

**OPERATING AGREEMENT**  
**OF**  
**EUREKA MILL APARTMENTS, LLC**  
**(A South Carolina Limited Liability Company)**

**DATED AS OF May 22, 2025**

**THE LLC MEMBERSHIP INTEREST REPRESENTED BY THIS OPERATING AGREEMENT HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT, OR SIMILAR LAWS OR ACTS OF OTHER STATES IN RELIANCE UPON EXEMPTIONS UNDER THOSE ACTS. THE SALE OR OTHER DISPOSITION OF THE MEMBERSHIP INTEREST IS RESTRICTED.**

**OPERATING AGREEMENT  
OF  
EUREKA MILL APARTMENTS, LLC**

THIS OPERATING AGREEMENT ("Agreement") of EUREKA MILL APARTMENTS, LLC ("Company"), a limited liability company organized pursuant to the South Carolina Limited Liability Company Act, is made effective as of the date set forth on the cover page of this Agreement by and between EUREKA MILL MANAGER, INC., a South Carolina corporation ("Managing Member") and EUREKA MILL JMC PARTNERS, LLC, a South Carolina limited liability company ("Cope Member").

**ARTICLE I - FORMATION OF COMPANY**

1.1 Formation. Company was formed on May 22, 2025, upon the filing with the Secretary of State of the Articles of Organization of Company.

1.2 Name. The name of Company is EUREKA MILL APARTMENTS, LLC. The Managing Member may change the name of Company from time-to-time as it deems 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. Company's registered office within the State of South Carolina and its registered agent at such address shall be as the Managing Member may from time-to-time deem necessary or advisable.

1.4 Principal Place of Business. The principal place of business of Company shall be at such place or places as the Managing Member may from time-to-time deem necessary or advisable.

1.5 Purposes and Powers.

(a) The purpose and business of Company shall be to own, develop and/or sell the property commonly known as Eureka Mill Apartments (the "Project") and engage in any other lawful business ancillary thereto for which limited liability companies may be organized under the Act.

(b) Company shall have any and all powers which are necessary or desirable to carry out the purposes and business of Company, to the extent the same may be legally exercised by limited liability companies under the Act.

1.6 Term. The duration of Company shall be perpetual unless Company is dissolved and its affairs wound up in accordance with the provisions of this Agreement or the Act.

1.7 Nature of Member's Interest. The interest of the Members in Company shall be personal property for all purposes. Legal title to all Company assets shall be held in the name of Company.

## ARTICLE II - DEFINITIONS

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

“Act” means the South Carolina Limited Liability Company Act, as the same may be amended from time-to-time.

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

“Code” means the Internal Revenue Code of 1986, as currently amended and as hereafter amended from time-to-time (and any corresponding provisions of succeeding law).

“Members” means collectively Managing Member and Cope Member.

“Membership Interest” means each Member’s rights in Company.

“Partnership Representative” means the person who is the “partnership representative” as that term is defined in the Code.

“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.

“Secretary of State” means the Secretary of State of South Carolina.

“State Tax Credits” shall mean those certain tax credits available to Company pursuant to the South Carolina Textiles Communities Revitalization Act (South Carolina Code of Laws Section 12-65-10, et seq.).

## ARTICLE III - MANAGEMENT OF COMPANY

3.1 Management. Except as otherwise expressly provided in this Agreement, the Articles of Organization or the Act, all decisions with respect to the management of the business and affairs of Company shall be made by the Managing Member. The Managing Member shall receive fair and reasonable compensation from Company for serving as the Managing Member. In addition, Company will reimburse the Managing Member for expenses incurred by the Managing Member in connection with its service to Company. Notwithstanding anything herein to the contrary, Managing Member shall have no authority to take any action in regard to the allocation of the State Tax Credits or any other action that would have a materially adverse effect upon the State Tax Credits without the written consent of Cope Member.

3.2 Indemnification of Managing Member for Management Services. Company shall indemnify the Managing Member or its authorized delegate(s) in connection with the services as

Managing Member of Company to the fullest extent permitted or required by the Act, as amended from time-to-time, and Company may advance expenses incurred by such person upon the approval of the Managing Member.

#### ARTICLE IV - RIGHTS AND OBLIGATIONS OF MEMBERS

4.1 Name and Address of Members. The name, address and Membership Interests of the Members are reflected in Schedule I attached hereto.

4.2 Limited Liability. The Members shall not be required to make any contribution to the capital of Company except as set forth in Schedule I attached hereto, nor shall any Member be bound by, or personally liable for, any expense, liability or obligation of Company except to the extent of its interest in Company and the obligation to return distributions under certain circumstances as required by the Act. No Member shall be under the obligation to restore a deficit Capital Account upon the dissolution of Company or the liquidation of its Membership Interest.

#### ARTICLE V - CAPITAL CONTRIBUTIONS AND LOANS

Contemporaneously with or prior to the execution of this Agreement, Members have contributed initial capital to Company as set forth in Schedule I attached hereto. Managing Member agrees to contribute additional capital and/or loans as required to complete the Project.

#### ARTICLE VI - ALLOCATIONS

All allocations of profit, loss and other tax items of Company shall be made in accordance with the Membership Interests of the Members; provided, however, that all State Tax Credits shall be allocated exclusively to Cope Member.

#### ARTICLE VII - DISTRIBUTIONS

Distributions of assets shall be made on such basis and at such time as determined by the Managing Member.

#### ARTICLE VIII - DISSOLUTION AND LIQUIDATION OF COMPANY

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

(a) Managing Member signs a document stating its election to dissolve Company;

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

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

8.2 Liquidation. Upon the happening of any of the events specified in Section 8.1 and, if applicable, the failure of the Managing Member to continue the business of Company, the Managing Member, or any liquidating trustee designated by the Managing Member, will commence as promptly as practicable to wind up Company's affairs unless the Managing Member or the liquidating trustee (either, the "Liquidator") determines that an immediate liquidation of Company assets would cause undue loss to Company, in which event the liquidation may be deferred for a time determined by the Liquidator to be appropriate. Assets of Company may be liquidated or distributed in kind, as the Liquidator determines to be appropriate. Managing Member will continue to be entitled to company cash flow and Company profits during the period of liquidation. The proceeds from liquidation of 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 Company, including without limitation debts and obligations to the Members;

(b) To the establishment of any reserves deemed appropriate by the Liquidator for any liabilities or obligations of 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 8.2(c); and, thereafter

(c) To the Members in accordance with their Membership Interests.

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

## ARTICLE IX - MISCELLANEOUS

9.1 Records. The records of Company will be maintained at Company's principal place of business or at any other place the Managing Member selects.

9.2 Representations of the Members. Each Member represents and warrants to Company that it: (i) is fully aware of, and is capable of bearing, the risks relating to an investment in Company; (ii) understands that its interest in 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 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.

9.3 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.

9.4 Interpretation and Governing Law. When the context in which words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural and vice versa. The masculine gender shall include the feminine and neuter. 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. 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 law's provisions thereof.

9.5 Severability. If any provision, sentence, phrase or word of this Agreement or the application thereof to any person or circumstance shall be held invalid, the remainder of this Agreement, or the application of such provision, sentence, phrase or word to Persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

9.6 Partnership Representative. For purposes of this Agreement, Managing Member shall be the Partnership Representative under the Code.

9.7 Creditors Not Benefited. Nothing in this Agreement is intended to benefit any creditor of Company. No creditor of Company will be entitled to require any Member to solicit or accept any loan or additional capital contribution for Company or to enforce any right which Company may have against any Member, whether arising under this Agreement or otherwise.

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly adopted by the Members effective as of the date first above written.

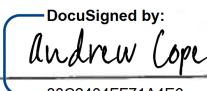
**MANAGING MEMBER:**

EUREKA MILL MANAGER, INC.,  
a South Carolina corporation

By:   
Julie A. Porter, President

**COPE MEMBER:**

EUREKA MILL JMC PARTNERS, LLC,  
a South Carolina limited liability company

By:   
Name: Andrew Cope  
Title: Manager

**SCHEDULE I**

<u>Name and Address of Member</u>	<u>Initial Capital Contribution</u>	<u>Membership Interest</u>
Eureka Mill Manager, Inc. 4601 Charlotte Park Drive, Suite 350 Charlotte, NC 28217	\$1,000.00	50%
Eureka Mill JMC Partners, LLC <u>199 S. Cherry Rd.,</u> <u>Rock Hill, SC 29730</u>	\$1,000.00	50%