

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

OPERATING AGREEMENT

OF

STILLWATER RIDGE, LLC

THIS OPERATING AGREEMENT of Stillwater Ridge, LLC (the “Agreement”) is effective as of June 23, 2025 and entered into by T. Kevin Connelly, its Manager and Member, Abigail C. Goodlett, its Member, and Tanner K. Connelly, its Member.

Recitals

A. Articles of Organization dated April 28, 2025 (the “Articles”) have been filed to form a limited liability company under the name Stillwater Ridge, 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. T. Kevin Connelly, Abigail C. Goodlett, and Tanner K. Connelly are the members of the Company (the “Members”), and T. Kevin Connelly is the sole manager of the Company (the “Manager”);

C. By executing this Agreement, the Members hereby (i) ratify the formation of the Company and the filing of the Articles, (ii) continue the existence of the Company, and (iii) adopt 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 Stillwater Ridge, LLC. The Members, 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 the initial general partner, initial limited partner and special limited partner of Stillwater Ridge One, LP, a South Carolina limited partnership formed to (i) to facilitate the provision of property to provide housing to low or very low income residents of South Carolina, including the development of an approximately 192-unit multi-family housing development, to be known as Stillwater Ridge, to be located at 9301 Asheville Highway, Boiling Springs, South Carolina, 29306.

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

4. Members and Membership Interests. T. Kevin Connelly, Abigail C. Goodlett, and Tanner K. Connelly are the members of the Company. The membership interests of each member are as follows:

T. Kevin Connelly	90%
Abigail C. Goodlett	5%
Tanner K. Connelly	5%

5. Management by Manager. The business and affairs of the Company shall be managed exclusively by the Manager. The sole Manager shall be T. Kevin Connelly. Except for situations in which the approval of the Member is expressly required by this 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.

6. Restrictions on Authority of Managers and Officers. Notwithstanding the powers and authority set forth in Section 5 above, the Manager shall not have the authority to perform any of the following acts without the 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) amend or modify the Articles of Organization of the Company;
- (g) issue additional membership interests of or admit additional members to the Company;
- (h) 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;
- (i) make any loan, advance or capital contribution to or in any person or entity
- (j) 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;

- (k) establish a subsidiary or enter into any joint venture, partnership, or similar business arrangement;
- (l) 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;
- (m) dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company; or
- (n) 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 of members, officers, employees, trustees, and agents, or any 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 any Member, including its officers, board members, employees, trustees, and agents, any 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 a 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 any member or (ii) for acts or omissions which involve intentional misconduct, gross negligence, or a knowing violation of law.

9. Manager Fee and Distributions. The Company shall pay Manager a manager fee equal to 90% of any distributions or fees paid by Stillwater Ridge One, LP to the Company (the

“Manager Fee”). The Manager Fee shall be paid by the Company to the Manager within five (5) business days of the Company’s receipt of any management fee from the Partnership. After payment of the required Manager Fee to the Manager, distribution of profit of the Company may be made by the Company to the Members, and in such amounts, at such times and as of such record dates as the Members and Manager shall agree.

10. Tax Classification. The Company and the Members intend that the Company be treated as a partnership for federal, state and local income tax and financial reporting purposes, and the Members and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment. Notwithstanding any other provision of this Agreement, neither the Company nor the Members 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 written consent of the Manager, such consent not to be unreasonably withheld.

12. Term. The Company is a “term” company as defined by the Act, and shall continue until April 28, 2075, or until dissolved and terminated in accordance with this Agreement.

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 Members at any time and from time to time may amend this Agreement by executing a written amendment.

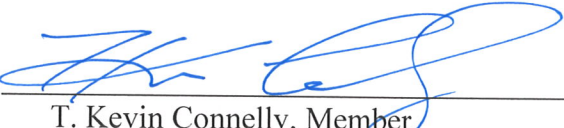
15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina (but not including the choice of law rules thereof), including without limitation the Act.

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

[signatures on following page]

IN WITNESS WHEREOF, the Members have duly executed this Agreement to be effective as of the date first set forth above.

The Members:

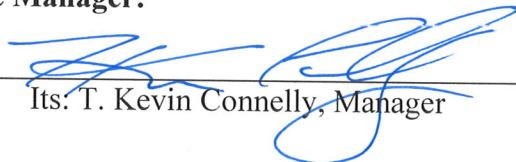
By: 
T. Kevin Connelly, Member

By: 
Abigail C. Goodlett, Member

By: 
Tanner K. Connelly, Member

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

The Manager:

By: 
Its: T. Kevin Connelly, Manager