

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

**OPERATING AGREEMENT
OF
STILLWATER RIDGE MANAGEMENT, LLC**

THIS OPERATING AGREEMENT of Stillwater Ridge Management, LLC (the "Agreement") is effective as of June 24, 2025 and entered into by Stillwater Ridge Management, LLC and T. Kevin Connelly, the Manager and Member of Stillwater Ridge Management, LLC.

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 Management, 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 is the sole member of the Company (the "Member"), and is the sole manager of the Company (the "Manager");

C. The Company is the manager of HNM Stillwater Ridge, LLC and HNM Stillwater Ridge, LLC (the "General Partner") is the general partner of Stillwater Ridge One, LP, a South Carolina limited Partnership (the "Limited Partner");

D. The Company and the General Partner entered into that certain Operating Agreement of HNM Stillwater Ridge, LLC effective as of June 24, 2025 (the "Operating Agreement"); and

E. The Company, Member, and Manager, in exchange for mutually-sufficient consideration, desire to enter into this Agreement.

Terms of Agreement

The Company, Member, and Manager agree as follows:

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

2. Formation. The Member, and Manager as required, hereby (i) ratify the formation of the Company, the filing of the Articles, the continuing existence of the Company, the execution of the Operating Agreement by and on behalf of the Company, and (ii) adopt this Agreement, together with the Company, to set forth the terms governing the affairs of the Company and the conduct of its business.

3. Purpose. The purposes of the Company shall be to act as the manager of the General Partner of the Limited Partnership, and pursuant to the Operating Agreement and the Act.

4. 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.

5. Member. T. Kevin Connelly is the sole member of the Company.

6. 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.

7. Restrictions on Authority of Managers and Officers. Notwithstanding the powers and authority set forth in Section 6 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.

8. 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.

9. 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.

10. Manager Fee and Distributions. The Company shall pay Manager an annual manager fee equal to 5% of the gross income of the Company (the "Manager Fee"). The Manager Fee shall be paid by the Company to the Manager on such dates as approved by the Member, but shall be paid no later than by March 31st of the following year. After payment of the required Manager Fee to the Manager, and other expenses of the Company, any resulting profit may be distributed to the Member in such amounts and at such times as the Member determines in his sole discretion.

11. 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 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 Member shall take any action inconsistent with such intention.

12. 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.

13. At-Will. The Company is an at-will limited liability company.

14. 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.

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

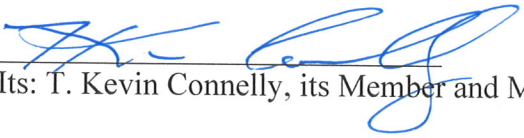
16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina (but not including the choice of law rules thereof), including without limitation the Act.

17. 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 Company, Member, and Manager have caused this Agreement to be duly executed on its behalf to be effective as of the date first set forth above.

The Company

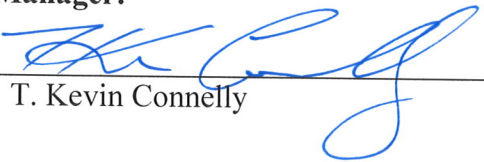
By: 
Its: T. Kevin Connelly, its Member and Manager

The Member

By: 
T. Kevin Connelly

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: 
T. Kevin Connelly