

OPERATING AGREEMENT

OF

FOX RIDGE TRACE, LLC

(A South Carolina Limited Liability Company)

Dated: June 10, 2025

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OPERATING AGREEMENT

OF

FOX RIDGE TRACE, LLC

THIS OPERATING AGREEMENT OF FOX RIDGE TRACE, LLC (the "Company"), a limited liability company organized pursuant to the South Carolina Limited Liability Company Act as amended, is executed effective as of the date set forth on the cover page of this Agreement, by and among the Company and the Persons executing this Agreement as Members (as defined below).

ARTICLE I FORMATION OF THE COMPANY

1.1 Formation. The Company was formed on June 10, 2025 upon the filing with the Secretary of State of the Articles of Organization of the Company. In consideration of the mutual premises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the rights and obligations of the parties and the administration and termination of the Company shall be governed by this Agreement, the Articles of Organization and the Act.

1.2 Name. The name of the Company is as set forth on the cover page of this Agreement. The Members may change the name of the Company from time to time as they deem advisable, provided appropriate amendments to this Agreement and the Articles of Organization and necessary filings under the Act are first obtained.

1.3 Registered Office and Registered Agent. The Company's registered office shall be at 508 Meeting Street, West Columbia, South Carolina 29169, and the name of its initial registered agent at such address shall be CSC.

1.4 Principal Place of Business. The principal place of business of the Company within the State of South Carolina shall be at such place or places as the Manager may from time to time deem necessary or advisable.

1.5 Purposes and Powers.

(a) The purpose and business of the Company shall be to engage in any lawful business for which limited liability companies may be organized under the Act.

(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.

1.6 Term. The Company shall continue in existence indefinitely, as specified in the Company's Articles of Organization, unless the Company is earlier dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Act.

1.7 Nature of Members' Interests. The interests of the Members 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. Neither any Member nor a successor, representative, or assign of such Member, shall have any right, title, or interest in or to any Company property or the right to partition any Property owned by the Company.

ARTICLE II DEFINITIONS

2.1 Definitions. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Act" means the South Carolina Uniform Limited Liability Company Act of 1996, as amended from time to time.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts to which such Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(9)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Sections 1.704-1 (b)(2)(ii)(d)(4), 1.704-1 (b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

"Affiliate" of a specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with the specified Person; (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of the specified Person; (iii) any officer, director, or partner of the specified Person; or (iv) if the specified Person is an officer, director, or partner, any entity for which the specified Person acts in such capacity.

"Agreement" means this Operating Agreement, as it may be amended from time to time.

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

"Capital Account" means the account maintained by the Company for each Member in accordance with the following provisions:

(i) A Member's Capital Account shall be credited with the Member's Capital Contributions, the amount of any Company liabilities assumed by the Member (or which are secured by Company property distributed to the Member), the Member's allocable share of Profit and any item in the nature of income or gain specially allocated to such Member pursuant to the provisions of Article VI (other than Section 6.3.3); and

(ii) A Member's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Member, the Member's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Member pursuant to the provisions of Article VI (other than Section 6.3.3).

If any Membership Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Membership Interest. If the book value of Company property is adjusted pursuant to Section 6.3.3, the Capital Account of each Member shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Members shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed or to which the assets are subject.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

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

"Company Cash Flow" for any period means the excess, in any, of (A) the sum of (i) all gross receipts from any source for such period, other than from Company loans,

Capital Transactions, and Capital Contributions, and (ii) any funds released by the Company from previously established reserves, over (B) the sum of (i) all cash expenses paid by the Company for such period, (ii) all amounts paid by the Company in such period on account of the amortization of the principal of any debts or liabilities of the Company (including loans from any Member), (iii) capital expenditures of the Company, and (iv) a reasonable reserve for future expenditures as provided by Section 9.3; PROVIDED, HOWEVER, that the amounts referred to in (B) (i), (ii), and (iii) above shall be taken into account only to the extent not funded by Capital Contributions, loans, or paid out of previously established reserves. Such term shall also include all other funds deemed available for distribution and designated as Company Cash Flow by the Manager.

"Disinterested Member" means a Member who is not related (within the meaning of Section 267(b) of the Code or Section 707(b)(1) of the Code) to either the Member whose Membership Interest is to be transferred as provided in Article VII or the proposed transferee of such Membership Interest.

"Fiscal Year" means an annual accounting period ending December 31 of each year during the term of the Company, unless otherwise specified by the Manager.

"Majority in Interest" means a combination of any Members who, in the aggregate, own more than fifty percent (50%) of the Membership Interests of all Members.

"Manager" or "Managing Member" or "Member-Manager" means Fox Ridge Trace MM, LLC or any other Person that succeeds such Member in their capacity as Manager or any other Persons are elected to act as Manager of the Company as provided herein

"Managers" refers to such Persons as a group.

"Member" means each Person designated as a member of the Company on Schedule I hereto or any other Person admitted as a member of the Company in accordance with this Agreement or the Act. "Members" refers to such Persons as a group.

"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's assets, any right to vote and any right to participate in the management of the Company as provided in the Act and this Agreement.

"Minimum Gain" means gain as defined in Treasury Regulations Section 1.704-2(d):

"Partnership Representative" means Manager, or any other Person that succeeds such Member in their capacity as Manager or any other Persons that are designated by the Members as the "partnership representative," as that term is defined in the Code.

"Percentage Interest" means the percentage which the Capital Contributions of a Member to the Company bears to the Capital Contributions of all Members.

"Person" means an individual, a trust, an estate, a domestic corporation, a foreign corporation, a professional corporation, a partnership, a limited partnership, a limited liability company, a foreign limited liability company, an unincorporated association or another entity.

"Profit" and "Loss" mean, for each taxable year of the Company (or other period for which Profit or Loss must be computed) the Company's taxable income or loss determined in accordance with Code Section 1703(a), with the following adjustments:

(i) All items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

(ii) Any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss;

(iii) Any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)), and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss;

(iv) Gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes;

(v) In lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the adjusted book value of the asset; and

(vi) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 6.3 hereof shall not be taken into account in computing Profit or Loss.

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

"Transfer" means sell, assign, transfer, lease, or otherwise dispose of property, including without limitation an interest in the Company.

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

ARTICLE III MANAGEMENT OF THE COMPANY

3.1 Management. The business and affairs of the Company shall be managed by the Manager. In addition to the powers and authorities expressly conferred by this Agreement upon the Manager, the Manager 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.

3.2 Compensation and Expenses. The compensation of the Manager of the Company shall be fixed from time to time by an affirmative vote of a Majority in Interest of the Members or by contract approved by an affirmative vote of a Majority in Interest of the Members, and no Manager shall be prevented from receiving such salary by reason of the fact that he is also a Member of the Company. The Company will reimburse the Manager for all expenses incurred by the Manager in connection with its service as Manager. Nothing contained in this Section is intended to affect the Percentage Interest of the Members or the amounts that may be payable to them by reason of their respective Percentage Interests.

3.3 Indemnification of Manager for Management Services. The Company shall indemnify the Manager in connection with its services as Manager of the Company to the fullest extent permitted or required by the Act, as amended from time to time.

3.4 Limitation on Liability. No Member of the Company shall be liable to the Company for monetary damages for an act or omission in such Member's capacity as a Manager, except as provided in the Act for (i) acts or omissions which a Member knew at the time of the acts or omissions were clearly in conflict with the interests of the Company, (ii) any transaction from which a Member derived an improper personal benefit; or (iii) acts or omissions occurring prior to the date this provision becomes effective. If the Act is amended to authorize further elimination of or limitations on the liability of Members as Managers, then the liability of Members 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 Member existing at the time of such repeal or modification. The provisions of this Section shall apply also to any Person to whom the Members have delegated management authority as provided above, whether or not such Person is a Member.

3.5 Liability for Return of Capital Contribution. The Members shall not be liable for the return of the Capital Contributions of the Members and upon dissolution of the Company the Members shall look solely to the assets of the Company.

ARTICLE IV RIGHTS AND OBLIGATIONS OF MEMBERS

4.1 Names and Addresses of Members. The names, addresses, and Membership Interests of the Members are as reflected in Schedule I attached hereto and made a part hereof, which Schedule the Company shall amend as necessary to maintain the accuracy of all information disclosed therein.

4.2 Limited Liability. The Members shall not be required to make any contribution to the capital of the Company except as set forth in Article V, nor shall the Members in their capacity as such be bound by, or personally liable for, any expense, liability, or obligation of the Company except to the extent of their interests in the Company and the obligation to return distributions made to them under certain circumstances as required by the Act. The Members shall be under no obligation to restore a deficit capital account upon the dissolution of the Company or the liquidation of any of their Membership Interests.

4.3 Bankruptcy or Incapacity of a Member. A Member shall cease to have any power as a Member or Manager, any voting rights or rights of approval hereunder upon death, bankruptcy, insolvency, dissolution, assignment for the benefit of creditors, or legal incapacity; and the Member, its personal representative, estate, or successor upon the occurrence of any such event shall have only the rights, powers, and privileges of a transferee enumerated in Section 7.4, and shall be liable for all obligations of the Member under this Agreement. In no event, however, shall a personal representative or successor become a substitute Member unless the requirements of Section 7.3 are satisfied.

ARTICLE V CAPITAL CONTRIBUTIONS AND LOANS

5.1 Initial Capital Contributions. Contemporaneously with the execution of this Agreement, the Members contributed cash to the Company in the amounts set forth as the initial Capital Contributions on Schedule I attached hereto.

5.2 Additional Funds. In the event that the Manager determine at any time (or from time to time) that additional funds are required by the Company for or in respect of its business or to pay any of its obligations, expenses, costs, liabilities, or expenditures (including, without limitation, any operating deficits), then the Members may agree by unanimous action to make additional contributions to the capital of the Company or may, acting through the Manager, borrow all or part of such additional funds on behalf of the Company, with interest payable at then-prevailing rates, from one or more of the Members or from commercial banks, savings and loan associations, or other commercial lending institutions.

5.3 Additional Capital Contributions. If the Manager determine that additional funds are required for the purposes set forth in Section 5.2 above and that all or any portion of such additional funds should be contributed to the Company as additional Capital Contributions, the Members, in the absence of any written agreement between them to the contrary, shall make the necessary additional Capital Contributions to the Company in proportion to their respective Percentage Interests at the time such additional contributions are made.

5.4 No Interest on Capital Contributions. No interest shall be paid on any contribution to the capital of the Company.

5.5 Capital Accounts. A separate Capital Account shall be established for each Member. Each Member's Capital Account shall be subject to such adjustments as may be required in order to comply with the capital account maintenance requirements of Section 704(b) of the Code.

ARTICLE VI DISTRIBUTIONS AND ALLOCATIONS

6.1 Distributions of Company Cash Flow. Company Cash Flow for each taxable year of the Company shall be distributed to Taft-Mills Group, LLC no later than seventy five (75) days after the end of the Fiscal Year. The Managing Member shall not receive any separate allocations of profits, losses or distributions of cash flows or credits of the Company. The Members agree that the Managing Member shall receive an annual management fee of \$2,500, payable by the Company in consideration of its management services.

6.2 Allocation of Profit or Loss. After giving effect to the special allocations set forth in Section 6.3, for any Fiscal Year of the Company, Profit or Loss shall be allocated to the Members in proportion to their Percentage Interest.

6.3 Regulatory Allocations.

6.3.1 Qualified Income Offset. If any Member unexpectedly receives an adjustment, allocation, or distribution as described in Treasury Regulations Section 1.704-1 (b)(2)(ii)(d)(4) through (6) which causes or increases a deficit capital account balance in such Member's Capital Account (as determined in accordance with such 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 Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 6.3. shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VI have been tentatively made as if this Section 6 31 were not in the Agreement. This provision is intended to be a "qualified income offset," as defined in Treasury Regulations Section 1.704-1 (b)(2)(ii)(d), such Regulations being specifically incorporated herein by reference.

6.3.2 Minimum Gain Chargeback. If there is a net decrease in Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Minimum Gain income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(9). 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 Treasury Regulations Sections 1.704-2(f) and 1.704-2(j)(2). This Section 6.7 is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

6.3.3 Contributed Property and Book-ups. In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Code Section 704(c) and the Regulations thereunder.

6.4 Liquidation and Dissolution.

6.4.1 If the Company is liquidated, the assets of the Company shall be distributed to the Members in accordance with the positive balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to Section 6.2, if any, and distributions, if any, of cash or property, pursuant to Section 6.1.

6.4.2 No Member shall be obligated to restore a deficit Capital Account.

6.5 General.

6.5.1 Except as otherwise provided in Section 6.1 of this Agreement, the timing and amount of all distributions shall be determined by the Manager.

6.5.2 If any assets of the Company are distributed in kind to the Members, those assets shall be valued on the basis of their fair market value, and any Member entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Members so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in

Section 6.2 and shall be properly credited or charged to the Capital Accounts of the Members prior to the distribution of the assets in liquidation pursuant to Section 6.4.

6.5.3 All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Members as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit or Loss shall be allocated between the original Member and the successor on the basis of the number of days each was a Member during the taxable year; PROVIDED, HOWEVER, the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to any extraordinary nonrecurring items of the Company.

6.5.4 The Manager are hereby authorized, upon the advice of the Company's tax counsel, to amend this Article VI to comply with the Code and the Regulations promulgated under Code Section 704(b); PROVIDED, HOWEVER, that no amendment shall materially affect distributions to a Member without the Member's prior written consent.

ARTICLE VII TRANSFER OF INTERESTS AND ADMISSION OF MEMBERS

7.1 Restrictions on Transfer. Without the prior written consent of a Majority in Interest of the Disinterested Members (which consent may be given or withheld in their sole discretion), (a) no Member may voluntarily or involuntarily Transfer, or create or suffer to exist any Encumbrance against, all or any part of such Member's record or beneficial interest in the Company and (b) no Person may be admitted to the Company as a Member. Except for withdrawals in connection with a Transfer of a Membership Interest permitted by this Agreement, no Member may withdraw from the Company without the consent of a Majority in Interest of the Disinterested Members.

7.2 Conditions Precedent to Transfers. Any purported Transfer or Encumbrance otherwise complying with Section 7.1 will be ineffective until the transferor and the proposed transferee furnish to the Company the instruments and assurances the Members may request, including without limitation, if requested, an opinion of counsel satisfactory to the Company that the interest in the Company being Transferred or Encumbered has been registered or is exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws. No Transfer or Encumbrance will be effective if it would result in the "termination" of the Company under Section 708 of the Code unless all of the Members give their prior written consent to the Transfer or Encumbrance.

7.3 Substituted Members. No assignee or transferee of a Membership Interest shall be admitted as a substituted Member of the Company unless, in addition to compliance with the conditions set forth in Sections 7.1 and 7.2, all of the following conditions are satisfied:

(a) The assignee or transferee has executed and delivered all documents deemed appropriate by the Company to reflect the assignee's admission to the Company and its agreement to be bound by this Agreement;

(b) A Majority in Interest of the Disinterested Members shall have consented in writing to such substitution, the granting or denial of which shall be in the sole discretion of such Disinterested Members; and

(c) Payment has been made to the Company of all costs and expenses of admitting any such transferee or assignee as a substituted Member.

7.4 Rights of Transferee. Unless admitted to the Company in accordance with Section 7.3, the transferee of a Membership Interest or a part thereof shall not be entitled to any of the rights, powers, or privileges of its predecessor in interest, except that such transferee shall be entitled to receive and be credited or debited with its proportionate share of distributions of Company Cash Flow, Profits and Losses, and distributions in liquidation.

ARTICLE VIII DISSOLUTION AND LIQUIDATION OF THE COMPANY

8.1 Dissolution Events. Company will be dissolved upon the happening of any of the following events:

(a) All or substantially all of the assets of the Company are sold, exchanged, or otherwise transferred (unless the Members have elected to continue the business of the Company);

(b) All Members sign a document stating their election to dissolve the Company;

(c) The entry of a final judgment, order, or decree of a court of competent jurisdiction adjudicating the Company to be bankrupt and the expiration without appeal of the period, if any, allowed by applicable law in which to appeal;

(d) The expiration of the term of the Company (as set forth in Section 1.6)

(e) Upon the happening of the death, bankruptcy, or any other event of withdrawal (as defined in the Act) with respect to any Member, unless there is at least one remaining Member and the business of the Company is continued by the written consent of a Majority in Interest of the remaining Members within ninety (90) days of the action by or affecting the withdrawing Member; or

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

8.2 Continuation. Upon the occurrence of any of the events described in Section 8.1(e) above with respect to any of the Members, the business of the Company will be continued if within ninety (90) calendar days a Majority in Interest of the remaining Members elect to continue the business of the Company. If the Members fail to continue the Company's business as provided in this Section, the Company will be liquidated under Section 8.3.

8.3 Liquidation. Upon the happening of any of the events specified in Section 8.1 and, if applicable, the failure to continue the business of the Company under Section 8.2, the Members, or any liquidating trustee elected by a Majority in Interest of the Members, will commence as promptly as practicable to wind up the Company's affairs unless the Members or the liquidating trustee (either, the "Liquidator") determines that an immediate liquidation of Company assets would cause undue loss to the Company, in which event the liquidation may be deferred for a time determined by the Liquidator to be appropriate. Assets of the Company may be liquidated or distributed in kind, as the Liquidator determines to be appropriate. The Members will continue to share Company Cash Flow, Profits, and Losses during the period of liquidation in the manner set forth in Article VI. The proceeds from liquidation of the Company, including repayment of any debts of Members to the Company, and any Company assets that are not sold in connection with the liquidation will be applied in the following order of priority:

- (a) To payment of the debts and satisfaction of the other obligations of the Company, including without limitation debts and obligations to Members;
- (b) To the establishment of any reserves deemed appropriate by the Liquidator for any liabilities or obligations of the Company, which reserves will be held for the purpose of paying liabilities or obligations and, at the expiration of a period the Liquidator deems appropriate, will be distributed in the manner provided in Section 8.3(c); and
- (c) To the payment to the Members of the positive balances in their respective capital accounts, pro rata, in proportion to the positive balances in those capital accounts after giving effect to all allocations and distributions under Article VI for all prior periods, including the period during which the process of liquidation occurs.

8.4 Articles of Dissolution. Upon the dissolution and commencement of the winding up of the Company, the Members shall cause Articles of Dissolution to be executed on behalf of the Company and filed with the Secretary of State, and the Members shall execute, acknowledge, and file any and all other instruments necessary or appropriate to reflect the dissolution of the Company.

ARTICLE IX MISCELLANEOUS

9.1 Records. The records of the Company will be maintained at the Company's principal place of business or at any other place the Manager selects, provided the Company keeps at its principal place of business the records required by the Act to be maintained there. Appropriate records in reasonable detail will be maintained to reflect income tax information for

the Members. Each Member, at its expense, may inspect and make copies of the records maintained by the Company and may require an audit of the books of account maintained by the Company to be conducted by the independent accountants for the Company.

9.2 Reserves. The Members may cause the Company to create reasonable reserve accounts to be used exclusively to fund Company operating deficits and for any other valid Company purpose. The Members shall in their sole discretion determine the amount of payments to such reserve accounts.

9.3 Notices. Any notice or other communication required by this Agreement must be in writing. Notices and other communications will be deemed to have been given when delivered by hand or nationally recognized air courier, or on the third (3rd) business day after being deposited in the United States mail, postage prepaid, or dispatched by means of electronic facsimile transmission; provided, however, that receipt must be acknowledged for any notice given by means of electronic facsimile transmission. In each case, notice hereunder shall be addressed to the Member to whom the notice is intended to be given at its address set forth on Schedule I to this Agreement or, in the case of the Company, to its principal place of business. A Member may change its notice address by notice in writing to the Company and to each other Member given in accordance with this Section 9.3.

9.4 Entire Agreement. This Agreement, including all schedules to this Agreement, as amended from time to time in accordance with the terms of this Agreement, contains the entire agreement among the parties relative to the subject hereof.

9.5 Amendments and Waiver. No amendment to this Agreement or to the Articles of Organization will be valid or binding upon the Members or the Company, nor will any waiver of any term of this Agreement be effective, unless in writing and signed by each Member.

9.6 Additional Documents. Each party hereto agrees to execute and acknowledge all documents and writings which the Members may deem necessary or expedient in the creation of the Company and the achievement of its purposes, including but not limited to, the Articles of Organization and any amendments or cancellation thereof.

9.7 Representations of Members. Each Member represents and warrants to the Company and every other Member that it (i) is fully aware of, and is capable of bearing, the risks relating to an investment in the Company; (ii) understands that its interest in the Company has not been registered under the Securities Act or the securities law of any jurisdiction in reliance upon exemptions contained in those laws; and (iii) has acquired its interest in the Company for its own account, with the intention of holding the interest for investment and without any intention of participating directly or indirectly in any redistribution or resale of any portion of the interest in violation of the Securities Act or any applicable law.

9.8 Survival of Rights. Except as provided herein to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

9.9 Interpretation. Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine or neuter gender is used inappropriately in this Agreement, this Agreement shall be read as if the appropriate gender was used. The Article and Section headings or titles shall not define, limit, extend, or interpret the scope of this Agreement or any particular Article or Section.

9.10 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of South Carolina without giving effect to the conflicts of laws provisions thereof.

9.11 Severability. If any 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.

9.12 Partnership Representative. 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.

9.13 Power of Attorney. Each Member hereby makes, constitutes and appoints each elected Manager as may be serving from time to time, severally, with full power of substitution, as the Member's true and lawful attorney-in-fact, for such Member and in such Member's name, place and stead and for the Member's use and benefit to sign and acknowledge, file and record, any amendments hereto among the Members and for the further purpose of executing and filing on behalf of each Member, any documents necessary to constitute the continuation of the Company, the admission or withdrawal of a Member, the qualification of the Company in a foreign jurisdiction (or amendment to such qualification), the admission of substitute Members or the dissolution or termination of the Company, provided such continuation, admission, withdrawal, qualification, or dissolution and termination are in accordance with the terms of this Agreement.

The foregoing power of attorney is a special power of attorney coupled with an interest, is irrevocable and shall survive the death or legal incapacity of each Member. It may be exercised by any one of said attorneys by listing all of the Members executing any instrument over the signature of the attorney-in-fact acting for all of them. The power of attorney shall survive the delivery of an assignment by a Member of the whole or any portion of his

Membership Interest. In those cases in which the assignee of, or the successor to, a Member owning Membership Interest has been approved by the Members for admission to the Company as a substitute Member, the power of attorney shall survive for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument necessary to effect such substitution.

This power of attorney shall not be affected by the subsequent incapacity or mental incompetence of any Member.

9.14 Creditors Not Benefitted. Nothing in this Agreement expressed or implied, is intended or shall be construed to give to any creditor of the Company or any creditor of any Member or any other person or entity whatsoever, other than the Members and the Company, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provisions herein contained, and such provisions are and shall be held to be for the sole exclusive benefit of the Members and the Company.

9.15 Agreement in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature pages and this Agreement may be executed by the affixing of the signatures of each of the Members to one of such counterpart signature pages; all of such signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

(SIGNATURES ON FOLLOWING PAGE(S))

IN WITNESS WHEREOF, the undersigned, being all of the Members of the Company, have caused this Agreement to be duly adopted by the Company and do hereby assume and agree to be bound by and to perform all of the terms and provisions set forth in this Agreement.

MEMBERS:

FOX RIDGE TRACE MM, LLC
a South Carolina limited liability company

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

By: Frankie Cash-Langley
Name: Frankie Cash-Langley
Its: Authorized Signatory

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

By: Dustin T. Mills
Name: Dustin T. Mills
Its: Member and Manager

SCHEDULE I

MEMBER NAME & ADDRESS	MEMBERSHIP INTEREST PERCENTAGE
Fox Ridge Trace MM, LLC 508 Meeting Street West Columbia, SC 29169	0.009%
Taft-Mills Group, LLC 631 Dickinson Avenue Greenville, NC 27834	99.991%

SCHEDULE II

Initial Managing Member of Fox Ridge Trace, LLC

FOX RIDGE TRACE MM, LLC

**OPERATING AGREEMENT
OF
FOX RIDGE TRACE MM, LLC**

THIS OPERATING AGREEMENT of FOX RIDGE TRACE MM, LLC (the "Agreement") is effective as of June 10, 2025, and entered into by The Affordable Housing Initiative, a North Carolina nonprofit corporation ("AHI"), and Taft-Mills Group, LLC, North Carolina limited liability company ("TMG").

Recitals

A. Articles of Organization dated June 10, 2025 (the "Articles") have been filed to form a limited liability company under the name Fox Ridge Trace MM, LLC (the "Company") pursuant to and in accordance with the South Carolina Uniform Limited Liability Company Act of 1996, as amended (S.C. Code §33-44-101, *et seq.*) (The "Act").

B. AHI, is the sole member of the Company (the "Member"), and TMG is the sole manager of the Company (the "Manager").

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

Terms of Agreement

1. Name. The name of the limited liability company is Fox Ridge Trace MM, LLC. The Member, with the consent of the Manager, may change the name of the Company from time to time.

2. Purpose. The purposes of the Company shall be to act as Managing Member of Fox Ridge Trace, LLC, a South Carolina limited liability company (the "Owner Entity") formed to (i) to facilitate the provision of property to provide housing to low or very low income residents of South Carolina, including the development of an approximately 192-unit multi-family housing development, to be known as Fox Ridge Trace, to be located on Rutland Drive, Aiken, South Carolina (the "Project"); (ii) to manage, own, hold, maintain, encumber, lease, sell, transfer or otherwise dispose of all property or assets or interests in property or assets as may be necessary, appropriate or convenient to accomplish the activities described in clause (i) above; (iii) to incur indebtedness or obligations in furtherance of the activities described in clauses (i) and (ii) above; and (iv) to conduct such other activities as may be necessary or incidental to the foregoing, all on the terms and conditions and subject to the limitations set forth in this Agreement.

3. Registered Office and Agent. The registered agent of the Company shall be Corporation Service Company and the registered office of the Company shall be 508 Meeting Street, West Columbia, SC 29169.

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

5. Management by Manager. The business and affairs of the Company shall be managed exclusively by the Manager. Except for situations in which the approval of the Member is expressly required by this Operating Agreement, the Manager shall have full and complete authority, power, and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business, particularly as Managing Member of the Owner Entity. This includes the authority, on behalf of the Company in its role as Managing Member, to engage and pay the Project architect; engineers; environmental consultants; construction company/builder; attorneys, accountants, and other professional service providers for the Project; other contractors, subcontractors, and service providers reasonably determined by the Manager to be required for the Project; and to enter into agreements to purchase real property for the Project. Until its successor is duly elected and qualified, the initial Manager shall be Taft-Mills Group, LLC. The Member may only replace the Manager for cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the following:

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

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

- (a) do any act which would make it impossible to carry on the ordinary business of the Company;

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

7. Capital Contributions. Concurrent with the execution of this Agreement, the Member has made an initial contribution to the capital of the Company of \$100.00. Except to the extent required under the Act, the Member shall not be required to make any additional contributions to the capital of the Company.

8. Limitation on Liability; Indemnification. Except as otherwise provided in the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company. No Member, its board members, officers, employees, trustees, and agents, or the manager, or any agents or employees of the Company shall be obligated personally for any debt, obligation, or liability of the Company solely by reason of his, her, or its status as such Member, manager, officer, employee, trustee, or agent. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Act or this Agreement shall not be grounds for imposing personal liability on the Member, its officers, employees, trustees, and agents, the manager, or agents or employees of the Company for liabilities of the

Company. The Company and the Manager shall indemnify and hold harmless the Member, its officers, board members, employees, trustees, and agents, the manager, and any employees and agents of the Company (individually, in each case, an "Indemnatee"), to the fullest extent permitted by law from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which the Indemnatee may be involved, or threatened to be involved as a party or otherwise, arising out of or incidental to the business or activities of or relating to the Company, regardless of whether the Indemnatee continues to be the Member, manager, officer, board member, employee, trustee, or agent, at the time any such liability or expense is paid or incurred; *provided, however*, that this provision shall not eliminate or limit the liability of an Indemnatee (i) for any breach of the Indemnatee's duty of loyalty to the Company or its Member or (ii) for acts or omissions which involve intentional misconduct, gross negligence, or a knowing violation of law.

9. Manager Fee and Distributions. The Company shall pay the Member an annual management fee of \$2,500 paid by the Owner Entity to the Company (the "Manager Fee"). The Manager Fee shall be paid by the Company to the Member within five (5) business days of the Company's receipt of any management fee from the Owner Entity. After payment of the required Manager Fee to the Member, distribution of profit of the Company shall be made by the Company to the Member, and in such amounts, at such times and as of such record dates as the Manager determines in its sole discretion.

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

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

12. Term. The Company shall continue in existence indefinitely, as specified in the Company's Articles of Organization, unless the Company is earlier dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Act.

13. Winding Up and Distribution Upon Dissolution. Upon dissolution of the Company, the Member shall wind up the business and affairs of the Company, and shall cause all property and assets of the Company to be distributed as follows: (i) first, all of the Company's debts, liabilities, and obligations, including any Manager Fee due to the Manager, and any loans or advances from

the Member, shall be paid in full or reserves therefor shall be set aside; and (ii) any remaining assets shall be distributed to the Member.

14. Amendments. The Member at any time and from time to time may amend this Agreement by executing a written amendment.

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

[SIGNATURES ON FOLLOWING PAGE]

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

MEMBER:

THE AFFORDABLE HOUSING INITIATIVE
a North Carolina nonprofit corporation

By: 
Dustin T. Mills, President

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

MANAGER:

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

By: 
Dustin T. Mills, Member and Manager