

OPERATING AGREEMENT
of
WILLOWCREEK AT WATEREE, LLC

THIS OPERATING AGREEMENT of Willowcreek at Wateree, LLC (the “Company”), is made and entered into as of the 27th day of June, 2025, by and among the Members of the Company who have executed this Agreement.

RECITALS

WHEREAS, the Company was formed as a South Carolina limited liability company on June 3, 2021, by the filing of its Articles of Organization with the South Carolina Secretary of State. Upon the filing of the Articles of Organization, an oral agreement existed with respect to the organization, management and operation of the Company. This Agreement shall supersede any previous oral or written operating agreements of the Company. The Company has always had at least one member either through oral agreement or otherwise.

WHEREAS, the Members organized the Company to engage in any lawful business that may be engaged in by a limited liability company organized under the Act, as such business activities may be determined by the Members from time to time. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described herein.

NOW, THEREFORE, in consideration of the mutual agreements of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

Unless otherwise expressly provided or the context otherwise requires, the following capitalized terms used in this Agreement have the following meanings:

“Act” means the South Carolina Uniform Limited Liability Company Act of 1996, as in effect in the State of South Carolina and set forth at S.C. Code Ann. § 33-44-101 et seq. (or any corresponding provisions of succeeding law).

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

(a) Credit to the Capital Account all amounts the Member is obligated to restore to the Company pursuant to Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations or is deemed to be obligated to restore pursuant to the penultimate sentence of Section 1.704-2(g)(ii) of the Treasury

Regulations or the penultimate sentence of Section 1.704-(2)(i)(5) of the Treasury Regulations; and

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

“Affiliate” means an individual or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another person, and includes: (1) a spouse, ancestor or lineal descendant of an individual; (2) an officer, director, shareholder, manager, member or partner of a person which is not an individual, and a spouse, ancestor or lineal descendant of any such individual; (3) a spouse of an ancestor or lineal descendant of an individual; and (4) any individual or entity controlled by any individual or entity designated above. “Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity or individual, whether through the ownership of voting securities, by contract, or otherwise.

“Agreement” means this Operating Agreement of Willowcreek at Wateree, LLC, as amended from time to time.

“Bankruptcy” means, and a Member will be deemed a “Bankrupt Member,” upon (i) the entry of a decree or order for relief against the Member by a court of competent jurisdiction in any involuntary case brought against the Member under any bankruptcy, insolvency, or other similar law (collectively, “Debtor Relief Laws”) generally affecting the rights of creditors and relief of debtors then in effect, (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, or other similar agent under applicable Debtor Relief Laws for the Member or for any substantial part of its assets or property, (iii) the ordering of the winding up or liquidation of the Member’s affairs, (iv) the filing of a petition in any such involuntary bankruptcy case, which petition remains undismissed for a period of sixty days or which is not dismissed or suspended pursuant to Section 305 of the United States Federal Bankruptcy Code (or any corresponding provision of any future United States bankruptcy law), (v) the commencement by the Member of a voluntary case under any applicable Debtor Relief Law in effect now or after the date of this Agreement, (vi) the consent by the Member to the entry of an order for relief in an involuntary case under any such law or to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar agent under any applicable Debtor Relief Laws for the Member or for any substantial part of its assets or property, or (vii) the making by a Member of any general assignment for the benefit of its creditors.

“Capital Account” means the account described in Section 5.3 of this Agreement.

“Capital Contribution” means the total amount of capital contributed to the Company’s capital by each Member pursuant to Section 5.1 of this Agreement, as may be adjusted by the terms hereof.

“Capital Proceeds” means capital distributions received by the Company from entities in which Company has an ownership interest and the net cash proceeds received by the Company from or as a result of a Capital Transaction, after deducting: (i) all expenses paid in connection

therewith; (ii) all amounts applied by the Company toward the payment of obligations associated with the Capital Transaction, including payments of principal and interest on mortgages or payments to repair or restore assets, and then payment of other indebtedness of the Company (including indebtedness owed to the Members); (iii) the payment of other expenses; and (iv) the establishment of reserves. If the proceeds of a Capital Transaction are paid in more than one installment, each installment shall be treated as a separate Capital Transaction for purposes of this definition.

“Capital Transaction” means a (i) sale or other disposition of the assets of the Company (other than sales in the ordinary course of business); (ii) financing or refinancing of the assets of the Company; and (iii) receipt of casualty insurance proceeds (other than business interruption insurance) or condemnation awards with respect to the Company’s assets.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent laws.

“Company” means Willowcreek at Wateree, LLC, a South Carolina limited liability company.

“Company Capital” means the total amount of all Capital Contributions of the Members.

“Effective Date” means the effective date first set forth in the Preamble.

“Gain from Capital Transaction” means the total of all gains resulting from Capital Transactions and capital gains allocated to the Company from entities in which it has an ownership interest as determined by the Company for that year or other period.

“Gross Asset Value” means, with respect to each asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of each asset contributed by a Member to the Company shall be the gross fair market value of the asset, as determined by the contributing Member and the Company;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Company, as of the following times: (i) the acquisition of an additional interest in the Company by a new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Company to a Member (or a transferee of a Member with respect to the Member’s interest in the Company) of more than a *de minimis* amount of Company property as consideration for an interest in the Company; and (iii) upon the liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations; provided, however that the adjustments pursuant to clauses (i) and (ii) above shall be made only if the Managing Member reasonably determines that the adjustments are necessary or appropriate to reflect the relative economic interests of the Members and their transferees (if any) in the Company;

(c) The Gross Asset Value of a Company asset distributed to a Member shall be the gross fair market value of the asset on the date of distribution; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect adjustments to the adjusted basis of the assets pursuant to Code Section 732(d), Code Section 734(b) or Code Section 743(b), but only to the extent that the adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Treasury Regulations, provided that Gross Asset Values will not be adjusted under the subparagraph (d) to the extent that the Managing Member determines that an adjustment under subparagraph (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment under this subparagraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Clause (a), (b) or (d) of this definition, the Gross Asset Value shall thereafter be adjusted by the depreciation or amortization taken into account with respect to the asset for purposes of computing Operating Profits and Losses.

“Managing Member” means those person or persons elected by the Members to manage the Company. The initial Managing Member, if any, shall be designated in the Company’s Articles of Organization or on attached Exhibit A.

“Member Loan” means a loan to the Company as described in Section 5.1(b).

“Members” means the Members whose names and addresses are set forth on Exhibit A, and other persons who are admitted to the Company as additional or substitute Members.

“Method of Accounting” means the method of accounting selected by the Members from time to time. The initial method of accounting for the Company shall be accrual basis accounting, unless otherwise determined by the Managing Member.

“Net Cash Flow” means all cash received by the Company in a fiscal year from its operations (excluding contributions to Company Capital, the receipt of Capital Proceeds, and the receipt of Member Loans) less all disbursements of cash (other than disbursements pursuant to Section 7.1), including payments of operating expenses, payments in reduction of Company indebtedness and payments to reasonable reserve accounts. If the Managing Member determines that the reserves of the Company exceed the amount they deem sufficient for the operation of the Company’s business, the reserves may be reduced by the excess and the excess shall be added to Net Cash Flow.

“Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(b) of the Treasury Regulations. The amount of Nonrecourse Deductions for a Company fiscal year equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during the fiscal year over the aggregate amount of all distributions during that fiscal year of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined according to the provisions of Section 1.704-2(c) of the Treasury Regulations. If the amount of Nonrecourse Deductions during the Company’s fiscal year exceeds the total amount of items of Company loss, deduction and Section 705(a)(2)(B) expenditures for the year, then the

excess shall carry forward and shall be treated as an increase in Partnership Minimum Gain for the immediately succeeding fiscal year for the purpose of determining whether there is a net increase or decrease in Partnership Minimum Gain (and Nonrecourse Deductions) during the succeeding Company fiscal year.

“Nonrecourse Liabilities” means liabilities of the Company treated as “nonrecourse liabilities” under Section 1.704-2(b)(3) of the Treasury Regulations.

“Operating Profits and Losses” means for each fiscal year, an amount equal to the Company’s taxable income or loss, exclusive of Gain from Capital Transaction, for that year or other period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be separately stated pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) All income of the Company that is exempt from federal income tax or otherwise described in Section 705(a)(1)(B) of the Code and not otherwise taken into account shall be added to taxable income or loss;

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

(c) If the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of that year, in lieu of depreciation, amortization and other cost recovery deductions, there shall be taken into account depreciation for the fiscal year or other period equal to the amount that bears the same ratio to the Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction bears to the beginning adjusted tax basis. In lieu of a gain or loss resulting from disposition of Company property and taken into account in computing taxable income or loss or Gain from Capital Transaction, there shall be taken into account gain or loss computed by reference to the Gross Asset Value of the item of Company property rather than its adjusted basis for federal income tax purposes.

(d) If the Gross Asset Value of a Company asset is adjusted pursuant to clause (b) or (d) of the definition of Gross Asset Value, the amount of the adjustment shall be taken into account as gain or loss from disposition of that asset for purposes of computing Operating Profits and Losses or Gain from Capital Transaction.

(e) The following items shall be excluded from the computation of Operating Profits and Losses:

(i) All income, gain, deduction or losses specially allocated pursuant to Sections 6.1, 6.2 and 6.3 of this Agreement;

(ii) All Nonrecourse Deductions; and

(iii) All Partner Nonrecourse Deductions.

“Partner Minimum Gain” means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if the Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Treasury Regulations.

“Partner Nonrecourse Debt” has the meaning in Section 1.704-2(b)(4) of the Treasury Regulations.

“Partner Nonrecourse Deductions” has the meaning in Section 1.704-2(i)(2) of the Treasury Regulations. The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Company fiscal year equals the excess, if any, of the net increase, if any, in the amount of Partner Minimum Gain attributable to the Partner Nonrecourse Debt during that fiscal year over the aggregate amount of all distributions during that fiscal year to the Member that bears the economic risk of loss for the Partner Nonrecourse Debt to the extent the distributions are from the proceeds of the Partner Nonrecourse Debt and are allocable to an increase in Partner Minimum Gain attributed to the Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(2) of the Treasury Regulations.

“Partnership Minimum Gain” has the meaning in Sections 1.704-2(b)(2) and (d) of the Treasury Regulations.

“Percentage Interest” means the relative percentage ownership interest of a Member in the Company, which shall be set forth on Exhibit A hereto.

“Post-TEFRA Period” means the federal income tax period of the Company beginning on or after the date that Sections 6221 – 6241 of the Code, as amended by the 2015 Act, apply to the Company.

“Principal Place of Business” means 2730 Cumberland Boulevard SE, Smyrna, Georgia 30080, or at such other place as the Managing Member may designate by notice to all Members.

“Securities Act of 1933” means the Securities Act of 1933, as amended.

“Transfer” means a sale, assignment, gift, or other disposition, or the pledge, grant of a security interest or lien in, or other encumbrance, whether voluntary or by operation of law, directly or indirectly, of all or part of a Member’s interest in the Company.

“Treasury Regulations” or “Regulations” means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as amended from time to time.

“Unrecovered Capital Contribution” means an amount equal to the excess, if any, of the Capital Contributions made by a Member to the Company’s Capital over all amounts distributed to the Member pursuant to Sections 7.1, 7.3 and 11.3 hereof.

“2015 Act” means the Bipartisan Budget Act of 2015, P.L. 114-74, as amended by the Protecting Americans from Tax Hikes Act of 2015, P.L.114-113, and the Tax Technical Corrections Act of 2018, P.L.115-141.

ARTICLE 2

UNIFORM BUSINESS REPORT; MEETINGS OF MEMBERS

2.1. Uniform Business Report. The Company shall file a uniform business report or annual registration with the Secretary of State on or before the required filing date of such report for each calendar year, on the form provided by the Secretary of State.

2.2. Special Meetings. Special meetings of the Members may be called by the Managing Member or the Members holding not less than ten percent (10%) of the Percentage Interest entitled to vote on any issue proposed to be considered at the meeting. Special meetings of Members may be held at the times, dates and places, within or without the State of South Carolina or the State of Georgia, designated by the Managing Member or Members calling the meeting (provided that such meeting must be in the city of the Company’s principal office unless agreed otherwise by Members holding at least fifty one percent (51%) of the Percentage Interest) and set forth in the notice of meeting required pursuant to Section 2.3 of this Article. A meeting properly requested shall be called for a date not less than two (2) nor more than sixty (60) days after the request is properly made.

2.3. Notice of Meeting. A written notice of each meeting of Members shall be given to each Member entitled to vote at the meeting at the Member’s last known address, not less than two (2) nor more than sixty (60) days before the date of the meeting by the persons calling the meeting. The notice shall state the date, time and place of the meeting. Neither the business to be transacted at, nor the purpose of, a Members’ meeting must be specified in the written notice of the meeting. If a Members’ meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before an adjournment is taken.

2.4. Waiver of Notice. Members may waive notice of a meeting before or after the date and time specified in the written notice of meeting. All waivers of notice must be in writing, be signed by the Member entitled to the notice and be delivered to the Company for inclusion in the appropriate records. Attendance of a person at a meeting shall constitute a waiver of notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Action may be taken at any meeting at which proper notice has been given or notice has been waived by Members holding at least a majority of the Percentage Interest of the Members entitled to vote on such action.

2.5. Voting. Quorum and Voting. The presence of a majority of the Percentage Interest of all Members entitled to vote on the subject matter of a given meeting of the Members, whether represented in person or by proxy, shall constitute a quorum at such meeting. If a quorum is present, the affirmative vote of a majority of the Percentage Interest of the Members represented at the meeting and entitled to vote on the subject matter shall constitute the act of the Members unless a greater affirmative vote is expressly required by the Articles, this Agreement or by applicable law.

2.6. Proxies. A Member entitled to vote at a meeting of Members, or an adjournment of it, may vote in person or by proxy. A Member may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact.

2.7. Action Without A Meeting. Any action required or permitted to be taken at a Members' meeting may be taken without a meeting, without prior notice and without a vote if the action is taken by Members holding a majority of the Percentage Interest entitled to vote on such action. To be effective, the action must be evidenced by one or more certificates of authority describing the action to be taken, and dated and signed all Members.

ARTICLE 3

TERM

The Company shall continue until terminated as provided in Article 11.

ARTICLE 4

MANAGING MEMBER

4.1. Number and Election. The number of Managing Members shall be fixed from time to time by the Members, within any limits set forth in the Articles of Organization. The Managing Member shall be elected annually by the Members at the Annual Meeting of Members by the holders of a majority of the Percentage Interest. Failure to elect new Managing Members shall be deemed to be a reelection of then current Managing Member(s) for an additional term. In the event of the death, resignation or removal of a Managing Member, the Members holding a majority of the Percentage Interest may elect a successor Managing Member at a special meeting of the Members called for that purpose. A successor Managing Member shall serve the remainder of the term of his predecessor.

4.2. Removal of a Managing Member. The Members, by unanimous vote, may remove a Managing Member, with or without cause, at a special meeting or by action without a meeting under Section 2.7 above.

4.3. Officers. The Company may have a President, a Vice President, a Secretary, a Treasurer, and such other officers, including more than one vice president, assistant officers and agents as the Managing Member may, from time to time, deem advisable or beneficial. The officers shall be appointed by the Managing Member and shall hold office for any term designated by the Managing Member and until its successor is appointed, unless sooner removed by the Managing Member (which removal may be with or without cause). The failure to appoint a President, a Vice President, a Secretary, or a Treasurer shall not affect the existence of the Company.

4.4. Vacancies. A vacancy in any office due to death, resignation, removal, disqualification, incapacity or any other reason may be filled by the Managing Member for the unexpired portion of the term of such office.

4.5. Removal. Any officer or agent may be removed from office at any time, with or without cause, by the Managing Member.

4.6. Powers. The Managing Member shall have the powers and responsibilities described in Article 8.

ARTICLE 5

CAPITAL CONTRIBUTIONS

5.1. Contributions of Members.

(a) Each of the Members shall contribute to the Company the Capital Contribution as set forth on Exhibit A, and shall receive the Percentage Interest set forth next to his name on Exhibit A.

(b) In the event a Managing Member determines that additional capital is needed in order to maintain the current operations of the Company, the Managing Member shall provide written notice of such capital requirement to each Member, which notice shall set forth the total capital requirement, the purpose for which such capital is needed, and each individual Member's share of such capital requirement (which shall be equal to such Member's Percentage Interest). In the event a Member has not contributed its proportionate share of the required capital within five (5) days after receipt of such notice, or such longer period as may be set forth in the notice, the other Members may, on a pro rated basis among Members desiring to participate (which proration shall be based on relative Percentage Interests), pay such contributions, in which case all such contributions made shall be deemed to be loans from such Members to the Company ("Member Loans"). All Member Loans shall bear interest until paid at the prime rate, as announced in The Wall Street Journal on the date such Member Loans are made, and shall be payable in accordance with Section 7.1 and/or Section 7.3 below; provided, however, that in any event all Member Loans shall be paid in full within ten (10) years after the date such Member Loans are made.

5.2. Company Capital. The initial Company Capital shall be as described on Exhibit A, which shall be contributed by the Members in accordance with Section 5.1 on the Effective Date.

5.3. Capital Accounts.

(a) Each Member shall have a Capital Account maintained in accordance with the rules in Section 1.704-1(b)(2)(iv) of the Treasury Regulations, which generally require that each Capital Account be increased by (i) the amount of money contributed by the Member to the Company, (ii) the amount of any Company liabilities assumed by the Member (other than liabilities described in subparagraph (x), below), (iii) the initial Gross Asset Value of property contributed by the Member to the Company (net of liabilities secured by the contributed property that the Company is deemed to assume or take subject to under Section 752 of the Code), and (iv) allocations to the Member of Company income and gain (or items thereof), including income and gain exempt from tax, and be decreased by (v) the amount of money distributed to the Member by the Company, (x) the Gross Asset Value of property distributed to the Member by

the Company (net of liabilities secured by the distributed property that the Member or transferee is considered to assume or take subject to under Section 752 of the Code), (y) allocations to the Member of expenditures of the Company described in Section 705(a)(2)(B) of the Code, and (z) allocations of Company loss and deduction (or items thereof).

(b) Immediately prior to (i) the admission of any Member to the Company, (ii) the liquidation of a Member's Percentage Interest (iii) the making of any additional capital contributions or partial withdrawals (other than de minimus amounts) by a Member which changes that Member's Percentage Interest in the Company as determined by reference to the relative balances in the Capital Accounts, or (iv) the liquidation of the Company, all the property of the Company shall be revalued at its fair market value, and the Capital Accounts shall be adjusted to reflect the manner in which the unrealized income, gain, loss or deduction inherent in such property (that has not been reflected in adjustments to the Capital Accounts previously) would be allocated among the Members if the property were sold at its fair market value on such valuation date. The term "fair market value" as used in this Agreement shall mean a value unanimously agreed upon by all of the Members. If, after the Members have negotiated in good faith for a period of ten (10) days and are unable to agree upon the value of the Company's property, then an independent certified appraiser shall be employed to determine the fair market value of the Company's property at that time. The Managing Member shall appoint the appraiser, and the fair market value of the Company's property shall be the appraised value. An appraisal made pursuant to this paragraph shall be final and binding on all of the Members. The cost of the appraiser shall be borne equally by all of the Members. All appraisals shall be performed by independent certified appraisers.

5.4. Limited Liability of Members. The liability of the Members shall be limited to the Capital Contributions made by each Member pursuant to Section 5.1. Unless otherwise provided herein, the Members shall not have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall the Members be personally liable for any obligations of the Company. The Members shall not have any obligation to restore any deficit balance in their Capital Accounts, unless otherwise required by applicable law.

5.5. No Interest on Capital Contributions. No interest or additional share of Net Cash Flow shall be paid or credited to the Members or any transferee on their Capital Accounts or on any undistributed Net Cash Flow or funds left on deposit with the Company.

5.6. General Provisions. Each transferee succeeding to a Member's or transferee's interest in the Company, whether as a substituted Member or a transferee, shall have a Capital Account (in proportion to the interest of the Member or transferee that is transferred) identical to that of the transferee's predecessor at the date the Transfer became effective.

ARTICLE 6

ALLOCATION OF PROFITS AND LOSSES

6.1. Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during a fiscal year, each Member shall be allocated items of income and gain for that year (and, if necessary, for subsequent years) in proportion to, and to the extent of, an amount equal to the Member's share of the net decrease in Partnership Minimum Gain during that year. This

Section 6.1 is intended to constitute a “minimum gain chargeback” within the meaning of Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently with that Section.

6.2. Partner Minimum Gain Chargeback. If there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Company fiscal year, each Member who has a share of the Partner Minimum Gain determined in accordance with Section 1.704-2(i)(5) of the Treasury Regulations, shall be specially allocated items of Company income and gain for that year (and if necessary for subsequent years) in an amount equal to that Member’s share of the net decrease in Partner Minimum Gain, determined in accordance with Section 1.704-2(i)(4) of the Treasury Regulations. This Section 6.2 is intended to comply with the “partner nonrecourse debt minimum gain chargeback” requirement within the meaning of Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently with that Section.

6.3. Other Allocation Rules.

(a) No allocation of deduction or loss shall be made to a Member if it would result in the Member having an Adjusted Capital Account Deficit.

(b) If any Member unexpectedly receives an adjustment, allocation or distribution described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations that results in the Member having an Adjusted Capital Account Deficit after all other allocations under this Article 6, other than this Section 6.3(b), have tentatively been made, then the Member shall be allocated items of income and gain in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit as quickly as possible. This Section 6.3(b) is intended to constitute a “qualified income offset” as defined under Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

(c) If a Member would have a deficit Capital Account after all other allocations under the provisions of this Article 6 (other than Section 6.3(b) and this Section 6.3(c)) have tentatively been made and which deficit is in excess of the sum of (i) the amount the Member is obligated to restore pursuant to the terms of this Agreement and (ii) the amount the Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations, then the Member shall be allocated items of income and gain in an amount and manner sufficient to eliminate such excess as quickly as possible.

6.4. Operating Profits and Losses. After giving effect to the special allocations contained in Sections 6.1, 6.2, 6.3 and 6.6, Operating Profits and Losses of the Company shall be determined as of the end of each fiscal year in accordance with the accounting method followed for federal income tax purposes and shall be allocated to the Members in accordance with each Member’s Percentage Interest.

6.5. Gain From Capital Transaction. Gain from Capital Transaction shall be allocated to the Members in accordance with each Member’s Percentage Interest.

6.6. Nonrecourse Deductions.

(a) Nonrecourse Deductions shall be specially allocated among the Members in accordance with their Percentage Interests.

(b) Partner Nonrecourse Deductions for a fiscal year or other period shall be allocated to the Member who bears the economic risk of loss with respect to the Partner Nonrecourse Debt as determined in accordance with Section 1.704-2(i) of the Treasury Regulations.

6.7. General Provisions. Whenever a proportionate part of Company Profit or Loss is credited or debited to a Member's Capital Account, every item of income, gain, loss, deduction or credit entering into the computation of the net Profit or Loss, or applicable to the period during which the net Profit or Loss is realized, shall be considered credited or debited, as the case may be, to the account in the same proportion. As between the Member and a transferee of the Member, unless otherwise agreed by them or with respect to the Members upon the admission of a new Member, net Profits and Losses for the fiscal year (or portion thereof, as the case may be) shall be determined by an interim closing of the Company's books and records, as if the fiscal year had closed on the day prior to the date of Transfer or admission, as the case may be, and the Member(s) who have been admitted shall be allocated net Profits and Losses with respect to the period commencing with the day of Transfer or admission.

6.8. Tax Allocations. All items of Company income, gain, loss and deduction, including Nonrecourse Deductions, shall be allocated for federal, state and local income tax purposes to and among the Members in the same manner that the corresponding items of Company income, gain, loss and deduction are allocated for book purposes, except as otherwise provided in this Article 6.

6.9. Allocation of Nonrecourse Debt. Solely for purposes of determining a Member's proportionate share of excess Nonrecourse Liabilities of the Company within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations, the Member's interest in the Company's profits shall be the Member's Percentage Interest.

6.10. Allocation of Inherent Gain in Property.

(a) Pursuant to Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to property contributed to the capital of the Company by the Members (or property whose basis is determined by reference solely to the Member who contributed the property) shall be allocated to take account of any variation between the adjusted basis of the property for federal income tax purposes and its initial Gross Asset Value. Any election or other decision relating to allocations under this Section 6.10(a) will be made in any manner that the Managing Member determines reasonably reflects the purpose and intent of this Agreement. This Section 6.10(a) is intended to comply with Section 704(c) of the Code and shall be interpreted consistent with that Section. All net profits or net losses, as the case may be, allocated to the Members pursuant to this Section 6.10(a) shall not increase or decrease the Capital Accounts of the Members.

(b) If the Gross Asset Value of any Company asset is adjusted pursuant to Clause (b) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction regarding that asset shall take account of the variation, if any, between the

adjusted basis of the asset for federal income tax purposes and its Gross Asset Value in the same manner as such variations are computed under Section 704(c) of the Code and the Treasury Regulations thereunder. Net Profits or net Losses, as the case may be, allocated to the Members pursuant to this Section 6.10(b) shall not increase or decrease the Capital Accounts of the Members.

6.11. Transferees. A transferee shall be treated as a Member with regard to the allocations described in this Article 6.

ARTICLE 7

DISTRIBUTIONS

7.1. Net Cash Flow. Unless otherwise directed by the Members, the Managing Member shall make distributions of the Net Cash Flow of the Company within forty-five (45) days after the conclusion of each calendar year. Distributions of Net Cash Flow shall be made to the Members at the addresses specified on the signature pages of this Agreement or such other address contained in a written notice from the Member to the Company. Distributions of Net Cash Flow shall be made:

(a) to pay to Members with outstanding Member Loans, accrued but unpaid interest on all Member Loans on a proportionate basis, in accordance with the relative accrued interest amount owed to such Members;

(b) thereafter, to pay to Members with outstanding Member Loans, all unpaid principal amounts owed in connection with Member Loans on a proportionate basis, in accordance with the relative outstanding principal amounts owed to such Members; and

(c) thereafter, to pay a twelve percent (12%) simple interest preferred return on any Capital Contributions, other than the initial Capital Contribution, on a proportionate basis, in accordance with the relative preferred return owed to such Members;

(d) thereafter, return of Member's Capital Contributions;

(e) thereafter (and after all Member Loans have been paid in full) to the Members in accordance with their Percentage Interests.

7.2. Limitation. Except in the case of liquidation of the Company, at the time of a distribution of Net Cash Flow, the Company must have available to it unencumbered cash funds sufficient for the distribution after taking into account, the amounts needed for a reasonable reserve for the continuing conduct of the business of the Company and for normal working capital. In addition, the distribution may not impair the capital of the Company as described in the Act.

7.3. Capital Proceeds. If Capital Proceeds are received by the Company (except in the case of a liquidation of all assets of the Company, in which case the provisions of Section 11.3 shall be applicable), the Capital Proceeds shall be distributed:

(a) to pay to Members with outstanding Member Loans, accrued but unpaid interest on all Member Loans on a proportionate basis, in accordance with the relative accrued interest amounts owed to such Members;

(b) thereafter, to pay to Members with outstanding Member Loans, all unpaid principal amounts owed in connection with Member Loans on a proportionate basis, in accordance with the relative outstanding principal amounts owed to such Members; and

(c) thereafter (and after all Member Loans have been paid in full) to the Members in accordance with their Percentage Interests.

7.4. Distribution of Assets in Kind. If assets of the Company are distributed in kind, they shall be distributed to the Members entitled to them as tenants-in-common in the same proportions in which the Members would have been entitled to cash distributions had there been a sale of these assets.

7.5. Demand for Distribution. No Member shall be entitled to demand and receive a distribution of Company property in return for his Capital Contributions to the Company, except as may be provided in the Act.

7.6. Transferees. A transferee receiving an interest in accordance with this Agreement shall be treated as a Member with regard to the distributions described in this Article 7; provided that a transferee shall have no voting rights contemplated by Section 7.1 above and no demand rights, as set forth in Section 7.5 above.

ARTICLE 8

CONTROL AND MANAGEMENT

8.1. [Reserved].

8.2. [Reserved].

8.3. Management and Control of the Company – Managing Member. The Managing Member shall each have, except as specifically limited in this Agreement, full and exclusive authority in the management and control of the Company, and shall have all the rights and powers which are otherwise conferred by law or are necessary or advisable for the discharge of their duties and the management of the business and affairs of the Company.

8.4. Expressly Authorized Rights and Powers. Without limiting the generality of Section 8.3, but subject to the provisions of Section 8.5, the Managing Member is expressly authorized on behalf of the Company to:

(a) procure and maintain with responsible companies such insurance as may be advisable in such amounts and covering such risks as are deemed appropriate by the Managing Member;

(b) take and hold any assets of the Company in the Company name, or in the name of a nominee of the Company;

(c) execute and deliver on behalf of and in the name of the Company, or in the name of a nominee of the Company, all instruments necessary or incidental to the conduct of the Company's business;

(d) protect and preserve the assets of the Company and incur indebtedness in the ordinary course of business;

(e) will, dispose of, trade, exchange, convey, quitclaim, surrender, release or abandon, upon terms and conditions which the Managing Member may negotiate and deem appropriate, personal property of the Company in the ordinary course of business;

(f) execute and deliver documents and instruments on behalf of the Company in connection with the acquisition and disposition of its assets, and to execute, terminate, modify, enforce, continue or otherwise deal with any Company indebtedness and security interests, to sell Company assets, and to take any other action with respect to agreements made between the Company and a lender or any affiliate thereof, all subject to the limitations of Section 8.5;

(g) open Company bank accounts in which all Company funds shall be deposited and from which payments shall be made;

(h) invest Company funds and working capital reserves; and

(i) accept Member Loans in accordance with Section 5.1(b) above.

8.5. Certain Limitations. Notwithstanding the generality of the foregoing, and in addition to other acts expressly prohibited by this Agreement or by law, the Managing Member shall not have the authority to do any of the following acts without the consent of the Members owning a majority of the Percentage Interests:

(a) do any act in contravention of this Agreement;

(b) do any act which would make it impossible to carry on the ordinary business of the Company, except as expressly provided in this Agreement;

(c) confess a judgment against the Company or otherwise settle or compromise any litigation or other adversarial proceeding;

(d) execute or deliver any general assignment for the benefit of the creditors of the Company;

(e) assign rights in specific Company property for other than a Company purpose;

(f) knowingly do any act (except an act expressly required by this Agreement) which would cause the Company to become an association taxable as a corporation;

(g) sell all or substantially all of the assets of the Company, or cause the Company to merge with another entity;

(h) increase any salary by more than twenty percent (20%) annually or pay any bonuses or commissions in excess of \$10,000 to any employee, specifically including the Managing Member;

(i) enter into or amend any contracts with a Managing Member or any Affiliate of a Managing Member;

(j) enter into any contract or bind the Company to any debt, obligation, or liability that obligates the Company to spend in excess of \$50,000 or that may not be terminated at the will of the Company on thirty (30) days or less notice; or

(k) encumber, pledge, or allow a lien to be created against any assets of the Company.

ARTICLE 9

TRANSFER OF PERCENTAGE INTERESTS

9.1. General Provision. Members may not Transfer all or any part of their Percentage Interests and no person shall become an assignee or be admitted to the Company as a Member, except as permitted in this Article 9. All Transfers in contravention of this Article 9 shall be null and void.

9.2. Transfers by Members. Unless a transferee receives the unanimous written consent of the Members that such transferee shall have all rights of a Member hereunder, a transferee of all or any portion of a Member's Percentage Interest shall merely be an assignee of the transferor Member's right to receive its share of allocations and distributions from the Company (as set forth in Articles 6 and 7 above and Section 11.3(d) below) and shall have no other rights as a Member (including in particular voting rights). The Percentage Interest held by a transferee shall not be included in the determination of voting requirements. If the Members consent to a transferee attaining to all the rights of a Member (which consent shall be at the sole discretion of the Members), and the transferee executes an instrument reasonably satisfactory to all of the Members accepting and adopting this Agreement and pays all expenses in connection therewith, the transferee may become a Member. Further, no Transfer may be effected unless in the opinion of counsel satisfactory to all of the Members, the Transfer (1) complies with the Securities Act of 1933 and applicable securities laws of other jurisdictions, and (2) does not violate any other applicable laws or agreements by which the Company or its assets are bound. All restrictions and obligations imposed on a Member hereunder, in particular, the restrictions described in this Section 9, shall apply to a transferee.

9.3. Acknowledgment of Restrictions. Each Member acknowledges that the Member's interest in the Company has not been registered under the Securities Act of 1933 and transfer or resale of such interest is limited as contained in this Article 9.

9.4. Effectiveness of Transfer.

(a) The Transfer by a Member or a transferee of all or any part of his Percentage Interest shall become effective on the first day of the month following receipt by the

Managing Member of evidence of the Transfer in form and substance reasonably satisfactory to the Company and a Transfer fee sufficient to cover all reasonable expenses of the Company connected with the Transfer.

(b) No Transfer that violates this Article 9 (in particular Section 9.5 below) shall be valid or effective, and the Company shall not recognize the purported Transfer for the purposes of allocating net profits and losses in accordance with Article 6 or making distributions in accordance with Article 7. The Company may enforce the provisions of this Article 9 directly or indirectly or through its agents by entering an appropriate stop transfer order on its books or otherwise refusing to register or transfer or permit the registration or transfer on its books of any proposed Transfers not made in full compliance with this Article 9.

(c) The Company shall, from the time, whenever a Percentage Interest is registered in the name of the transferee on the Company's books in accordance with the above provisions, pay to the transferee all further distributions or other compensation by way of income or return of capital, on account of the Percentage Interest transferred. Until the Transfer is registered on the Company's books, the Company may proceed as if no Transfer had occurred. A transferee shall assume that portion of the transferor's Capital Account existing as of the effective date of the Transfer that corresponds to the proportion of the transferor's Percentage Interest transferred to such transferee.

9.5. Right of First Refusal.

(a) In the event that a Member (the "Selling Member") wishes to dispose of all or part of his ownership interest in the Company (the "Offered Interest"), whether voluntarily or involuntarily, the Selling Member shall notify the Company and the other Members of the identity of the Selling Member, the proposed purchaser or purchasers, the Offered Interest, and the proposed price and terms of sale. The notice to the Company and to the other Members shall be in writing.

(b) The Company, upon receiving the notice required in subsection (a), shall have a right of first refusal to distribute cash in liquidation of all of the Offered Interest at the price offered by the proposed purchaser. Any such distributions by the Company shall be on the terms offered by the proposed purchaser. The Company shall exercise its right to liquidate the Offered Interest by the Managing Member or, if no Managing Member exists or a Managing Member is a Selling Member, a designated Member giving notice to the Selling Member, indicating the Offered Interest that the Company will liquidate, within thirty (30) days following receipt of the notice from the Selling Member. The decision to liquidate such Offered Interest shall be made by the affirmative vote of Members (other than the Selling Member) owning more than fifty percent (50%) of the Percentage Interest (excluding the Percentage Interest owned by the Selling Member) of the Company.

(c) If the Company does not exercise its right to liquidate all of the Offered Interest within the thirty (30) day period, the other Members shall have the right to purchase all, but not less than all, of the Offered Interest at the same price and on the same terms as were available to the Company. In order to exercise this right to purchase, the other Member or Members, on or before the tenth (10th) day after receiving notice from the Company that the Company does not intend to liquidate all of the Offered Interest, or, alternatively, on or before

the tenth (10th) day after the expiration of the thirty (30) day period during which the Company had the right to liquidate the Offered Interest, whichever is sooner, shall deliver to the Managing Member a written election to purchase so much of the available Offered Interest as the Member or Members desire to purchase. The written election shall specify the Offered Interest to be purchased, the price, and the terms of purchase. If the total Offered Interest that all other Members desire to purchase exceeds the available Offered Interest, then the Offered Interest shall be allocated to the Members electing to purchase in accordance with the following formula: each “purchasing” Member shall have the priority, up to the Offered Interest set forth in his written election, to that fraction of the available Offered Interest in which the numerator is the Percentage Interest owned by the Member and the denominator is the Percentage Interest owned by all other “purchasing” Members. The available Offered Interest not purchased on this priority basis shall be allocated in one or more successive allocations to those Members who have indicated in their written elections that they desire to purchase more than the number of Offered Interest to which they have a priority right. The Offered Interest shall continue to be allocated proportionally using a fraction in which the numerator is the Percentage Interest owned by the “purchasing” Member and the denominator is the Percentage Interest owned by all other remaining “purchasing” Members.

(d) If neither the Company nor the other Members together timely exercise their liquidation and purchase rights, respectively, as provided herein with respect to all of the Offered Interest, then the Selling Member shall be free for a period of ninety (90) days thereafter to sell the entire Offered Interest to the purchaser or purchasers indicated on the notice of intended sale; provided that the sale must be at the same price, and on the same terms as were set forth in the notice of intended sale.

(e) A purchaser or purchasers of the Offered Interest hereunder shall be a transferee, subject to the provisions of Section 9.2 above.

9.6. Bankruptcy. In the event a Member satisfies the definition of a Bankrupt Member, then such Member shall be automatically removed as a Member of the Company upon the date of filing of bankruptcy and within twenty days of removal, the Bankrupt Member shall execute an amendment to the Operating Agreement to withdraw as a Member. The purchase price payable by the Company for the Interest of the removed Member shall be determined under Section 9.7 of the Operating Agreement. The day of removal shall be the last day upon which allocations of tax items or distributions of cash of the Company shall be made to the removed Member. Tax return information for the year of removal shall be furnished to the removed Member no later than April 1 of the year following the removal.

9.7. Purchase of Percentage Interest Involuntarily Transferred. In the event any Percentage Interest is involuntarily transferred by a Member (the "Dispossessed Member") to any person or entity other than the Company, including, without limitation, a trustee in Bankruptcy, a purchaser at a judicial or creditor's sale, a spouse in divorce, or a guardian or conservator (the "Involuntarily Transferred Interest"), the Company shall have the right, within one hundred twenty (120) days after receipt by it of actual notice of such transfer, to purchase all or any portion of the Involuntarily Transferred Interest on the terms and at the purchase price set forth in this Article 9. Upon the purchase by the Company as described herein, the Dispossessed Member shall be dissociated from the Company.

ARTICLE 10

BOOKS OF ACCOUNT, FINANCIAL REPORTS, RECORDS, FISCAL YEAR, BANKING AND ACCOUNTING DECISIONS

10.1. Books of Account. The Company shall keep adequate books and records of the Company wherein shall be recorded and reflected all of the capital contributions of the Members to the Company and all of the income, expenses and transactions of the Company. The books and records shall be kept at the principal place and business of the Company, and each Member and his authorized representative shall have, at reasonable times during normal business hours, free access to and the right to inspect and, at his expense, copy such books and records of the Company, including a list of the names and addresses and interests owned of each of the Members.

10.2. Bank Accounts, Funds and Assets. The funds of the Company shall be deposited in such bank or banks as shall be deemed appropriate by the Managing Member. Such funds shall be withdrawn only by such authorized persons as may be designated by the Managing Member.

10.3. Tax Returns and Reports. Appropriate tax returns and reports for the Company shall be prepared and timely filed with the proper authorities. The Company shall also cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, all reports required to be filed with such entities under then current applicable laws, rules and regulations. Any Member shall be provided with a copy of any such report upon request without expense to the Member.

10.4. Reports and Financial Statements. The Company shall provide the following reports and financial statements to the Members.

(a) by March 1 of each fiscal year a balance sheet as of the end of such fiscal year, together with related statements of income, Members' equity, and a statement of cash flows; and

(b) as soon as practical after the end of each fiscal year but not later than March 15, all information necessary for the preparation of a Member's federal income tax return.

10.5. Fiscal Year. Unless otherwise determined pursuant to Code section 706(b), the fiscal year of the Company for both reporting and federal income tax purposes shall begin with the 1st day of January and end on the 31st day of December in each calendar year.

10.6. Partnership Representative.

(a) The Managing Member shall have the right, power, authority and discretion to select and appoint the individual who will serve and act as the partnership representative of the Company (the "Partnership Representative") pursuant to Code Section 6223(a) (as amended by the 2015 Act) for any Post-TEFRA Period. The Managing Member is authorized to take (or cause the Company to take) such other actions as may be necessary pursuant to Regulations or other guidance to cause the Managing Member to be designated as the "Partnership

Representative” and each Member agrees to consent to such designation to the extent requested by the Managing Member.

(b) Each person (for purposes of this Section 10.6 called a “Pass-Through Partner”) that holds or controls an interest as a Member on behalf of or for the benefit of another person or persons, or which a Pass-Through Partner is beneficially owned (directly or indirectly) by another person or persons shall, within thirty (30) days following receipt from the Partnership Representative of any notice, demand, request for information or similar document, convey such notice or other document in writing to all holders of beneficial interests in the Company holding such interests through such Pass-Through Partner. In the event the Company shall be the subject of an income tax audit by any federal (for a Post-TEFRA Period), state or local authority, to the extent the Company is treated as an entity for purposes of such audit, including administrative settlement and judicial review, the Partnership Representative shall be authorized to act for, and its decision shall be final and binding upon, the Company and each Member thereof; provided, however, the Partnership Representative shall not make any decision or take any action that both (i) affects (or may affect) any Member differently than it affects (or may affect) the Partnership Representative (other than as a result of having different Percentage Interests) and (ii) has (or may have) a material adverse effect on a Member without the consent of such Member, such consent not to be unreasonably denied, withheld, conditioned or delayed. All expenses incurred in connection with any such audit, investigation, settlement or review shall be borne by the Company.

(c) The Partnership Representative shall have the right to make, on behalf of the Company, any and all elections and take any and all actions that are available to be made or taken by the Partnership Representative or the Company under the 2015 Act (including an election under Code Section 6226, as amended by the 2015 Act and as the same may subsequently be amended), and the Members shall take such actions requested by the Partnership Representative consistent with any such elections made and actions taken by the Partnership Representative, including filing amended tax returns and paying any tax due in accordance with Code Section 6225(c)(2), as amended by the 2015 Act, it being understood that no such amended tax return shall be filed in accordance with such section with respect to the Company without advance written notice to the Partnership Representative, provided that the individual filing such amended return shall further provide the Partnership Representative a written affidavit signed by such individual in the presence of a notary public and indicating that the individual filed the amended return with the appropriate office of the IRS and fully paid all taxes, penalties and interest owed in connection with such return. The Partnership Representative shall have the authority to amend this Operating Agreement to make any changes in good faith consultation with the Company’s tax accountants and tax counsel as are necessary or appropriate: (i) to reduce any Company level assessment under Code Section 6226, as set forth in the 2015 Act; (ii) to determine any apportionment of any tax; or (iii) to comply with the 2015 Act and administrative, judicial or legislative interpretations thereof or changes thereto. All of the provisions of this Section 10.6 are subject to the proviso that the Partnership Representative shall not make any decision or take any action that both (i) affects (or may affect) any Member differently than it affects (or may affect) the other Members (other than as a result of having different Percentage Interests) and (ii) has (or may have) a material adverse effect on a Member without the consent of the Member, such consent not to be unreasonably denied, withheld, conditioned or delayed.

(d) Each Member shall provide to the Partnership Representative such information (or, if applicable, certify as to filing of initial or amended tax returns), as is reasonably requested by the Partnership Representative to enable the Partnership Representative (i) to reduce any Company level assessment under Code Section 6226, as amended by the 2015 Act and as the same may subsequently be amended, (ii) to determine the allocation of any item of income, gain, profit, loss, deduction, expense or credit of any such Company level assessment among the Members, in good faith consultation with the Company's tax accountants and tax counsel, (iii) to elect out of the 2015 Act, or (iv) to comply with or be eligible to invoke any aspect of the 2015 Act in any other respect.

(e) In the event the Company incurs any liability for taxes, interest or penalties pursuant to the 2015 Act:

(1) The Partnership Representative may, or if such amounts are material, shall, cause the Members (including any former Member) to whom such liability relates, as determined by the Partnership Representative, in its sole good faith discretion and after consulting with the Company's tax advisors and the affected Member's tax advisors, to pay, and such Member hereby agrees to pay, such amount to the Company, and such amount shall not be treated as a Capital Contribution;

(2) Any amount not paid by a Member (or former Member) within ten (10) days following the receipt of the request to pay delivered by the Partnership Representative shall accrue interest at the rate of eight percent (8%) per annum, compounded annually, until such Member's applicable amounts are paid, and such Member (or former Member) shall also be liable to the Company for any damages resulting from a delay in making such payment beyond the date such payment is requested by the Partnership Representative, and for this purpose the fact that the Company could have paid this amount with other funds shall not be taken into account in determining such damages;

(3) Without reduction in a Member's (or former Member's) obligation under 10.6(e)(1) and Section 10.6(e)(2), any amount paid by the Company that is attributable to a Member (or former Member), as determined by the Partnership Representative in its reasonable good faith discretion, and that is not paid by such Member pursuant to Section 10.6(e)(1) and Section 10.6(e)(2) shall be treated for purposes of this Operating Agreement as (A) a distribution to such Member (or former Member) and (B) a reduction to such Member's Capital Account balance; and

(4) The Company may deduct from, and set off against, any distribution or other amount otherwise due or payable to a Member (or former Member) by the Company pursuant to this Operating Agreement or otherwise, the payment obligations of such Member (or former Member) under Section 10.6(e)(1) and Section 10.6(e)(2).

(f) To the extent that a portion of the tax liabilities imposed under Code Section 6225 as amended by the 2015 Act relates to a former Member of the Company, the Managing Member may require a former Member to indemnify the Company for its allocable portion of such tax. Each Member acknowledges that, notwithstanding the transfer or redemption of all or any portion of its Percentage Interest, such Member may remain liable for tax liabilities with respect to its allocable share of income and gain of the Company for the Company's taxable

years (or portions thereof) prior to such transfer or redemption. For purposes of clarity, this Section 10.6(f) applies to each of the provisions in Section 10.6(e).

(g) No later than ten (10) business days after it has knowledge of any tax audit or tax proceeding, the Partnership Representative shall notify the Members of the existence of any such tax audit or tax examination of the Company. Each Member shall have the right to have a tax advisor of its own choosing participate in, but not direct, the prosecution or defense of such tax audit or tax examination at such Member's sole expense. The Partnership Representative shall make commercially reasonable efforts to facilitate such tax advisor's participation.

(h) Survival of Obligations. The obligations of each Member or former Member under this Section 10.6 shall survive (i) the transfer, assignment, redemption or liquidation by such Member of its Membership Interest, (ii) the termination or cancellation of this Agreement, or (iii) the dissolution, liquidation or termination of the Company.

(i) Special Allocation of Expense to Members Who Bear Cost of Imputed Adjusted Amount. Expense items attributable to any imputed adjustment amount of the Company shall be specially allocated to each Member in proportion to which such Member bears the cost of such imputed adjustment amount.

(j) Nothing in this Section 10.6 is intended to modify Article 5 or Article 6.

(k) Indemnification of the Partnership Representative. The Company shall indemnify, defend and reimburse the Partnership Representative for all reasonable costs and expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of all such costs and expenses shall be made before any distributions are made to the Members hereunder, and before any discretionary reserves are set aside by the Managing Member. The taking of any action and the incurring of any expense by the Partnership Representative in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Partnership Representative, and the provisions hereof limiting the liability of, and providing indemnification for, the Managing Member shall be fully applicable to the Partnership Representative in its capacity as the partnership representative of the Company.

ARTICLE 11

DISSOLUTION AND TERMINATION

11.1. Dissolution of Company. The term of the Company shall begin on the Effective Date and shall be dissolved and its business shall terminate upon the earliest occurrence of any of the following events:

(a) delivery to the Managing Member of a written agreement in which all Members approve of the dissolution of the Company;

(b) the sale, exchange, forfeiture or other disposition of all or substantially all the properties of the Company, unless all Members agree otherwise; or

(c) any event described in the Act (or successor provision of the Act) for a limited liability company with perpetual life.

The Company shall continue to exist after the happening of any of the foregoing events solely for the purpose of winding up its affairs in accordance with the Act.

11.2. Procedure on Liquidation. Unless the business of the Company is continued pursuant to the provisions of this Agreement, upon the dissolution of the Company, the person or persons required by law to wind up the Company's affairs shall liquidate the assets of the Company and apply the proceeds of liquidation in the order of priority provided in Section 11.3 for the fiscal year of liquidation. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of its liabilities to minimize losses that might otherwise-occur in connection with the liquidation. The Company shall follow the procedures contained in the Act in connection with the liquidation of the Company. Upon liquidation and winding up of the Company, unsold Company property shall be valued to determine the gain or loss that would have resulted if the property were sold, and the Capital Accounts of the Members that have been maintained in accordance with this Agreement shall be adjusted for the gain or loss that would have been allocated if the property had been sold at its assigned values. Upon completion of the liquidation of the Company and distribution of the proceeds, the person supervising the liquidation shall file articles of dissolution with the Secretary of State.

11.3. Liquidation Proceeds. The proceeds from the liquidation of the assets of the Company (including any proceeds from the collection of the receivables of the Company) and the assets distributed in kind shall be distributed in the following order of priority:

(a) first, to the payment of debts and liabilities of the Company which are due and owing (including Member Loans), except that expenses or debts that may be deferred in accordance with an agreement providing for deferral may be deferred to the extent that the Company expects to receive proceeds that can be used to satisfy the expenses and debts;

(b) second, to the setting up and disbursement of reserves for payment of contingent liabilities or obligations of the Company, and, at the expiration of the reserve period, the balance of the reserves, if any, shall be distributed as liquidating proceeds received at the end of the reserve period; and

(c) third, to the Members in proportion to and to the extent of the positive balances of their Capital Accounts.

All distributions pursuant to clause (c) shall be made no later than the end of the Company's fiscal year during which the liquidation of the Company occurs (or, if later, within 90 days after the date of the liquidation.) A transferee shall be treated as a Member for purposes of Section 11.3(c) only. In no event shall any Member have an obligation to restore any Capital Account deficit.

ARTICLE 12

INDEMNIFICATION OF MEMBERS

12.1. Right to Indemnification. Each person (including the heirs, executors, administrators, and estate to each person) (1) who is or was a Member, (2) who is or was a Managing Member of the Company, or (3) who is or was serving at the request of the Company in the position of a director, officer, trustee, partner, agent, or employee of another corporation, partnership, joint venture, trust or other enterprise and as to whom the Company has agreed to grant an indemnity hereunder, shall be indemnified by the Company as of right to the fullest extent permitted or authorized by the Act or future legislation or by current or future judicial or administrative decision (but, in the case of future legislation or decision, only to the extent that it permits the Company to provide broader indemnification rights than permitted prior to the legislation or decision), against all fines, liabilities, settlements, losses, damages, costs and expenses, including attorneys' fees, asserted against him or incurred by him in his capacity as a Member, Managing Member, director, officer, trustee, partner, agent or employee, or arising out of his status as a director, officer, trustee, partner, agent or employee. The foregoing right of indemnification shall not be exclusive of other rights to which those seeking indemnification may be entitled. The Company may maintain insurance, at its expense, to protect itself and the indemnified persons against all fines, liabilities, costs and expenses, including attorneys' fees, whether or not the Company would have the legal power to indemnify him directly against such liability.

12.2. Advances. Costs, charges and expenses (including attorneys' fees) incurred by a person referred to in Section 12.1 of this Article in defending a civil or criminal suit, action or proceeding shall be paid by the Company in advance of the final disposition thereof upon receipt of an undertaking to repay all amounts advanced if it is ultimately determined that the person is not entitled to be indemnified by the Company as authorized by this Article and upon satisfaction of other conditions established from time to time by the Managing Member or as required by current or future legislation (but, with respect to future legislation, only to the extent that it provides conditions less burdensome than those previously provided).

ARTICLE 13

INVESTMENT REPRESENTATIONS AND WARRANTIES

Each Member represents and warrants as follows:

13.1. Each Member has been furnished with all additional documents and information about the Company which he has requested and has had access to full and fair disclosure of all material information concerning the Company;

13.2. In determining to purchase an ownership interest in the Company, each Member has relied only on the foregoing information and the documents reviewed during his due diligence investigation of the Company and has not relied on any representations of the Company or its agents other than those contained in this Agreement;

13.3. Each Member is acquiring an ownership interest in the Company for his own account and not on behalf of other persons and he is acquiring such interest for investment purposes only and not with a view to the resale or distribution thereof; neither Member has any contract, agreement or arrangement with any person or entity to sell, transfer, or pledge to such person or entity such interest which he is acquiring and neither Member has any present plan to enter into any such contract, agreement or arrangement;

13.4. Each Member recognizes that the information furnished by the Company or its agents does not constitute investment, accounting, legal or tax advice. Each Member is relying on his own professional advisors for such advice;

13.5. Each Member is an “accredited investor” as defined in Regulation D of the Securities Act of 1933;

13.6. Each Member has adequate means for providing for his current needs and contingencies, has no need for liquidity in this investment and is able to stand a complete loss of his investment; and

13.7. Each Member has knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the Company.

ARTICLE 14

MISCELLANEOUS

14.1. Deadlock. In the event that (a) the Managing Member of the Company become deadlocked in the management of Company affairs and the Members are unable to break such deadlock, and irreparable injury to the Company is threatened or being suffered as a result of such deadlock, or (b) the Members are deadlocked in voting power with respect to any issue affecting the management of Company affairs and irreparable injury to the Company is threatened or being suffered as a result of such deadlock, either Member may require the appointment of a provisional manager who shall be selected by the South Carolina Bar Association from mediators and arbitrators qualified to handle corporate law issues (the “Provisional Manager”). Each Member shall present the disputed issue to the Provisional Manager within ten (10) days after the selection of the Provisional Manager. The Provisional Manager shall make a written decision with respect to the disputed issue, which decision shall break the deadlock and be binding upon the Company, the remaining Managing Member(s), and the Members. Absent fraud, criminal conduct, or gross self-dealing, the decision of the Provisional Managers shall be deemed by the Members to have been made in compliance with the standards of conduct imposed on managers by South Carolina law. The Members hereby release and forever discharge the Provisional Manager for any decision made in accordance with the previous sentence. All fees and costs associated with the retention of the Provisional Manager shall be paid by the Company.

14.2. Notices. All notices, payments, demands and communications required or permitted to be given by this Agreement shall be in writing and shall be deemed to have been delivered and given for all purposes (a) if delivered personally to the party or to an officer of the party to whom the same is directed or (b) whether or not the same is actually received, if sent by

registered or certified mail, postage and charges prepaid, addressed to the addresses set forth on the signature page of this Agreement or to such other address as the Member from time to time specifies by written notice to the Company. Any notice shall be deemed to have been given as of the date delivered if delivered personally, or three days after the date on which it was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid. Any notice may be waived by the person entitled to receive the notice.

14.3. Section Captions. Section and other captions contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of any part of this Agreement.

14.4. Severability. Every provision of this Agreement is intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this Agreement.

14.5. Amendments. The Members may amend this Agreement only by the unanimous approval of all of the Members.

14.6. Governing Law. This Agreement and the rights of the Members shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina, and the Act as now in effect or as amended in the future shall govern and supersede any provision of this Agreement which would otherwise be in violation of the Act.

14.7. Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document. All counterparts shall be construed together and shall constitute one Agreement.

14.8. Parties in Interest. Subject to the provisions contained in Article 9, every covenant, term, provision and agreement in this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

14.9. Integrated Agreement. This Agreement constitutes the entire understanding and agreement of the parties with respect to its subject matter, and there are no agreements, understandings, restrictions, representations or warranties among the parties other than those set forth in this Agreement.

14.10. Number and Gender. Where the context so indicates, the masculine shall include the feminine and neuter, the singular shall include the plural and "person" shall include a corporation and other entities.

14.11 Attorney Representation. The parties all acknowledge that counsel for The Paces Foundation, Inc. ("Paces"), Nelson Mullins Riley & Scarborough LLP, has prepared this Agreement on behalf of and in the course of their representation of Paces, and that:

(a) the parties have been advised by Nelson Mullins Riley & Scarborough LLP that the interest of Paces represented by Nelson Mullins Riley & Scarborough LLP may be adverse to the interest of the other members;

(b) the parties have been advised by Nelson Mullins Riley & Scarborough LLP to seek the advice of independent counsel to represent them in connection with the review and negotiation of this agreement; and

(c) the parties have had the opportunity to seek the advice of independent counsel.

[Signature pages follow]

IN WITNESS WHEREOF, this Operating Agreement has been executed as of the date first above written.

ADDRESS:

2730 Cumberland Boulevard SE
Smyrna, Georgia 30080

MEMBER:

PACES WILLOWCREEK, LLC, a
South Carolina limited liability company

By: The Paces Foundation, Inc., a Georgia
nonprofit corporation, its sole member

By: 
Renée Sandell, Vice President

IN WITNESS WHEREOF, this Operating Agreement has been executed as of the date first above written.

ADDRESS:

2730 Cumberland Boulevard SE
Smyrna, Georgia 30080

MEMBER:

THE PACES FOUNDATION, INC. a
Georgia nonprofit corporation

By: 

Renée Sandell, Vice President

EXHIBIT A

Description of Capital Contributions

<u>Member</u>	<u>Contribution</u>	<u>Agreed Value</u>	Percentage <u>Interest</u>
Paces Willowcreek, LLC	\$51.00	\$51.00	51%
The Paces Foundation, Inc.	\$49.00	\$49.00	49%
			100%

The initial Managing Member shall be Paces Willowcreek, LLC