

OPERATING AGREEMENT
OF
GHG VICTORIA NORTHGATE MM, LLC

This Operating Agreement of **GHG VICTORIA NORTHGATE MM, LLC** a limited liability company organized pursuant to the South Carolina Limited Liability Company Act, is executed and effective as of the 19th day of September 2024, by and among the persons listed on **Exhibit A** attached hereto, as the initial Members.

ARTICLE 1
DEFINITIONS

1.01 Act. Act means the South Carolina Uniform Limited Liability Company Act of 1996, S.C. CODE § 33-44-101, et seq.

1.02 Additional Member. Additional Member means a member other than an initial Member executing this Operating Agreement or a Substitute Member.

1.03 Adjusted Capital Account Deficit. Adjusted Capital Account Deficit means the deficit balance, if any, in a Member's Capital Account: (i) increased by (a) to the extent provided in the Treasury Regulation §1.704-1(b)(2)(ii)(c), the amount of any unconditional obligation of the Member imposed by state or local law to make contributions to the Company, and (b) the amount the Member is deemed obligated to restore pursuant to the penultimate sentence of Treasury Regulations §§1.704-2(g) and 1.704-2(i)(5); and (ii) decreased by the items described in Treasury Regulation §1.704-1(b)(2)(ii)(d)(4),(5) and (6). The foregoing definition is intended to comply with the requirements of the alternative tests for economic effect contained in Treasury Regulation §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

1.04 Admission Agreement. Admission Agreement means an agreement between a prospective Member and the Company which sets out the prospective Member's acceptance of membership under the conditions set forth in this Operating Agreement and the terms of any Capital Contribution required of him.

1.05 Affiliate. Affiliate means: (i) in the case of an individual, any relative of such individual, whether by birth, marriage, or adoption, (ii) in the case of an Entity, any officer, director, trustee, partner, manager, employee or holder of ten percent (10%) or more of any class of the voting securities of or interest in such Entity; or any corporation, partnership, limited liability company, trust, director, trustee, partner, manager, employee or holder of ten percent (10%) or more of the outstanding voting securities of any corporation, partnership, limited liability company, trust or other entity controlling, controlled by or under common control with such Entity.

1.06 Articles of Organization. Articles of Organization means the Articles of Organization of GHG VICTORIA NORTHGATE MM, LLC, as filed with the Secretary of State of South Carolina as the same may be amended from time to time.

1.07 Bona Fide Offer. Bona Fide Offer shall mean an offer in writing signed by a third party offeror or offerors (who must be a Person financially capable of carrying out the terms of such Bona Fide Offer), in a form legally enforceable against such third party offeror or offerors.

1.08 Capital Account. Capital Account means the account established for each Member pursuant to Article 7 hereof and maintained in accordance with the provisions of this Operating Agreement.

1.09 Code. Code means the Internal Revenue Code of 1986, as amended from time to time (and any corresponding provisions of succeeding law).

1.10 Commitment. Commitment means a Member's agreement to make a contribution of capital in the amount agreed upon by the initial Members as set forth in Exhibit A, the amount set forth in an Additional Member's Admission Agreement or the additional capital contributions provided for in Section 7.02 below.

1.11 Company. Company means GHG VICTORIA NORTHGATE MM, LLC.

1.12 Capital Contribution. Capital Contribution means any contribution to the capital of the Company in cash, property, services rendered, promissory notes, partnership interests, or other binding obligation to contribute cash or property, or to render services, whenever made.

1.13 Default Interest Rate. Default Interest Rate means the prime rate then in effect at the Project Owner's primary banking institution plus two percent (prime + 2%) per annum.

1.14 Delinquent Member. Delinquent Member means a Member who fails to meet his Commitment.

1.15 Distributions. Distributions shall mean any money or other property distributed to a Member with respect to its interest in the Company.

1.16 Economic Interest. Economic Interest means a Member's or Economic Interest Owner's share of the Company's Net Profits, Net Losses and Distributions pursuant to this Operating Agreement and the Act, but shall not include e any right to vote on, consent to or otherwise participate in any decision of the Members.

1.17 Economic Interest Owner. Economic Interest Owner means the owner of an Economic Interest who is not a Member.

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

1.19 Event of Dissolution. Event of Dissolution means an event, the occurrence of which will result in the dissolution of the Company under Article 12 unless otherwise provided in this Operating Agreement.

1.20 Fiscal Year. Fiscal Year means the Company's fiscal year, which shall be the calendar year.

1.21 Initial Capital Contribution. Initial Capital Contribution means the initial contribution to the capital of the Company made by a Member pursuant to this Operating Agreement.

1.22 Majority Interest; Super Majority Interest. Majority Interest means the Ownership Percentages of Members which, taken together, exceed fifty percent (50%) of the aggregate of all Ownership Percentages. Super Majority Interest means the Ownership Percentages of Members which, taken together, exceed seventy-five percent (75%) of the aggregate of all Ownership Percentages.

1.23 Member. Member means each of the parties who execute a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become a Member. If a Person is already a Member immediately prior to the purchase or other acquisition by such Person of an Economic Interest, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

1.24 Membership Interest. Membership Interest means all of a Member's rights in the Company, including without limitation the Member's share of the profits and losses of the Company, the right to receive distributions of the Company assets, any right to vote, any right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement or the Act.

1.25 Minimum Gain. Minimum Gain shall be defined as provided in Treasury Regulation §1.704-2(d).

1.26 Net Cash Flow. Net Cash Flow shall mean all cash received by the Company from all sources (including Capital Contributions and borrowings), less cash expended or reserved in the discretion of the Members for liabilities (contingent or otherwise), expenses, capital expenditures and obligations of the Company or obligations secured by assets of the Company.

1.27 Net Cash Proceeds. Net Cash Proceeds shall mean the net cash realized by the Company from a Sale or Refinancing, after retirement of applicable mortgage debt, payment of all expenses relating to the transaction, payment of or provision for Company debts and obligations, or establishment and maintenance of such Reserves as the Members shall deem necessary.

1.28 Net Loss. Net Loss shall mean the net loss of the Company, as determined in accordance with the method of accounting used by the Company for federal income tax purposes.

1.29 Net Profit. Net Profit shall mean the net profit of the Company, as determined in accordance with the method of accounting used by the Company for federal income tax purposes.

1.30 Operating Agreement. Operating Agreement means this Operating Agreement as originally executed and as amended from time to time.

1.31 Ownership Percentage. Ownership Percentage means the proportionate interests of the Members in the Company which for the initial Members are as set forth on **Exhibit A** attached hereto, and as may be amended from time to time.

1.32 Person. Person means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns thereof.

1.33 Project. Project means that certain housing redevelopment known as Victoria Arms and Northgate Manor owned and operated on the Property (as defined herein) by GHG Victoria Northgate, LLC, a South Carolina limited liability company (the “Project Owner”).

1.34 Property. Property means those certain tracts of land located in Greenville County, South Carolina, owned by the Project Owner.

1.35 Proportionate Shares. Proportionate Shares shall mean the relative portion of any Membership Interest proposed to be Transferred that may be purchased by each of the Remaining Members. The Proportionate Share of each Remaining Member shall be equal to the total of the Membership Interests proposed to be transferred multiplied by a fraction, the numerator of which is the Ownership Percentage owned by such Remaining Member, and the denominator of which is the Ownership Percentages owned by all Remaining Members. In the event any Remaining Member with rights to acquire his Proportionate Share of the Membership Interest proposed to be Transferred does not elect to exercise such rights, such Member shall not be considered to be a Remaining Member for the purpose of determining Proportionate Shares.

1.36 Refinancing. Refinancing means the refinancing of any loans secured by Company property.

1.37 Remaining Member. “Remaining Member” shall mean any Member who is not a Transferor.

1.38 Reserves. Reserves means with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Members for working capital, payment of taxes, insurance, debt service, capital improvements, replacements or other anticipated obligations, contingencies, costs or expenses incident to the ownership or operation of the Company's business.

1.39 Sale. Sale shall mean and include the sale, exchange, condemnation or similar eminent domain taking, the casualty or other disposition of Company property which is not in the ordinary course of business, or the sale of easements, rights of way or similar interests in Company property or any similar items, which in accordance with the accounting methods used by the Company, are attributable to capital.

1.40 Substitute Member. Substitute Member shall mean any Person who is admitted to the Company with all rights of a Member who has died or has assigned his interest in the Company pursuant to the Operating Agreement.

1.41 Transfer. Transfer shall mean to sell, bequeath, transfer, assign, pledge or otherwise encumber or dispose of any Membership Interest or of any other interest in the Company, including

involuntary transfers by operation of law or otherwise. "Transfer" shall also include the transfer of the Membership Interest of any Member to or by a creditor in partial or complete satisfaction of any right, claim or judgment.

1.42 Transferee. Transferee shall mean any person or entity which makes a Bona Fide Offer.

1.43 Transferor. Transferor shall mean a Member (including the legal representative of a deceased Member) who (a) proposes to Transfer any Membership Interest under Article 10 hereof, or (b) is required to Transfer any of his Membership Interest under the terms of this Operating Agreement.

1.44 Treasury Regulations or Regulations. Treasury Regulations or Regulations means the Federal Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

1.45 Withdrawing Member. Withdrawing Member means a Member who withdraws from the Company voluntarily or involuntarily.

1.46 Withdrawal Event. Withdrawal Event means the withdrawal, removal, bankruptcy, insolvency, dissolution or incompetency of a Member, the sale or redemption of a Member's entire Membership Interest, or the occurrence of any other event which terminates the continued membership of a Member in the Company pursuant to S.C. CODE § 33-44-601 or any other provision of the Act.

ARTICLE 2

ORGANIZATION OF COMPANY

2.01 Organization. The Company was formed as a South Carolina Limited Liability Company by executing and delivering Articles of Organization to the Secretary of State of South Carolina in accordance with the provisions of the Act.

2.02 Agreement. In consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members executing the Operating Agreement hereby agree to the terms and conditions of the Operating Agreement. It is the express intention of the Members that the Operating Agreement shall be the sole source of agreement of the parties, and, except to the extent a provision of the Operating Agreement expressly incorporates federal income tax rules by reference to sections of the Code or Regulations or is expressly prohibited or ineffective under the Act, the Operating Agreement and Articles of Organization shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. To the extent any provision of the Operating Agreement is prohibited or ineffective under the Act, the Operating Agreement shall be considered amended to the smallest degree possible in order to make the agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make valid any provision of the Operating Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

2.03 Name. The name of the Company is GHG VICTORIA NORTHGATE MM, LLC.

2.04 Principal Place of Business. The principal place of business of the Company within the State of South Carolina is 103 School Street, Greer, South Carolina, 29651. The Company may locate its places of business and registered office at any other place or places within the State as the Members may from time to time deem advisable.

2.05 Registered Office and Registered Agent. The Company's initial registered office shall be at the office of its registered agent at 103 School Street, Greer, South Carolina, 29651, and the name of its initial registered agent at such address is the same as listed in the Articles of Organization. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Secretary of State of South Carolina pursuant to the Act and the applicable rules promulgated thereunder.

2.06 Term. The term of the Company shall commence upon the filing of the Articles of Organization and shall continue until the Company is dissolved and its affairs wound up in accordance with the Act or the Operating Agreement.

2.07 Nature of Interest of Members and Economic Interest Owners. The interest of the Members or Economic Interest Owners in the Company shall be personal property for all purposes. All property used by the Company whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity and no Member or Economic Interest Owner, individually, shall have any ownership of such property, nor shall any Member or Economic Interest Owner have the right to partition any real property owned by the Company.

ARTICLE 3 **BUSINESS OF COMPANY**

3.01 Purpose and Powers.

(a) The Company was formed for the purpose of serving as the managing member of the Project Owner.

(b) The Company shall have any and all powers which 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 the Operating Agreement.

ARTICLE 4 **NAMES AND ADDRESSES OF MEMBERS**

The names and addresses of the Members are as set forth on **Exhibit A** attached hereto:

ARTICLE 5
RIGHTS AND OBLIGATIONS OF MEMBERS

5.01 Limitation on Liability. Each Member's liability shall be limited as set forth in this Operating Agreement, the Act and other applicable law.

5.02 No Liability for Company Obligations. No Member will have any liability for any debts, losses or other obligations of the Company beyond his respective Contributions, except as provided by law. Except as otherwise provided in Section 7.04, in no event shall a Member be obligated to make any additional contributions to the capital of the Company.

5.03 Indemnification. To the fullest extent permitted under the Act, the Company shall indemnify the Members and make advances to them for expenses with respect to the matters for which indemnification is permitted thereunder.

5.04 List of Members. Each Member has the right to obtain from the Company a current list showing the names, addresses and Membership Interests, Ownership Percentages and Economic Interests of all Members and the other information required by S. C. CODE § 33-44-408 and maintained pursuant to Section 9.02.

5.05 Management Rights. All Members shall be designated Managing Members entitled to participate in the management and control of the day-to-day operation and business affairs of the Company. The Members hereby appoint Greer Housing Group, a South Carolina nonprofit corporation, as the Executive Member to conduct the day-to-day operation and business affairs of the Company. The Executive Member shall have the authority to bind the Company, and shall have the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company, except as otherwise provided in Section 6.08(b). The Executive Member, and any subsequent Executive Member, shall continue in office until such time as a successor Executive Member shall be elected. The Executive Member shall be elected by unanimous consent of the Members. The Executive Member may be removed by the Members at any time, with or without cause, by the affirmative vote of Members holding a Majority Interest.

5.06 Representations and Warranties. Each Member, and in the case of an Entity the person(s) executing this Operating Agreement on behalf of the Entity, hereby represents and warrants to the Company, and each other Member that: (a) if that Member is an Entity, that it is duly organized, validly existing, and in good standing under the law of its state or country of organization and that it has full organizational power to execute and agree to the Operating Agreement and to perform its obligations hereunder; (b) that the Member is acquiring its interest in the Company for the Member's own account as an investment and without an intent to distribute the interest; (c) the Member acknowledges that the interest has not been registered under the Securities Act of 1933 or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements.

5.07 Member Conflicts of Interest.

(a) A Member shall be entitled to enter into transactions which may be considered to be competitive with, or a business opportunity that may be beneficial to, the Company, it being expressly understood that certain of the Members may enter into transactions that are similar to the transactions into which the Company may enter. Notwithstanding the foregoing, Members shall account to the Company and hold as trustee for the Company, any property, profit or benefit derived by the Member, without the consent of the other Members, in the conduct and winding up of the Company business or from a use or appropriation by the Member of Company property, including information developed exclusively for the Company and opportunities expressly offered to the Company.

(b) A Member's conduct shall not violate a duty or obligation to the Company solely on the grounds that such conduct furthers the Member's own interest. A Member may lend money to and transact other business with the Company. The rights and obligations of a Member who lends money to or transacts business with the Company are the same as those of a person who is not a Member, subject to other applicable law. No transaction with the Company shall be voidable solely because the Member has a direct or indirect interest in the transaction if either the transaction is fair to the Company or the material facts of the transaction and the Member's interest are disclosed to all disinterested Members, and the disinterested Members authorize, approve or ratify the transaction.

5.08 Dealings With Affiliates. The Members are specifically authorized to employ, contract and deal with, from time to time, any Member or Affiliate of any Member, and in connection therewith to pay such person or Entity fees, prices or other compensation, provided that such employment, contracts, and dealings are commercially reasonable and necessary or appropriate for Company purposes, and the fees, prices or other compensation paid by the Company therefor, is, in the judgment of such Members, reasonable and typical or competitive with the fees, prices or other compensation customarily paid for similar property or services in the same general area.

ARTICLE 6

MEETINGS OF MEMBERS

6.01 Annual Meeting. An annual meeting of the Members will be held at such time and date at the principal office of the Company or at such other place within or outside the State of South Carolina as shall be designated by the Members from time to time and stated in the Notice of Meeting. The purposes of the annual meeting need not be enumerated in the notice of such meeting.

6.02 Special Meetings. Special meetings of the Members may be called by the holders of not less than ten percent (10%) of all the Ownership Percentages. Business transacted at all special meetings shall be confined to the purpose or purposes stated in the notice thereof.

6.03 Place of Meetings. The Members may designate any place, either within or outside the State of South Carolina, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company in the State of South Carolina.

6.04 Notice of Meetings. Written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Members, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two calendar days after being deposited in the United States mail, addressed to the Member at its address as it appears on the books of the Company, with postage prepaid thereon.

6.05 Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside the State of South Carolina, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any lawful action may be taken.

6.06 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

6.07 Quorum. Members holding at least a Super Majority Interest, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Ownership Percentages so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if at the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Ownership Percentages whose absence would cause less than a quorum to be present or represented.

6.08 Manner of Acting.

(a) If at any meeting of Members a quorum is present, the affirmative vote of a Majority Interest of the Members represented in person or by proxy shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles of Organization, or by this Operating Agreement. Unless otherwise expressly provided herein or required under applicable law, Members who have an interest (financial or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote or consent, upon any such matter and their Ownership Percentage, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter was approved by the Members.

(b) Without the unanimous vote and/or consent of the Members, no Member and no person to whom the Members have delegated management authority as the Executive Member will:

- (1) Amend the Operating Agreement of the Company or the Project Owner;
- (2) Amend the Articles of Organization of the Company or the Project Owner;
- (3) Sell all or substantially all of the assets of the Company or the Project Owner;
- (4) Encumber all or substantially all of the assets of the Company or the Project Owner;
- (5) Merge the Company or the Project Owner into another Entity;
- (6) Confess a judgment against the Company or the Project Owner;
- (7) Cause the Company to pay or to become obligated to pay any compensation of any type to any Member or any person to whom the Members have delegated management authority as Executive Member;
- (8) Admit any person as a Member to the Company or the Project Owner;
- (10) Take any action not approved pursuant to Paragraph 6.08(a) hereof;
- (11) Execute any financing documents on behalf of the Company or the Project Owner, including but not limited to loan documents, equity investment documents, and settlement statements with respect to the development and operation of the Project.
- (12) Enter into agreements to change third party contractors with respect to the development and operation of the Project, including but not limited to the general contractor, architect, engineer, management company and accounting firm;
- (13) Approve any expense in excess of Five Thousand Dollars (\$5,000) on behalf of the Project Owner or the Company;
- (14) Approve any change to financial sources and uses with respect to the development and operation of the Project;
- (15) Approve the annual operating budget of the Project;
- (16) Take any action on behalf of the Project Owner which would require unanimous consent under this Agreement, including but not limited to a call for additional capital contributions; or

(17) Take any action in violation of the South Carolina State Housing Finance and Development Authority 2024 Qualified Allocation Plan with respect to the Project.

6.09 Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

6.10 Action of Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the necessary Members entitled to vote and required to approve such action and delivered to the Company for inclusion in the minutes or for filing with Company records. Action taken under this Section is effective when the Members required to approve such action have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

6.11 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

6.12 List of Members Entitled to Vote. The Company shall make, at least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at such meeting, or any adjournment of such meeting, arranged in alphabetical order, with the addresses of the Members and the Ownership Percentage held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection of Members at all times during the meeting. However, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

6.13 Registered Members. The Company shall be entitled to treat the holder of record of any Ownership Percentage as the holder in fact of such Ownership Percentage for all purposes, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such Ownership Percentage on the part of any other person, whether or not it shall have express or other notice of such claim or interest, except as expressly provided by this Operating Agreement or the laws of South Carolina.

ARTICLE 7

CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

7.01 Members' Contributions to Capital. As its Initial Capital Contribution, each initial Member shall contribute cash, property or services in such amounts and on the terms set forth on **Exhibit A** attached hereto. If no time for the contribution is specified in **Exhibit A** then the Initial Capital

Contribution shall be made at the time of execution of this Operating Agreement. The value of the Initial Capital Contributions shall be as set forth on Exhibit A. Each Additional Member shall make the Initial Capital Contribution described in its Admission Agreement. The value of the Additional Member's Initial Capital Contribution and the time for making such contribution shall be set forth in its Admission Agreement.

7.02 Additional Contributions. After the Capital Contribution made by the Members as required by Section 7.01 above, and as approved by unanimous consent of the Members, from time to time, the Members shall make additional Capital Contributions necessary and appropriate for the conduct of the Company's business. In such event, the Members shall participate in such additional Capital Contributions on a pro rata basis in accordance with their Ownership Percentages. If such contributions are made by the Members other than on a pro rata basis, the amount of such contributions in excess of the Members' Ownership Percentages shall be deemed to be loans to the Company, payable upon demand and bearing interest at the rate of ten percent (10%) per annum, unless otherwise agreed by the Members.

7.02 Return or Withdrawal of Members' Capital Contributions. No Member shall have the right to withdraw its Capital Contribution or to demand or to receive a return of its Capital Contribution except as otherwise provided by this Operating Agreement. Under circumstances involving a return of a Member's Capital Contribution, no Member shall have the right to receive property other than cash.

7.03 Interest. No interest shall be paid on any Member's Capital Account.

7.04 Enforcement of Commitments. In the event any Member fails to perform its or his Commitment, the Company shall give such Delinquent Member notice of the failure to meet the Commitment. If the Delinquent Member fails to perform the Commitment (including any costs associated with the Member's failure to comply with the Commitment and interest on such obligation at the Default Interest Rate) within ten business days of the giving of such notice, the Company may take such action, including but not limited to enforcing the Commitment in the court of appropriate jurisdiction in the state in which the Company's principal office is located or the state of the Delinquent Member's address as reflected in the Operating Agreement. Each Member expressly agrees to the jurisdiction of such courts but only for the enforcement of Commitments. The remaining Members may contribute the amount of the Delinquent Member's Commitment on a pro rata basis in accordance with their Ownership Percentages. The Members who shall contribute their pro rata shares shall be entitled to treat the amounts contributed pursuant to this section as a loan bearing interest at the Default Interest Rate secured by the Delinquent Member's interest in the Company. Members contributing their pro rata share of the Delinquent Member's Commitment shall, until such time as their pro rata shares shall be fully repaid, be entitled to receive all distributions and allocations of profit to which the Delinquent Member would otherwise be entitled.

7.05 Capital Accounts.

- (a) Separate Capital Accounts shall be maintained by the Company for each Member. Each Capital Account shall be credited with each Member's Capital Contributions and shall

be appropriately adjusted to reflect each Member's allocations to Net Profits, Net Losses, and the net fair value of distributions made to such Member and such other adjustments as shall be required by Code Section 704(b) and the regulations promulgated thereunder.

(b) In the event of a permitted sale or exchange of a Membership Interest, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest.

ARTICLE 8

DISTRIBUTIONS TO MEMBERS

8.01 Allocation of Net Profit and Net Loss. Subject to Section 8.05, Net Profit and Net Loss of the Company shall be allocated among the Members in accordance with their respective Ownership Percentages.

8.02 Distributions of Net Cash Flow or Net Cash Proceeds.

(a) Net Cash Flow or Net Cash Proceeds, as applicable, shall be distributed to the Members in such amounts and at such times as the Members shall determine, as set forth in subsection (b) of this Section 8.02; provided, however, that no distribution shall be made to Members if prohibited by S.C. CODE § 33-44-406.

(b) Net Cash Flow or Net Proceeds shall be 70% to Greer Housing Group and 30% to Greenville Housing Fund entity.

(c) Net Cash Proceeds from a sale in liquidation shall be distributed in accordance with Article 12. Such distributions of Net Cash Proceeds shall be deemed return of capital and the capital accounts of the Members shall be reduced proportionately.

8.03 Distributions. Each Member shall look solely to the assets of the Company for all distributions and share of Net Profit or Net Loss, and shall have no recourse therefore (upon termination or otherwise) against any other Member.

8.04 Priority. Except as otherwise provided herein, no Member shall have priority over any other Member either as to the return of capital or as to profits, losses or distributions. No Member shall have the right to demand or receive property other than cash for its or his capital in the Company or in payment of its or his share of Net Profits or Net Cash Flow.

8.05 Allocation Adjustments.

(a) Notwithstanding anything to the contrary contained in this Article, if during any Company fiscal year there is a net decrease in Company Minimum Gain, each Member who would otherwise have an Adjusted Capital Account Deficit at the end of such year shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. The items to be so allocated shall be determined in accordance with Treasury Regulation §1.704-2(f). This provision is

intended to comply with the Minimum Gain charge-back provisions of the Treasury Regulations under Code §704 and shall be interpreted consistently therewith.

(b) Notwithstanding the provisions of Section 8.01, and except as provided in Section 8.05(a), in the event a Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation §1.704-1(b)(2)(ii)(d)(4), (5) or (6) which has not otherwise been taken into account in determining such Member's Adjusted Capital Account Deficit, if any, such Member shall be specially allocated items of Company income and gain in an amount and manner sufficient to eliminate, to the extent required by Treasury Regulations under Code §704(b), the Adjusted Capital Account Deficit of the Member as quickly as possible. This provision is intended to constitute a "qualified income offset" under Treasury Regulation §1.704(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(c) In order to identify the Members who are to be allocated the Company's nonrecourse deductions as defined in Treasury Regulation §1.704-2(c) and (d), the Company's nonrecourse deductions shall be separately allocated to and among the Members in proportion to their Ownership Percentages whether or not the Company has a Net Loss for the tax year.

(d) In accordance with Code §704(c) and applicable Treasury Regulations, income, gain, loss and deduction with respect to any property contributed to the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and the value ascribed to it under this Operating Agreement. In addition, in the event the value of any Company asset is required to be adjusted pursuant to the provisions of Code §704(b) and the Treasury Regulations promulgated thereunder, subsequent allocations of income, gain, loss, deduction and credit for tax purposes with respect to such assets shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its adjusted value, in the same manner as under Code §704(c) and the applicable Treasury Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Operating Agreement. Allocations pursuant to this subsection are solely for purposes of federal, state and local taxes, as appropriate, and shall not affect, or in any way be taken into account in computing, a Member's Capital Account or share of profits, losses or other items or distributions pursuant to any provision of this Operating Agreement.

(e) The allocation method set forth in this Article is intended to allocate profits and losses of the Members for federal income tax purposes in accordance with their economic interests in the Company while complying with the requirements of Code Section 704(b) and the Treasury Regulations promulgated thereunder. If, in the opinion of a Super Majority Interest of the Members, the allocations of profit or losses pursuant to the preceding provisions of this Article shall not: (1) satisfy the requirements of Code §704(b) or the Treasury Regulations promulgated thereunder; (2) comply with any other provisions of the Code or applicable Treasury Regulations; or (3) properly take into account any

expenditure made by the Company or transfer of a Membership Interest, then notwithstanding anything to the contrary contained in the preceding provisions of this Article, profit and losses shall be allocated in such a manner as the Members determine to be required so as to reflect properly such matters, as the case may be, and the Members shall have the right to amend this Operating Agreement to reflect any such change in the method of allocating profits and losses; provided, however, that any change in the method of allocating profits or losses shall not materially alter the economic agreement among the Members.

ARTICLE 9 **ACCOUNTING**

9.01 Accounting Period. The Company's accounting period shall be the calendar year.

9.02 Books and Records. The Company's books and records, this Operating Agreement and all amendments thereto, and any other agreements, records, documents or data required to be maintained by the Act, shall be maintained at the principal office of the Company and shall be open to inspection and examination by the Members or their duly authorized representatives at all reasonable times.

9.03 Books of Account. The Company shall, for income tax purposes, keep and maintain, or cause to be kept and maintained, adequate books of account of Company business. Such books of account shall initially be kept on a cash basis, but the Members shall have the right, but not the obligation, to change the method of accounting. All expenses in connection with the keeping of the books and records of the Company and the preparation of audited or unaudited financial statements required to implement the provisions of this Operating 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.

9.04 Tax Returns. The Company, at the Company's expense, shall cause an income tax return for the Company to be prepared and timely filed with the appropriate authorities. Copies of such returns, or other pertinent information therefrom, shall be furnished to the Members within the periods required by law or otherwise within a reasonable time after the end of the Company's fiscal year.

9.05 Bank Accounts. The bank account or accounts of the Company shall be maintained in the bank approved by the Members. The terms governing such account shall be determined by the Members and withdrawals from such bank account shall only be made by such parties as may be approved by the Members. Any account opened for the Company shall not be commingled with other funds of the Members.

9.06 Tax Matters. The Members hereby appoint Greer Housing Group as the "partnership representative" as provided in Code Section 6223(a) (the "Partnership Representative"). The Partnership Representative shall resign if he is no longer a Member and, upon his resignation, the remaining Members holding a Majority Interest shall appoint a replacement Partnership Representative who is a Member. If the resignation of the Partnership Representative occurs prior to the effectiveness of such resignation under applicable Treasury Regulations or other

administrative guidance, the Partnership Representative that has resigned shall not take any actions in such capacity until the effective date of such resignation, except as directed by the other Members.

The Partnership Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by Taxing 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 act on behalf of the Company in any such examinations and any resulting administrative or judicial proceedings and shall have sole discretion to determine whether the Company (either on its own behalf or on behalf of the Members) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by any Taxing Authority.

Each Member agrees that such Member shall not treat any Company item inconsistently on such Member's federal, state, foreign, or other income tax return with the treatment of the item on the Company's return. Any deficiency for taxes imposed on any Member or former Member (including penalties, additions to tax or interest imposed with respect to such taxes, and any taxes imposed pursuant to Code Section 6226, as amended by the BBA) shall be paid by such Member and if required to be paid (and actually paid) by the Company, will be recoverable from such Member.

Except as otherwise provided herein, the Partnership Representative shall have sole discretion to make any determination regarding income tax elections it deems advisable on behalf of the Company.

The obligations of each Member or former Member under this Section 9.06 shall survive the transfer or redemption by such Member of its membership interest, the termination of this Agreement, or the dissolution of the Company.

ARTICLE 10

TRANSFERABILITY; ADMISSION OF MEMBERS

10.01 Restrictions on Transfers; Transferability of Membership Interests. A Member shall not at any time Transfer all or any part of its Membership Interest except in accordance with the conditions and limitations set out in this Operating Agreement or as agreed by the Members and the Company. Any transferee of a Membership Interest by any means shall have only the rights, powers and privileges set out herein or otherwise provided by law and shall not become a Member of the Company except as provided in this Article 10.

10.02 Permitted Transfers. The prohibitions on Transfer contained in Section 10.01 shall not apply to Transfers of Membership Interests of the Company: (a) to the Company, (b) to a Member, (c) to the immediate family members of a Member, or (d) to an entity owned or controlled by a Member or one or more Members; provided, any Transfer under this Section 10.02 is subject to all approval requirements of (i) South Carolina State Housing Finance and Development Authority ("SC Housing") with respect to the Project, (ii) all Project lenders, and (iii) all Project investors.

10.03 Right of First Refusal.

(a) Receipt of Bona Fide Offer. If any Member shall receive a Bona Fide Offer to purchase any or all of his Membership Interest, and he is willing to accept such Bona Fide Offer, then such Member shall make the offer described in Section 10.03(b) hereof (the "Offer by Transferor"); provided, any Bona Fide Offer under this Section 10.03 is subject to all approval requirements of SC Housing with respect to the Project and all Project lenders and Project investors.

(b) Offer by Transferor. The Offer by Transferor shall be given to the Company and to the Remaining Members and shall consist of a written offer to Transfer all of the Membership Interest proposed to be Transferred by the Transferor. The Offer by Transferor shall include a statement of intention to Transfer and shall disclose all the terms of the proposed Transfer, including the name and address of the Transferee, and shall be accompanied by a copy of the Bona Fide Offer.

(c) Acceptance of Offer by Transferor. Within thirty (30) days after its receipt of the Offer by Transferor, the Company may, at its option, elect to purchase all of the Membership Interest proposed to be Transferred. The decision of the Company as to the acceptance or non-acceptance of said offer shall be made by a vote of the Remaining Members. If the Company does not elect to purchase the Membership Interest proposed to be Transferred pursuant to paragraph (b) above, the Company shall, within five (5) business days following delivery of written notice of its election to the Transferor, or within five (5) days following the expiration of the above-described thirty (30)-day period, deliver written notice of its election to the Remaining Members. The Remaining Members may, within forty-five (45) days after the receipt of said notice from the Company, at the Remaining Members' option, purchase all of the Membership Interests proposed to be Transferred, in Proportionate Shares. The Remaining Members shall exercise their election to purchase by giving written notice of such election to the Transferor and to the Company. In either event, such notice of election shall specify a date for the closing of the purchase, which shall be not more than thirty (30) days after the date of such notice.

(d) Purchase Price. The purchase price for the Membership Interest proposed to be Transferred shall be the same as the purchase price stated in the Bona Fide Offer.

(e) Closing of Purchase. The closing of purchase shall take place at the principal office of the Company. The Company or the Remaining Members shall have the option of paying the purchase price according to the same terms as the Bona Fide Offer.

(f) Transfer After Offer. If the Membership Interests are not purchased by the Company or the Remaining Members as provided in this Article 10, the Transferor shall, for a period of three (3) months thereafter, be free to Transfer the Membership Interests to the Transferee, upon the terms disclosed in the offer given to the Company pursuant to Section 10.03(b) of this Operating Agreement.

(g) Prohibited Transfers Void.

(i) Any purported Transfer in violation of this Operating Agreement shall be null and void and shall not transfer any interest in, or title to, the Membership Interests Transferred to the purported Transferee. The Company shall not be required to treat as owner of the Membership Interests, or to pay distributions to, any Transferee to whom any of those Membership Interests shall have been purportedly sold or Transferred.

(ii) In addition, and without in any way intending to validate, approve or otherwise render a Transfer in violation of this Operating Agreement other than null and void, the Company first, and the Remaining Members (in Proportionate Shares) second, shall have the option to purchase all or any portion of the Membership Interests attempted to be Transferred to a Transferee in violation of a restriction on Transfer contained in this Operating Agreement for the price and on the same terms and conditions described hereinabove; provided, however, that the Company and the Remaining Members may pay the purchase price by delivery of a promissory note representing the entire purchase price. To exercise this option, the Company must give the Transferee written notice within thirty (30) days after the Company is notified of the purported Transfer. In the event the Company does not elect to exercise this option, the Company shall, within ten (10) business days following the expiration of the foregoing thirty (30)-day period, notify the Remaining Members of its election. The Remaining Members must give the Transferee written notice, within thirty (30) days following the receipt of notice from the Company, of their election to purchase all or any portion of the Membership Interest purportedly held by the Transferee. The Transferee's sale obligation pursuant to this section may be specifically enforced by the Company or any Remaining Member.

10.04 Rights of Transferee. Unless and until admitted as a Member of the Company in accordance with this Article 10, the Transferee of a Member's Membership Interest shall become an Economic Interest Owner only, and shall not be entitled to any of the rights, powers, or privileges of a Member, except that such Economic Interest Owner shall be entitled to receive the distributions and allocations to which the Member would be entitled but for the Transfer of his Membership Interest.

10.05 Admission of Transferees as Substitute Members. A Transferee of a Member's Membership Interest may be admitted as a Member of the Company upon furnishing to the Company all of the following:

- (a) The written consent of all the Members;
- (b) The acceptance, adoption and approval in writing and in a form satisfactory to the Members owning a Super Majority Interest, of all the terms and conditions of this Operating Agreement; and

- (c) Payment of such reasonable expenses as the Company may incur in connection with the Transferee's admission as a Member.

10.06 Additional Members. From the date of the formation of the Company, any Person or Entity acceptable to the Members by unanimous vote may become a Member of the Company by executing an Admission Agreement setting forth the terms of the Capital Contribution and this Operating Agreement and by the issuance by the Company of Membership Interests for such consideration as the Members by their unanimous votes shall determine.

10.07 Allocation to Substitute and Additional Members. No Substitute or Additional Member or Economic Interest Owner shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Members may, at their option, at the time a Substitute or Additional Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a Substitute or Additional Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of §706(d) of the Code and the Treasury Regulations promulgated thereunder.

10.08 Withdrawal. Except as expressly permitted in this Operating Agreement, a Member shall not voluntarily withdraw or take any other voluntary action which directly causes a Withdrawal Event. Unless otherwise approved by Members owning a Super Majority Interest, a Withdrawing Member, or a Member whose Membership Interest is otherwise terminated by virtue of a Withdrawal Event, regardless of whether such Withdrawal Event was the result of a voluntary act by such Member, shall not be entitled to receive any Distributions to which such Member would have been entitled had such Member remained a Member. Except as otherwise expressly provided herein, a Withdrawing Member shall become an Economic Interest Owner. Damages for breach of this Section 10.08 shall be monetary damages only (and no specific performance), and such damages may be offset against Distributions by the Company to which the Withdrawing Member would otherwise be entitled.

ARTICLE 11

MISCELLANEOUS TRANSFER PROVISIONS

11.01 Purchase by Member. Whenever any Member purchases any Membership Interest under this Operating Agreement, the purchased Membership Interest shall serve as collateral security for the payment of the unpaid purchase price and shall serve as collateral until the entire purchase price shall be paid. While such Membership Interest serves as collateral security, and so long as the purchaser is not in default, the purchaser shall be entitled to all voting rights with respect to such Membership Interest.

11.02 Purchase by the Company. Whenever the Company shall purchase any Membership Interest pursuant to this Operating Agreement, each Member or personal representative, as the case may be, and all other necessary parties, shall do all things and execute and deliver all papers as are necessary to consummate such purchase.

11.03 Transferor Rights After Purchase. So long as any part of the purchase price of any Membership Interest sold in accordance with this Operating Agreement remains unpaid by the Company, the Transferor shall have the right to examine the books and records of the Company from time to time and receive copies of all accounting reports and tax returns prepared for or on behalf of the Company. If the Company breaches any of its obligations under this Section 11.03, the Transferor, in addition to any other remedies available, may elect to declare the entire unpaid purchase price due and payable forthwith.

11.04 Indebtedness to Member. If the Company purchases any Membership Interest of a Member pursuant to the terms of this Operating Agreement, and at the time of such purchase the Company is indebted to the Member whose Membership Interest is so purchased, such indebtedness shall be satisfied by the Company in the same manner and on the same terms as contained in Section 10.03 of this Operating Agreement.

11.05 Indebtedness to the Company. If the Company or the Remaining Members purchase any Membership Interest of a Member pursuant to the terms hereof, and if at the time of such purchase the Member whose Membership Interest is being purchased is indebted to the Company, then the amount of such indebtedness shall be credited to the purchase price to be paid by the Company if the Company is the purchaser, to be first applied against any cash down payment obligation. In the event the amount of such indebtedness exceeds the purchase price, such excess shall be satisfied by such Member. If a Remaining Member is the purchaser, the amount of such indebtedness shall be accelerated and become immediately due and payable to the extent the Transferor receives cash at the closing of such sale and any amount not so accelerated shall be satisfied by cash.

11.06 Specific Performance. Except for the provisions of Section 10.08, the parties hereby declare that it is impossible to measure, in money, the damages which will accrue to a party hereto or to any personal representative of a deceased Member by reason of a failure to perform any of the obligations under Articles 10 and 11 of this Operating Agreement. Therefore, if any party hereto, or such personal representative, shall institute any action or proceeding to enforce the provisions hereof, any person, including the Company, against whom such action or proceeding is brought, hereby waives the claim or defense therein that such party, or such personal representative, has an adequate remedy at law, and such person shall not urge in any such action or proceeding the claim or defense that such remedy at law exists.

ARTICLE 12

DISSOLUTION AND TERMINATION

12.01 Dissolution.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

(1) by the unanimous written agreement of all Members;

(2) a Withdrawal Event, unless the business of the Company is continued by the written consent of all of the remaining Members within 90 days after the Withdrawal Event; or

(3) the entry of a decree of judicial dissolution or the issuance of a certificate for administrative dissolution under the Act.

(b) Upon the death, dissolution, adjudication of bankruptcy or adjudication of incompetency of a Member, such Member's executors, administrators or legal representatives shall have all the rights of a Member for the purpose of settling or managing such Member's estate, including such power as the Member possessed to substitute as successor a transferee of its interest in the Company and to join with such transferee in making the application to substitute such transferee as a Member.

12.02 Effect of Dissolution. Upon dissolution, the Company shall cease to carry on its business and shall begin to wind up its business, as permitted by S.C. CODE §§ 33-44-803 to 33-44-808 and publish the notice permitted by S.C. CODE § 33-44-808.

12.03 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, the Company's independent accountants shall conduct an accounting of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution.

(b) The Members shall sell or otherwise liquidate all of the Company's assets as promptly as may be practicable to obtain the fair value thereof, and apply and distribute the proceeds therefrom in the following order:

(1) to the payment of the expenses of liquidation and the debts and liabilities of the Company (other than any loans or advances that may have been made by the Members or Economic Interest Owners to the Company);

(2) to the setting up of any reserves which the Members or the liquidator may deem necessary or appropriate for any anticipated obligations or contingencies of the Company arising out of or in connection with the operation or business of the Company, which reserves may be paid over by the Members or liquidator to an escrow agent or trustee selected by the Members or the liquidator to be held for the purpose of disbursing such reserves in payment of any of the aforementioned obligations or contingencies and, at the expiration of such period as the Members or liquidator shall deem advisable, to distribute the balance thereafter remaining in the manner provided herein below;

(3) to the repayment of any loans or advances that may have been made by any of the Members or Economic Interest Owners to the Company, but if the amount available for such repayment shall be insufficient, then pro rata on account thereof; and

(4) to the Members in accordance with their respective positive Capital Account balances by the end of the Company's taxable year during which such liquidation occurs (or, if the liquidation occurs within ninety (90) days before the end of the year, within ninety (90) days after the date of such liquidation).

If at any time of liquidation the Members or liquidator shall determine that an immediate sale of part or all of the Company's assets would cause undue loss to the Members, the Members or liquidator may, in order to avoid loss, either defer liquidation and retain the assets or, subject to the order of distribution set forth above, distribute the assets to the Members in kind, in accordance with the Member's respective positive capital account balances within the time limits set forth above.

12.04 Articles of Dissolution. Upon the dissolution and the commencement of winding up of the Company, articles of dissolution shall be filed in the Office of the South Carolina Secretary of State in accordance with the Act.

12.05 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Members, such Member or Members shall have no recourse against any other Member.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.01 Application of South Carolina Law. This Operating Agreement, and the application and interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of South Carolina, and specifically the Act.

13.02 Execution Of Additional Instruments. Each Member and Economic Interest Owner hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules or regulations.

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

13.04 Headings. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

13.05 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act from having the effect of an original violation.

13.06 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have under applicable law.

13.07 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

13.08 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.09 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

13.10 Certification of Non-Foreign Status. In order to comply with §1445 of the Code and the applicable Treasury Regulations thereunder, in the event of the disposition by the Company of a United States real property interest as defined in the Code and Treasury Regulations, each Member shall provide to the Company, an affidavit stating, under penalties of perjury: (i) the Member's address, (ii) the Member's United States taxpayer identification number, and (iii) that the Member is not a foreign person as that term is defined in the Code and Treasury Regulations. Failure by any Member to provide such affidavit by the date of such disposition shall authorize the Company to withhold ten percent (10%) of each such Member's distributive share of the amount realized by the Company on the disposition.

13.11 Notices. Any and all notices, designations, consents, offers, acceptances or any other communications provided for herein shall be given in writing by hand delivery or registered or certified mail, which shall be addressed, in the case of the Company, to its principal office, and in the case of a Member, to the most recent address appearing on the books and records of the Company for such Member, or to such other address as may be designated by a party, or in the absence of any such address, such Member's last known address. Any notice given by hand delivery shall be deemed given upon delivery, and any notice given by registered or certified mail shall be deemed given three (3) business days following the date such notice is deposited in the United States mail.

13.12 Invalidity. The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and the Operating Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted. If any

particular provision herein is construed to be in conflict with the provisions of the Act, the Act shall control and such invalid or unenforceable provisions shall not affect or invalidate the other provisions hereof, and this Operating Agreement shall be construed in all respects as if such conflicting provision were omitted.

13.13 Captions. Titles and captions are inserted for convenience only and in no way define, limit, extend or describe the scope or intent of this Operating Agreement or any of its provisions and in no way are to be construed to affect the meaning or construction of this Operating Agreement or any of its provisions.

13.14 Arbitration. Any dispute, controversy or claim arising out of or in connection with, or relating to, this Operating Agreement or any breach or alleged breach hereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the City of Greenville, State of South Carolina, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any time or at any other place or under any other form of arbitration mutually acceptable to the parties so involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in the highest court of the forum, state or federal district, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and counsel's fees, except that in the discretion of the arbitrator, any award may include the cost of a party's counsel if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic.

13.15 Determination of Matters Not Provided For In This Operating Agreement. The Members shall decide any questions arising with respect to the Company and this Operating Agreement which are not specifically or expressly provided for in this Operating Agreement.

13.16 Further Assurances. The Members each agree to cooperate, and to execute and deliver in a timely fashion any and all additional documents necessary to effectuate the purposes of the Company and this Operating Agreement, including but not limited to consents to jurisdiction for a taxing jurisdiction with regard to the collection of income taxes attributable to the Members' income and interest and penalties assessed on such income.

13.17 Project Owner Agreement. Notwithstanding anything in this Agreement to the contrary, the Members shall not take any action hereunder which would result in a breach of the terms of the Amended and Restated Operating Agreement of the Project Owner, as amended from time to time.

[SEE ATTACHED SIGNATURE PAGES]

The undersigned hereby certify that the foregoing Operating Agreement was adopted by the Member and the Company, effective the date and year first above written, and the undersigned have executed and sealed this Operating Agreement.

COMPANY:

GHG VICTORIA NORTHGATE MM, LLC,
a South Carolina limited liability company

By: GREER HOUSING GROUP,
a South Carolina non-profit corporation
Its: Managing Member

By: 
Janice Fowler, President

MEMBERS:

GREER HOUSING GROUP,
a South Carolina nonprofit corporation

By: 
Janice Fowler, President

GREENVILLE HOUSING FUND,
a South Carolina nonprofit corporation

By: _____
Bryan Brown, President

The undersigned hereby certify that the foregoing Operating Agreement was adopted by the Member and the Company, effective the date and year first above written, and the undersigned have executed and sealed this Operating Agreement.

COMPANY:

GHG VICTORIA NORTHGATE MM, LLC,
a South Carolina limited liability company

By: GREER HOUSING GROUP,
a South Carolina non-profit corporation
Its: Managing Member

By: _____
Janice Fowler, President

MEMBERS:

GREER HOUSING GROUP,
a South Carolina nonprofit corporation

By: _____
Janice Fowler, President

GREENVILLE HOUSING FUND,
a South Carolina nonprofit corporation

By: Bryan Brown
Bryan Brown, President

EXHIBIT A

<u>Member Name</u>	<u>Member Address</u>	<u>Initial Capital Contribution</u>	<u>Contribution Percentage</u>	<u>Ownership Percentage</u>
GREER HOUSING GROUP	103 School Street Greer, SC 20615	\$70.00	70.00%	70.00%
GREENVILLE HOUSING FUND	1615-A Wade Hampton Blvd Greenville, SC 29609	\$30.00	30.00%	30.00%
TOTALS:		\$100.00	100%	100%