

LANGSTON HUGHES CAMELIA RIDGE, LLC

Operating Agreement

This Operating Agreement of LANGSTON HUGHES CAMELIA RIDGE, LLC (the "Company"), effective as of June 19, 2025, is made by LANGSTON HUGHES AFFORDABLE HOUSING, INC. as the sole Member (the "Member").

Recitals

WHEREAS, the Member formed LANGSTON HUGHES CAMELIA RIDGE, LLC as a limited liability company under the South Carolina Limited Liability Company Act, as amended from time to time (the "Act");

WHEREAS, the Internal Revenue Service determined on April 15, 2021, that the Member is a 501(c)(3) exempt organization (Employer ID number: 86-1476591, DLN: 26053421004101).

WHEREAS the Member desires to state this Operating Agreement, as set forth below, and this Operating Agreement is intended to constitute a written Operating Agreement;

NOW, THEREFORE, the Member declares as follows:

1. Formation.

Effective with the June 19, 2025, Articles of Correction, the Company shall constitute a limited liability company formed under the Act and other applicable laws of the State of South Carolina. The Member shall, when required, file such amendments to or restatements of the Articles in such public offices in the State of South Carolina or elsewhere as the Member deems advisable to give effect to the provisions of this Operating Agreement and the Articles and to preserve the character of the Company as a limited liability company.

2. Name; Place of Business; Registered Office and Agent.

The Company operates under the name of **LANGSTON HUGHES CAMELIA RIDGE, LLC**. The principal office and place of business of the Company shall be located at 5030 Nesbit Ferry Lane, Sandy Springs, GA 30350. The registered agent is Registered Agents, Inc., 6650 Rivers Ave. STE 100, Charleston, SC 29406.

3. Purpose.

In summary, the purposes of the Company are to:

- (a) Serve as the Not-for-Profit Co-Developer, Not-for-Profit Co-General Partner, or Ground Lessor of Affordable Housing in South Carolina held by KCG Cameli Ridge, LP (the "Owner.")
- (b) Accomplish any other lawful business which at any time appears to the Member as conducive to or expedient for the protection or benefit of the Company and its property.

(c) Exercise all powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act.

(d) Engage in all activities necessary, customary, convenient or incident to such purposes.

Charitable Purposes.

The Company acts exclusively for charitable purposes within section 501(c)(3) of the Code. In furtherance of such purposes, the Company shall have full power and authority to hold, invest, reinvest, and expend such funds and properties so received for such purposes and to borrow money in furtherance of any or all of its business objects.

Compliance with IRS Regulations for 501(c)(3) organizations.

The Company shall comply with all IRS regulations, including but not limited to the following:

- *No part of the net earnings of the Company shall inure to the benefit of, or be distributable any private persons, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes described in section 501(c)(3) of the Code.*
- *No substantial part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Company shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.*
- *The Company shall not carry on any other activities not permitted to be carried on (a) by an entity exempt from federal income tax under section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or (b) by an entity, contributions to which are deductible under section 170(c)(2) of the Code, or the corresponding section of any future federal tax code.*
- *The Company is an entity separate from the Member under Section 7701 of the Code for federal tax purposes.*

Prohibited Activities. The Company shall not engage in any prohibited activities. The Company shall do the following:

- Refrain from supporting or opposing candidates in political campaigns in any way.
- Ensure that net earnings do not inure in whole or in part to the benefit of private shareholders or individuals (that is, board members, officers, key management employees, or other insiders).
- Not further non-exempt purposes (such as purposes that benefit private interests) more than insubstantially.

- Not be organized or operated for the primary purpose of conducting a trade or business that is unrelated to exempt purpose(s).
- Not devote more than an insubstantial part of activities to attempting to influence legislation.
- Not provide commercial-type insurance as a substantial part of activities.

Service to Poor and Moderate Income Citizens. The Company intends to provide relief to people experiencing poverty via some of the following:

- Predominantly serve residents who earn 40% to 80% of the census-area Area Median Income (AMI) with rents limited to not exceeding 30% of the resident's income.
- Participate in government housing programs designed to provide affordable housing.
- Arrange additional social services that are affordable to low-income residents.

Most importantly the purpose of the Company is to help advance God's work in, Arizona and this world with these missions:

They will still bear fruit in old age, they will stay fresh and green, proclaiming "The Lord is upright; he is my Rock, and there is no wickedness in him. *Psalm 92:14-15*

You sent a gracious rain, O God, upon your inheritance; you refreshed the land when it was weary. Your people found their home in it; in your goodness, O God, you have made provision for the poor. *Psalm 68:9-10*

Go and enjoy choice food and sweet drinks, and send some to those who have nothing prepared. This day is holy to our Lord. Do not grieve, for the joy of the Lord is your strength. *Nehemiah 8:10*

Therefore, strengthen your feeble arms and weak knees. Make level paths for your feet, so that the lame may not be disabled, but rather healed. *Hebrews 12:12-13*

4. *Statutory Compliance.* The Company shall exist under and be governed by, and this Operating Agreement shall be construed in accordance with, the applicable laws of the State of South Carolina. The Member shall execute and file such documents and instruments as may be necessary or appropriate with respect to the formation of, and the conduct of business by, the Company.

5. *Title to Company Property.* All property shall be owned by the Company and, insofar as permitted by applicable law, the Member shall have no ownership interest in the property. Except as provided by law, an ownership interest in the Company shall be

personal property for all purposes.

6. Management.

6.1 Manager and Powers

Except for matters in which the approval of the Member is required by the Act or this Agreement, the Company shall be managed and controlled by the Manager. The Manager shall be responsible for general supervision of the policies of the Company and general and active management of the financial affairs of the Company. The Manager shall have the power to make and execute contracts on behalf of the Company and to delegate such power to others. The Manager also shall have such powers and perform such duties as are specifically imposed by law. The Manager shall be the sole Member, **Langston Hughes Affordable Housing, Inc.**, who shall be authorized to sign agreements on behalf of the Company. The Manager shall be supervised by the Board of Directors of the Member. Subject to this oversight, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. Without limiting the generality of the section, the Manager shall have power and authority, on behalf of the Company:

(a) To acquire property from any Person as the Manager may determine. The fact that a Manager or a Member is directly or indirectly affiliated or connected with any such Person shall not prohibit the Manager from dealing with that person;

(b) To borrow money for the Company from banks, other lending institutions, Manager, the Member, or Affiliates of the Manager or Member on such terms as the Manager deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Manager, or by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the Manager;

(c) To purchase liability and other insurance to protect the Company's property and business;

(d) To hold and own any Company real and/or personal properties in the name of the Company;

(e) To invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper or other investments;

(f) To sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as such disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound;

(g) To execute on behalf of the Company all instruments and documents, including, without limitation: checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents

providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; leases; partnership agreements, operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company;

(h) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(i) To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Manager may approve;

(j) To create offices and designate Officers, who need not be Members; and

(k) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Unless authorized to do so by the Company's Manager, no attorney-in-fact, employee, or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable pecuniarily for any purpose.

The Board of Directors of the Member has designated David S. Searles, Jr., who shall have delegated authority to bind the Company in matters related to the construction, development, and operation of affordable and workforce housing in South Carolina.

6.2 Liability for Certain Acts. The Manager has neither guaranteed nor shall have any obligation concerning the return of a Member's Capital Contributions or profits from the operation of the Company. The Manager shall be liable to the Company or to any Member for any loss or damage sustained by the Company or the Member except loss or damage resulting from intentional misconduct or knowing violation of law or a transaction for which such Manager received a personal benefit in violation or breach of the provisions of this Operating Agreement. The Manager shall be entitled to rely on information, opinions, reports, or statements, including but not limited to financial statements or other financial data prepared or presented by (i) the Member, Manager, Officers or employees of the Company whom the Manager reasonably believes to be reliable and competent in the matter presented, (ii) legal counsel, public accountants, or other persons as to matters the Manager reasonably believes are within the person's professional or expert competence, or (iii) a committee of Manager of which he or she is not a member if the Manager reasonably believes the committee merits confidence.

6.3 Manager Has No Exclusive Duty to the Company. The Manager shall not be required to manage the Company as the Manager's sole and exclusive function, and any Manager may have other business interests and may engage in other activities in addition to those relating to the Company, even if such other business interests or activities are competitive with the business of the Company. Neither the Company nor any Member shall have any right, under this Operating Agreement, to share or participate in such other investments or activities of the Manager or to the income or proceeds

derived therefrom. The Manager shall incur no liability to the Company or the Member as a result of engaging in any other business or venture.

6.4 *Bank Accounts.* The Manager may, from time to time, open bank accounts in the name of the Company, and designated Manager(s) shall be the sole signatories thereon unless the Manager determines otherwise.

6.5 *Indemnity of the Manager, Members, Employees, and Other Agents.* To the fullest extent permitted by the Act, the Company shall indemnify each Manager and Member and make advances for expenses to each Manager and Member arising from any loss, cost, expense, damage, claim, or demand in connection with the Company, the Manager's or Member's status as a Manager or Member of the Company, the Manager's or Member's participation in the management, business and affairs of the Company or such Manager's or Member's activities on behalf of the Company. To the fullest extent permitted by the Act, the Company shall also indemnify its Officers, employees, and other agents who are not Manager or Members arising from any loss, cost, expense, damage, claim, or demand in connection with the Company, any such Person's participation in the business and affairs of the Company or such person's activities on behalf of the Company.

6.6 *Resignation.* Any Manager of the Company may resign at any time by giving written notice to the Member of the Company. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.7 *Removal.* Except as otherwise provided in Section 6.2 hereof, at a meeting called expressly for that purpose, the Manager may be removed or replaced at any time, with or without cause, by the Member.

6.8 *Vacancies.* Any vacancy occurring for any reason in the number of Manager of the Company may be filled by the affirmative vote of a majority of the remaining Manager then in office, provided that if there are no remaining Manager, the vacancy(ies) shall be filled by the Member. Any Manager's position to be filled by reason of an increase in the number of Manager shall be filled by the affirmative vote of a majority of the Manager then in office or by the Member.

6.9 *Salaries.* The salaries and other compensation of the Manager shall be fixed from time to time by the Member, and no Manager shall be prevented from receiving such salary because of the fact that the Manager is also a Member of the Company.

7. *Rights and Obligations of the Member.*

7.1 *Limitation on Member's Liabilities.* The Member's liability shall be limited as outlined in this Operating Agreement, the Act, and other applicable laws. The Member shall not be bound by, or be personally liable for, the expenses, liabilities, or

obligations of the Company beyond the amount contributed by the Member to the capital of the Company, except concerning a wrongful distribution.

7.2. *Voting Rights.* Except as otherwise explicitly outlined in this Operating Agreement, the Member shall have only the voting rights outlined in the Act.

7.3. *Action by Member Without a Meeting.* Any action required or permitted to be taken by the Member may be taken with or without a meeting and with or without any written consent or other writings describing the action taken.

8. Capital Contributions. The Member shall contribute \$100.00 and other such amounts or property as it may from time to time deem necessary or appropriate.

9. Distributions. All distributions by the Company shall be made at the discretion of the Member.

10. Books and Records.

10.1. *Availability.* At all times during the Company's existence, the Manager shall maintain or cause to be maintained complete and accurate books and records that are appropriate and adequate for the Company's business. Such books and records, whether financial, operational, or otherwise, including a copy of this Operating Agreement and any amendments, shall at all times be maintained at the principal place of business of the Company. The Manager or such Member's duly authorized representative, subject to reasonable standards established by the Member governing what information and documents are to be furnished at what time and location and at whose expense, shall have the right at any time, for any purpose reasonably related to such Member's ownership interest, to inspect and copy from such books and documents during regular business hours.

10.2. *Reports.* The Manager shall cause to be prepared a profit and loss statement for, and a balance sheet as of, the end of each fiscal year.

10.3. *Tax Returns.* The Manager shall cause an accountant to prepare all tax returns that the Company is required to file, if any. The Manager shall file with the appropriate taxing authorities all such returns in a manner necessary for the Company to be in compliance with any law governing the timely filing of such returns.

10.4. *Depositories.* The Manager shall maintain or cause to be kept one or more accounts for the Company in such depositories as the Member shall select. All receipts of the Company from whatever source received (but no funds not belonging to the Company) shall be deposited to such accounts, and all expenses of the Company shall be paid from such accounts. All amounts so deposited shall be received, held, and disbursed by the Manager only for the purposes authorized by this Operating Agreement. Unless otherwise determined by all Members, all signatories on any such account shall be bonded under a blanket commercial bond insuring the Company against loss, and such accounts

shall be insured against loss from forgery.

11. Dissolution.

The Company shall be dissolved, and its affairs wound up at such time as the Member determines that the Company should be dissolved or whenever dissolution is required by law. Upon the dissolution of the Company, the Manager shall wind up the Company's affairs under the Act. In winding up the affairs of the Company, the Member is authorized to take any actions contemplated by the Act as permissible, including, without limitation:

- (i) prosecuting and defending suits, whether civil, criminal, or administrative;
- (ii) settling and closing the Company's business;
- (iii) liquidating and reducing to cash the property as promptly as is consistent with obtaining its fair value;
- (iv) discharging or making reasonable provision for the Company's liabilities; and
- (v) distributing the proceeds of liquidation and any undisposed property.

Upon the winding up of the Company, the Manager shall distribute the proceeds and undisposed property to creditors, including the Member if such Member is a creditor (to the extent and in the order of priority provided by law), in satisfaction of liabilities of the Company, whether by payment or the making of reasonable provisions for payment thereof; and after that, to the Member.

11. South Carolina Property Tax Exemption.

The Company intends to own the general partner interest in the Owner, and the Company's obligations to the Owner will require the Company:

- a. To maintain its status as a disregarded entity entitled to the Member's tax-exempt status under Internal Revenue Code Section 501(c)(3), which was formed for an exempt purpose that includes providing affordable housing;
- b. To annually comply with the requirements of South Carolina Statutes, (including Section 12-37-220(B)(11), related to obtaining and maintaining a property tax exemption, including compliance with IRS Rev. Proc. 96-32 safe harbor (the "Property Tax Exemption");
- c. To maintain the Owner's obligation to maintain the Property Tax Exemption by requiring that (i) the property have the less than or equal to the statutory number of apartment units, (ii) the amount of rent each tenant pays does not exceed the amount of rent prescribed in any tax-exempt bond tax regulatory agreement or any low-income housing tax credit required land use restriction agreement. and (iii) the funds that would have been necessary to pay the property taxes will be used to maintain the affordability of the rents on the low-income units.

IN WITNESS WHEREOF, the Sole Member hereby makes this Operating Agreement as of the date first above written.

SOLE MEMBER AND MANAGER:

LANGSTON HUGHES AFFORDABLE HOUSING, INC.

By: David Sewall Searles, Jr.
David Sewall Searles, Jr.
President and Chief Executive Officer