(4). Allocations pursuant to the previous 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 sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section C.2(b) is intended to comply with the minimum gain chargeback requirement in section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or distributions described in sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, any deficit Adjusted Capital Account of such Member as quickly as possible; provided, however, that an allocation pursuant to this Section C.2(c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account deficit after all other allocations provided for in this Section C.2 have been tentatively made as if this Section C.2(c) were not in the Agreement. This Section C.2(c) is intended to constitute a

"qualified income offset" within the meaning of section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(d) Gross Income Allocation. If any Member has a deficit Capital Account at the end of any fiscal year (or other applicable period) that is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible; provided, however, that an allocation pursuant to this Section C.2(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Exhibit C or in Article IV of this Agreement have been made as if Section C.2(c) hereof and this Section C.2(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other applicable period shall be specially allocated to the Members in accordance with their respective numbers of Units as such respective numbers of Units may be amended from time to time in accordance with this Agreement. For purposes of determining each Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations section 1.752-3(a)(3), such excess nonrecourse liabilities shall be allocated to and among all of the Members in proportion to their respective numbers of Units.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year or other applicable period shall be specially allocated to the Member that bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations section 1.704-2(i)(1).

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code section 734(b) or Code section 743(b) is required, pursuant to Regulations sections 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Units in the Company, the amount of such adjustment to 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 such basis), and such gain or loss shall be specially allocated: (i) if Regulations section 1.704-1(b)(2)(iv)(m)(2) applies, to the Members in accordance with how they would share the allocated item of gain or loss if it were included in computing the Net Income or Net Loss in the Company for the period in which the adjustment occurs; or (ii) if Regulations section 1.704-1(b)(2)(iv)(m)(4) applies, to the Member to which such distribution was made.

Section C.3 Curative Allocations. The allocations set forth in Section C.2 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section C.3. Therefore, notwithstanding any other provision of this Exhibit C (other than the Regulatory Allocations), such offsetting special allocations of Company income, gain, loss, or deduction shall be in whatever manner the

Management determines appropriate (based on the advice of the Company's tax advisors) so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to other Sections of the Agreement. In exercising its discretion under this Section, the Management shall take into account future Regulatory Allocations that, although not yet made, are likely to be made and offset other prior Regulatory Allocations.

Section C.4 Compliance with Regulations. It is the intent of the Members that, to the greatest extent possible, the allocations of all items of income, gain, loss, deduction, and credit under this Agreement (i) have "substantial economic effect" within the meaning of, or otherwise be in accordance with, Code section 704(b) and the Regulations promulgated thereunder, and/or (ii) be consistent with the Members' interests in the Company. Accordingly, to the extent adjustment to the allocations under this Agreement is necessary in order to be in compliance with the provisions of Code section 704(b) and the Regulations thereunder, such necessary adjustments in the allocations shall be made, but only to the smallest extent necessary. Furthermore, if there has been any adjustment in the allocations to the Members on account of the preceding sentence, subsequent allocations of income, gain, loss, deduction, or credit shall, to the extent possible, be allocated to the Members in the order and in a manner designed to result in each Member's having a Capital Account balance equal to what such balance would have been had the allocation(s) pursuant to the preceding sentence not occurred, and in a manner that is likely to minimize any economic distortions that otherwise might result.