

**The Restated Operating Agreement
of
Sterling Southern Land, LLC
A Georgia Limited Liability Company**

Employer Identification Number 87-3302444

LAW OFFICES OF
GA ESTATE PLANNING & PROBATE
By Ceron and Hoipkemier, Attorneys at Law, LLC
800 Johnson Ferry Road, NE
Atlanta, GA 30342

Sterling Southern Land, LLC

Table of Contents

Article One	Company Formation 1-1
Section 1.01	The Limited Liability Company 1-1
Section 1.02	The Company’s Name 1-1
Section 1.03	Tax Status of Company 1-1
Section 1.04	Company’s Purpose and Scope 1-1
Section 1.05	Purpose of Company Restrictions 1-2
Section 1.06	The Company’s Principal Office and Location of Records... 1-2
Section 1.07	Registered Agent and Registered Office 1-2
Section 1.08	The Company’s Term 1-2
Section 1.09	Venue 1-2
 Article Two	 Tax Matters 2-1
Section 2.01	Tax Classification 2-1
Section 2.02	The Partnership Representative 2-1
Section 2.03	Tax Elections 2-2
 Article Three	 Membership Interests 3-1
Section 3.01	Classification of Membership Interests 3-1
Section 3.02	Membership Interest in the Company 3-1
Section 3.03	Valuing Membership Interests in the Company 3-1
 Article Four	 Capital Contributions and Capital Accounts 4-1
Section 4.01	Initial Capital Contributions 4-1
Section 4.02	Voluntary Additional Capital Contributions 4-1
Section 4.03	Mandatory Additional Capital Contributions Prohibited 4-1
Section 4.04	Establishing and Maintaining Capital Accounts 4-1
Section 4.05	Adjustment for Company’s Constructive Termination 4-2
Section 4.06	Revaluation Adjustment 4-2
Section 4.07	No Interest or Return of Capital 4-3
Section 4.08	Power to Modify Capital Account Provisions 4-3
Section 4.09	Certain Property Considered to Be Loans 4-3
Section 4.10	Negative Capital Accounts 4-3
Section 4.11	Assignment of Capital Account 4-3
 Article Five	 Allocations and Distributions 5-1
Section 5.01	Allocating Profit and Loss 5-1
Section 5.02	Distributions to Members 5-1

Article Six	Company Management	6-2
Section 6.01	Manager’s General Authority	6-2
Section 6.02	A Majority in Interest of Managers Required to Control	6-2
Section 6.03	Limitations on the Manager’s Authority	6-2
Section 6.04	Delegation among the Managers	6-3
Section 6.05	Delegation to Agents and Others	6-3
Section 6.06	Powers.....	6-3
Section 6.07	Authorization to Sign Certain Instruments	6-4
Section 6.08	Affidavit of Manager’s Authority	6-4
Article Seven	The Manager	7-1
Section 7.01	Manager	7-1
Section 7.02	Extent and Scope of Services.....	7-1
Section 7.03	Manager’s Power to Amend	7-1
Section 7.04	Indemnification and Hold-Harmless Provision	7-2
Section 7.05	Manager’s Voluntary Resignation	7-2
Section 7.06	Manager Removal.....	7-3
Section 7.07	Events Not Considered Withdrawal of Manager	7-3
Section 7.08	Additional Managers.....	7-3
Section 7.09	Vacancy in the Office of Manager	7-3
Section 7.10	Compensation and Expenses of Manager	7-4
Section 7.11	No Bond Required	7-4
Section 7.12	Manager’s Responsibility to File Necessary Forms and Make or Terminate Elections.....	7-4
Article Eight	The Members	8-4
Section 8.01	Members’ Names and Addresses.....	8-4
Section 8.02	Limited Liability of Members.....	8-4
Section 8.03	No Right to Participate in Management	8-4
Section 8.04	Restrictions on Members’ Withdrawal Rights.....	8-5
Section 8.05	Restrictions on Assignees’ Withdrawal Rights.....	8-5
Section 8.06	No Right to Cause Dissolution	8-6
Section 8.07	Partition Waiver	8-6
Section 8.08	Member Expulsion.....	8-6
Section 8.09	Voting	8-6
Section 8.10	Limits on Voting Rights	8-7
Section 8.11	Access to Information	8-7
Article Nine	Meetings and Notice	9-1
Section 9.01	Special Meetings.....	9-1
Section 9.02	Meeting Notice	9-1
Section 9.03	Waiving Meeting Notice.....	9-1
Section 9.04	Voting by Proxy	9-1
Section 9.05	Action by Consent	9-1
Section 9.06	Quorum	9-2

Section 9.07	Presence	9-2
Section 9.08	Conduct of Meetings.....	9-2
Section 9.09	Approval or Consent of Members	9-2
Article Ten	Books, Records, and Bank Accounts.....	10-2
Section 10.01	Books and Records	10-2
Section 10.02	Accounting and Taxable Year	10-3
Section 10.03	Reports.....	10-3
Section 10.04	Bank Accounts and Company Funds.....	10-3
Article Eleven	Admitting Additional Members	11-3
Section 11.01	Admission by Unanimous Consent of Voting Members; Prerequisites.....	11-3
Section 11.02	Capital Contributions and Fair Market Value.....	11-3
Section 11.03	Admissions Must Not Violate This Article	11-4
Article Twelve	Transfer of Membership Interests by a Member....	12-4
Section 12.01	Transfer Restrictions.....	12-4
Section 12.02	Transfer of Interest.....	12-4
Section 12.03	Additional Transfer Restrictions.....	12-6
Section 12.04	Transferee Treated as an Assignee until Admitted as a Substitute Member	12-6
Section 12.05	Conditions Required to Become a Substitute Member.....	12-6
Section 12.06	Assignee's Rights and Limitations	12-7
Section 12.07	Permitted Transfers.....	12-7
Section 12.08	Amending Operating Agreement and Articles of Organization	12-8
Section 12.09	Member Disability	12-8
Section 12.10	Death of a Member	12-8
Section 12.11	Voting Rights of Transferred Interests	12-8
Section 12.12	Non-Recognition of an Unauthorized Transfer or Assignment; Accumulation of Amounts to Be Distributed	12-8
Section 12.13	Creditor Rights; Charging Order Sole Exclusive Remedy ..	12-9
Section 12.14	Company's Unilateral Purchase Option for Interest Acquired without Consent	12-9
Section 12.15	Assignee or Charging Order Holder Assumes Tax Liability	12-11
Article Thirteen	Dissolution and Termination	13-1
Section 13.01	Dissolving the Company.....	13-1
Section 13.02	Liquidating the Company Property.....	13-1
Section 13.03	Company Property Sole Source.....	13-2
Section 13.04	Company Asset Sales during Term of the Company.....	13-2
Article Fourteen	Dispute Resolution Provisions	14-1
Section 14.01	Resolving Disputes among Members and within the Company	14-1

Section 14.02	Notice of Controversy and Designating Authorized Representatives	14-1
Section 14.03	Beginning the Dispute Resolution Procedure	14-1
Section 14.04	Selecting a Mediator	14-1
Section 14.05	Time and Place for Mediation Conference	14-2
Section 14.06	Discovery and Exchange of Information	14-2
Section 14.07	Delivery of Written Summaries; Authority to Obtain Professional Assistance.....	14-2
Section 14.08	Conducting Mediation	14-2
Section 14.09	Final Determinations Bind All Parties.....	14-2
Section 14.10	Arbitration.....	14-2
Section 14.11	Settlement during Mediation or Arbitration	14-3
Section 14.12	Qualified Appraisals	14-3
Section 14.13	Right to Seek Equitable Relief.....	14-3
Section 14.14	Prevailing Party Is Entitled to Recover All Reasonable Costs	14-3
Article Fifteen	General Matters	15-1
Section 15.01	Successors and Assigns	15-1
Section 15.02	Irrevocable Durable Power of Attorney.....	15-1
Section 15.03	No Waiver.....	15-1
Section 15.04	Definitions	15-1
Section 15.05	Changing the Company's Situs.....	15-9
Section 15.06	No Duty to Mail Articles of Organization	15-9
Section 15.07	General Matters.....	15-9

Securities Law Disclosure

The Membership Interests or percentages of ownership of Sterling Southern Land, LLC (*Company*) have not been and will not be registered under the Securities Act of 1933, as amended (*Securities Act*); under any other federal securities laws; or under the securities laws of any state. The Membership Interests or percentages of ownership are offered and sold without registration based on exemptions from the registration requirement of the Securities Act and laws and regulations enacted by the Securities and Exchange Commission.

The Company will not be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and will not file reports, proxy statements, or other information with the Securities and Exchange Commission or with any state securities commission.

The Limited Liability Company Membership Interests of the Company may not be offered for sale, sold, pledged, or otherwise transferred unless registered or qualified under applicable securities laws, or unless exempted from registration or qualification. Counsel for the owner of the Interest must appropriately register or qualify that Interest or establish any applicable exemption from registration or qualification; this opinion of counsel must be reasonably satisfactory to the Company.

No Member may register any Interest in the Company under any federal or state securities law without the express written consent of all Members.

The Members understand that some of the restrictions inherent in this form of business, and specifically set forth in this Agreement, may have an adverse impact on the fair market value of the Membership Interests if a Member attempts to sell or borrow against the Membership Interest in the Company.

Member Acknowledgment

By signing this Agreement, each Member agrees to the following provisions.

Exempt from Registration

Investment in the Member's Interest (*Interest*) in the Company involves a high degree of risk and is suitable only for sophisticated investors. Interests are being offered in reliance upon one or more exemptions from registration under the Securities Act, and any Securities Act of Georgia.

Member's Personal Investment

The Member is purchasing the Interest for the Member's own investment and with no intent to distribute or resell to any other person.

Transferability Restrictions

By this Agreement, the Company has disclosed to the Members and each Member acknowledges that the transferability of the Interest is severely limited. Each Member will bear the economic risk of investment for an indefinite period, as the Membership Interests have not been registered under the Securities Act or any state securities laws and cannot be offered or sold unless subsequently registered or unless an exemption from registration is available.

Registration or Opinion of Counsel before Transfer

In addition to other prohibitions and restrictions on transfer under this Agreement, the Interest will not be sold publicly without registration under the Securities Act and any applicable state securities law. Before any public sale, the selling Member must first obtain opinion of counsel that registration is not required in connection with any transaction; this opinion must be satisfactory to the Company. In no event may any Interest be sold within 12 months of original issue to that Member.

Access to Facts

Each Member has had and continues to have access to all material facts regarding the Interest and is satisfied as to the advisability of making this investment.

No Commission or Remuneration

No commission or other payment may be paid to any person in connection with the offer or sale of any Interest.

No Right to Registration

No Member may require the Company to register any Interest under federal or state securities laws at any time, or to join in any future registration.

Hold Harmless

Each Member agrees to hold the Company and its Manager, Members, Member Principals, Organizers, controlling Persons (as defined in the Securities Act), and any persons affiliated with

any of them or with the distribution of the Interest, harmless from all expenses, liabilities, and damages (including reasonable attorneys' fees) arising from a disposition of the Interest in any manner that violates the Securities Act, any applicable state securities law, or this Agreement.

Sterling Southern Land, LLC a Georgia Limited Liability Company

Article One Company Formation

Section 1.01 The Limited Liability Company

This Restated Limited Liability Company Operating Agreement, dated December 2, 2021, governs a limited liability company formed under the laws of the State of Georgia. The Company became effective upon the filing of Articles of Organization as required by Georgia, and the sole Member executed the Company's Operating Agreement as of September 14, 2021. The Company was created under the Georgia Limited Liability Company Act. The Members, their respective Membership Interests, and their percentages of ownership are identified in the schedule attached to this Agreement as **Exhibit A**.

This Restated Agreement sets forth the rights, duties, obligations, and responsibilities of the Members regarding the Company.

In consideration of the mutual promises, obligations, and agreements set forth in this Agreement, the parties to this Agreement agree to be legally bound by its terms.

Section 1.02 The Company's Name

The Company's name is **Sterling Southern Land, LLC**. The Manager may change the name of the Company or operate the Company under different names.

Section 1.03 Tax Status of Company

As long as the Company has only one Member, the Company will be classified as a disregarded entity for income tax purposes unless the Member has elected to classify the Company as an association taxable as a corporation. All of the Company's income, losses, and other tax items will be treated as those of the Member.

If the Company has more than one Member, the Company shall be taxed as a Partnership.

Section 1.04 Company's Purpose and Scope

The Company is organized to provide centralized management of investments and business activities.

In order to accomplish these purposes, the Company may:

own, acquire, manage, develop, operate, buy, sell, exchange, finance, refinance, and otherwise deal with real, personal, tangible, and intangible property, and any type of business, as the Manager determines from time to time to be in the best interests of the Company; and

conduct any lawful business and investment activity permitted under the laws of Georgia and in any other jurisdiction in which the Company may have a business

or investment interest in order to accomplish these objectives, subject to the limitations set forth herein.

The Company may engage in any other activities that are related or incidental to these purposes, as the Manager may determine with sole and absolute discretion.

Section 1.05 Purpose of Company Restrictions

This Company is formed by those who know and trust one another and who, in forming this Limited Liability Company, have surrendered certain management rights.

Capital is material to the business and investment objectives of the Company and its federal tax status. An unauthorized transfer of a Member's Interest could create a substantial hardship to the Company, jeopardize its capital base, and adversely affect its tax structure. As a result, certain restrictions expressed in this Agreement attach to and affect the ownership and transfer of Membership Interests. These restrictions are not intended to penalize, but are intended to protect and preserve the existing trust-based relationships, the Company's capital, and the Company's financial ability to continue to operate.

Section 1.06 The Company's Principal Office and Location of Records

The address of the principal office in the United States where the Company maintains its records is:

P.O. Box 93
Chula, GA 31733

or where the Manager otherwise determines. The records maintained by the Company must include all records that the law requires the Company to maintain. The Company must maintain a records office in any jurisdiction that requires a records office and the Company must maintain all records required by applicable law at each records office.

Section 1.07 Registered Agent and Registered Office

The Company's initial registered agent is Kimberly R. Hoipkemier, Esq. and the Company's initial registered office is located at:

800 Johnson Ferry Road, NE
Suite B
Atlanta, GA 30342

Section 1.08 The Company's Term

The Company's duration is perpetual. The Company begins on the date the Articles of Organization are filed with the Secretary of State of Georgia and continues until terminated or dissolved by this Agreement.

Section 1.09 Venue

Venue for any dispute arising under this Operating Agreement or any disputes among any Members or the Company will be in the county of the Company's Registered Office.

Article Two Tax Matters

Section 2.01 Tax Classification

If the Company has only one Member, the Company will be classified as a disregarded entity for income tax purposes unless the Member has elected to classify the Company as an association taxable as a corporation.

But if the Company has more than one Member, or for any reason may not be taxed as a disregarded entity, the Manager may classify the Company as a corporation, partnership, or any other type of entity that the tax-matters partner determines to be most advantageous to the Company and its Members.

Section 2.02 The Partnership Representative

If the Company is required to have a Partnership Representative, the Manager shall appoint any Person (including the Manager) as Partnership Representative who qualifies pursuant to Treasury Regulation 301.6223-1. The Manager may remove and/or replace the Partnership Representative at the discretion of the Manager.

(a) Legal and Accounting Costs for Tax Matters

The Company must pay all legal and accounting costs associated with any Internal Revenue Service proceeding regarding the Company's tax returns.

(b) Discretion as to Tax Matters

The Partnership Representative shall notify all of the Members upon receipt of any notice regarding any examination by any state, federal, or local authority with respect to the Company's tax compliance. Subject to its fiduciary duty to the Members and other limitations set forth herein, the Partnership Representative may determine whether to contest any proceedings, how to pursue any proceedings, and whether and on what terms to settle any such dispute with the Internal Revenue Service. The Partnership Representative may not engage attorneys, accountants, accountants, experts or other personnel without the prior approval of the Manager.

(c) Partnership Audits

The Partnership Representative shall have discretion as to partnership audits as follows:

- (i) The Partnership Representative may cause the Company to elect out of partnership level taxation for audit purposes under the Code Section 6221 if it otherwise qualifies to do so.
- (ii) If the Company is subject to an adjustment to a prior tax year, the Partnership Representative may either:
 - (a) make an IRC Section 6226 election with respect to an imputed underpayment by issuing statements of the partner's share of adjustments to income, gain, loss, deduction, or credit (i.e., adjusted

K-1) to the IRS and each partner of the audited tax year. All Members hereby agree that if a final partnership adjustment is made for a tax year in which they are a member of the Company and an IRC Section 6226 election is made with respect to that final partnership adjustment, then they shall pay the adjusted tax with their current return (determined by the calendar year the adjusted K-1 is issued), whether or not they are current Members of Company. This provision shall survive the termination of a Member's interest in Company, or

- (b) issue amended Form K-1s to the Members for the tax year at issue. All Members hereby agree that if any final partnership adjustment is made for a tax year in which they are a Member and amended K-1s are issued for that tax year, then they shall file amended tax returns to take into account the revised K-1s and pay all resulting taxes within 270 days of the notice of the proposed final partnership adjustment. This provision shall survive the termination of a Member's interest in the Company.

Section 2.03 Tax Elections

The Manager may make any applicable or available tax elections on behalf of the Company, but any decision to change the tax classification of the Company from partnership to corporation, or from corporation to partnership, requires approval by the unanimous vote of the Members.

Unanimous consent of all Membership Interests is required to exercise the election under Internal Revenue Code Section 754 in any of the following circumstances:

- if a new Manager is added;

- if the identity of the person or persons who have management authority over an existing Manager changes; or

- if the Manager is an entity, in the event of a change of ownership over the managing entity.

Article Three

Membership Interests

Section 3.01 Classification of Membership Interests

The Company shall issue Class A Voting Membership Interests to the Voting Members. The Voting Members may vote upon all matters upon which Members have a right to vote under this Agreement, in proportion to their Class A Voting Membership Interests in the Company.

The Company may issue Class B Non-Voting Membership Interests. Members may own Class A Voting Membership Interests, Class B Non-Voting Membership Interests, or both. Members who own only Class B Non-Voting Membership Interests are Non-Voting Members and may not vote on any Company matters unless otherwise specified in this Agreement.

Voting and Non-Voting Members have identical liquidation and distribution rights unless expressly provided to the contrary in this Agreement. Voting and Non-Voting Members have the same ownership rights except for voting rights.

Section 3.02 Membership Interest in the Company

Each Member's Initial Membership Interest is the total of his or her Voting Membership Interests and Non-Voting Membership Interests expressed as the percentage interests in the attached Exhibit A. Membership Interests will be adjusted from time to time to account for *non pro rata* Additional Capital Contributions and *non pro rata* distributions to Members. If *non pro rata* contributions or distributions are made, each Member's Membership Interest will then be determined by dividing the Capital Account of each Member by the aggregate of the then-existing Capital Accounts, after adjusting the Members' Capital Accounts to reflect the fair market value of the contributed property.

To determine the respective voting rights of the Voting Members, adjustments to Voting Membership Interests of the Voting Members resulting from Additional Contributions or Distributions will be effective the first day of the month immediately following the contribution or distribution date.

The Manager shall maintain a correct record of all Members and their Membership Interests together with amended and revised schedules of ownership caused by changes in the Members and changes in Membership Interests.

Section 3.03 Valuing Membership Interests in the Company

For all purposes, the value of the Company as an entity and of Membership Interests will be their respective fair market values. Any dispute, contest, or issue of fair market value will be resolved by a written Qualified Appraisal by a Qualified Appraiser selected by the Manager.

Article Four

Capital Contributions and Capital Accounts

Section 4.01 Initial Capital Contributions

As their Initial Capital Contributions to the Company, the Members shall contribute all of their right, title, and interest in and to the property described in Exhibit B. The Members agree that the property described in Exhibit B has the fair market value (net of liabilities assumed or taken subject to or by the Company) listed opposite the scheduled property.

Each Member's Capital Account will be credited with an initial contribution equal to the fair market value as specified in Exhibit A of any Voting Membership Interests, and the Company will maintain separate Capital Accounts for each Member's Voting Membership Interests and Non-Voting Membership Interests as specified on the Exhibit.

Section 4.02 Voluntary Additional Capital Contributions

The Voting Members may make Additional Capital Contributions to the Company. Any Additional Capital Contribution must be made *pro rata* according to the Member's Membership Interest, unless otherwise agreed by the unanimous consent of the Voting Members. Consent does not need to be in writing, and will be presumed to have been obtained unless there is clear and convincing evidence to the contrary.

The fair market value of any property other than cash or publicly traded securities to be contributed as an Additional Capital Contribution will be as agreed upon by the contributing Member and a majority in interest of the Voting Members at the time of contribution. Alternatively, a disinterested appraiser selected by the Manager may determine the fair market value of any contributed property.

Section 4.03 Mandatory Additional Capital Contributions Prohibited

The Company has no authority to require Additional Capital Contributions.

Section 4.04 Establishing and Maintaining Capital Accounts

A Capital Account will be established for each Member and will be maintained at all times during the existence of the Company in compliance with the Internal Revenue Code and applicable Treasury Regulations. Each Capital Account will be maintained according to the following provisions.

(a) Credits to Member's Interest

Each Member's Interest will be credited with the fair market value of the Member's contribution of cash or other property, the Member's distributive share of profits, and the amount of any Company liabilities that are assumed by the Member.

(b) Debits to Member's Interest

Each Member's Capital Account will be debited the amount of cash and the fair market value of any property distributed to the Member under this Agreement, the

Member's share of losses, and the amount of any liabilities of the Member that are secured by any property contributed by the Member to the Company.

(c) Assumption of Liability

An assumption of unsecured liability by the Company will be treated as a distribution of money to the Member, and the Manager shall adjust the Member's Capital Account accordingly. Assumption of an unsecured liability of the Company by a Member will be treated as a cash contribution to the Company. The amount of any liability assumed under this provision will be determined according to Internal Revenue Code Section 752(c).

(d) Adjustments for Non-Cash Distributions

If assets of the Company other than cash are distributed to a Member, the Manager shall adjust the Capital Accounts of the Members to reflect the hypothetical book gain or loss that would have been realized by the Company if the distributed assets had been sold at fair market value in a cash sale in order to reflect unrealized gain or loss.

(e) Adjusting the Fair Market Value on Transfer of Membership Interest

If an existing or new Member acquires an Interest, the Manager shall adjust the Capital Accounts of the Members to reflect fair market value of all properties held by the Company.

Section 4.05 Adjustment for Company's Constructive Termination

If the Company is constructively terminated under Internal Revenue Code Section 708, the Manager shall adjust the Members' Capital Accounts to reflect fair market value of all properties held by the Company as required by Treasury Regulation Section 1.704-1(b)(2)(iv)(b).

Section 4.06 Revaluation Adjustment

The Manager shall adjust the Members' Capital Accounts to reflect any revaluation of Company property (including intangible assets such as goodwill) under this Section.

(a) Adjustment Based on Fair Market Value

Any revaluation adjustment to a Member's Capital Account will be based on the fair market value of Company property on the date of the adjustment under Code Section 7701(g).

(b) Adjustment for Unrealized Items

The Manager shall adjust the Members' Capital Accounts to reflect the manner in which any unrealized income, gain, loss, or deduction inherent in the Company's property (to the extent that it has not been previously reflected in the Members' Capital Accounts) would be allocated among all the Members if there were a taxable disposition of this property for fair market value on the date of adjustment.

Section 4.07 No Interest or Return of Capital

Despite any other provision of this Agreement, no Member is entitled to any interest on its Capital Account or Membership Interest or on the Member's Capital Contribution. No Member may demand or receive the return of all or any portion of the Member's Capital Account, Membership Interest, or Capital Contribution.

Section 4.08 Power to Modify Capital Account Provisions

If, in the Manager's reasonable judgment, the modification is not likely to have a material effect on the amounts distributable to any Member under this Agreement, the Manager may modify the manner in which the Capital Accounts are computed in order to comply with Treasury Regulation Section 1.704-1(b). The Manager shall make any necessary or appropriate adjustments to maintain equality between the Members' Capital Accounts and the amount of Company Capital reflected on the Company's balance sheet, as computed for book purposes under Treasury Regulation Section 1.704-1(b)(2)(iv)(g), relating to adjustments to book value.

Section 4.09 Certain Property Considered to Be Loans

If for any reason the Company would otherwise be deemed an investment company within the meaning of Internal Revenue Code Section 351, the Members intend to comply with the requirements of Internal Revenue Code Section 721(b), so that contributions of property to the Company will not cause recognition of any gain or loss to any Member. Accordingly, if any contribution of property would cause the recognition of gain or loss to any Member under Internal Revenue Code Section 721(b), then that property will be considered to have been loaned to the Company. Any loan will bear interest at the minimum interest rate required under Internal Revenue Code Section 7872. The Manager shall return any property loaned to the Company under this provision to its lender within 90 days of the lender's demand.

Section 4.10 Negative Capital Accounts

If the Company or a Member's Membership Interest is liquidated, no Member will be required to restore a deficit in his or her Capital Account.

Section 4.11 Assignment of Capital Account

Except as otherwise required by the Internal Revenue Code or Treasury Regulations, if any Membership Interest is assigned under this Agreement, the Assignee will succeed to the Capital Account of the Assignor to the extent that it relates to the assigned Membership Interest. If the assignment of an interest in the Company causes a termination of the Company under Internal Revenue Code Section 708(b)(1)(B), the Capital Account that carries over to the Assignee will be adjusted according to Treasury Regulation Section 1.704-1(b)(2)(iv)(e).

Article Five

Allocations and Distributions

Section 5.01 Allocating Profit and Loss

All items of income, gain, loss, deduction, and credit, whether resulting from the Company's operations or in connection with its dissolution, must be allocated to the Members for federal, state, and local income tax purposes. The allocation is in proportion to their respective Membership Interests.

The Voting Members, by unanimous agreement, may enter into agreements providing for the special allocation of items of income, gain, loss, depreciation, deduction, or credit.

Despite any other provision to the contrary in this Agreement, each item of income, gain, loss, deduction, and credit must be allocated for federal income tax purposes among the Members under Internal Revenue Code Section 704(b) and 704(c), and conform with Sections 1.704-1(b)(2)(iv)(f), 1.704(b)(4)(i), 1.704-3(e), or their successor provisions of the Code and Regulations.

The Manager has the authority to change the allocation provision of this Section if the Company's legal counsel advises the Company that this change is required under the Internal Revenue Code based on the manner in which the Voting Members have agreed to bear losses and to share profits and distributions under this Agreement.

Section 5.02 Distributions to Members

Except as specifically set forth in this provision, no Member may demand distributions of any Company assets. Distributions of Company assets, when made, will be made under this Section.

(a) Cash Distributions

Except as provided in Section 5.02(b), the Manager shall distribute the Cash-Flow Earnings of the Company on a *pro rata* basis at least annually, unless otherwise limited by this Agreement. Distributions may be made in periodic installments during the Taxable Year or in a lump sum at the end of the Taxable Year. The Manager shall make final distributions of Cash-Flow Earnings for a Taxable Year no later than 60 days after the end of the Taxable Year.

Notwithstanding anything above to the contrary, if the Manager so elects and all Voting Members unanimously agree, distributions of profits, losses, or return of capital may be withheld to accomplish the business purposes of the Company as may be established from time to time. The Manager's decision to withhold distributions under this Section 5.02(a) shall be subject to his or her fiduciary duty to the Company under Section 7.02(b) and the Business Judgment rule.

(b) In-Kind Satisfaction

If the Company does not have sufficient available cash to discharge a payment obligation to a Member, the Manager may satisfy a distribution of Cash-Flow Earnings with a distribution of Company property of equivalent value to the unsatisfied distribution of Cash-Flow Earnings. Before making an in-kind distribution, the Manager must adjust the Members' Membership Interests to

account for any difference between the established fair market value and the book value of the in-kind property to be distributed.

(c) No Interest

If a Member does not withdraw all or any portion of the Member's share of any cash distribution made under Subsection (a), the Member may not receive any interest on the unwithdrawn amount nor on any additional Membership Interest unless all Members agree.

Article Six Company Management

Section 6.01 Manager's General Authority

Subject to the specific rights given the Voting Members in this Agreement, the Manager may make all decisions concerning any matter affecting or arising out of the Company's business conduct. The Manager has the exclusive right and full authority to manage, conduct, and operate the Company business.

The Manager shall manage and administer the Company according to this Agreement and as provided by the laws of the State of Georgia.

Section 6.02 A Majority in Interest of Managers Required to Control

When more than one Manager is acting, the concurrence of a majority in interest of the Managers controls in all matters pertaining to the Company's administration. When only two Managers are acting, the concurrence and joinder of both is required.

Section 6.03 Limitations on the Manager's Authority

This Section limits the authority of the Manager.

(a) Acts Requiring 85% Approval of Voting Membership Interests

The consent of 85% of all the Voting Membership Interests is required to confess a judgment against the Company or to file or consent to filing a petition for or against the Company under any federal or state bankruptcy, insolvency, or reorganization act.

(b) Acts Requiring Unanimous Approval of the Voting Members

The Manager may not do any of the following without the unanimous written consent of all Voting Members:

- sell substantially all of the property in liquidation or cease the Company's business before the Company's actual termination;
- admit any substitute or additional Members into the Company except as otherwise permitted by this Agreement;
- change or reorganize the Company into any other legal form;
- expel a Member;

dissolve and liquidate the Company;
redeem, liquidate, purchase, or otherwise acquire the Membership Interest of any Member;
return the Capital Contribution of any Member;
contribute Company property to a charity; or
register any interest in this Company for an offering under any federal or state securities law.

(c) Voting Members Who Are under Court Orders

The vote, consent, or participation of any Voting Member under any kind of court order charging, restraining, prohibiting, or in any way preventing any Voting Member from participating in Company matters is not required in order to obtain the necessary percentage vote or consent or participation for the Company to act upon any proposed action.

Section 6.04 Delegation among the Managers

When more than one Manager is serving, a Manager may delegate to any other Manager the power to exercise any or all powers this Agreement grants the Manager, including discretionary powers, if allowed by law. The delegating Manager may revoke this delegation at will. Any delegation of power, modification of delegation of power, or revocation of delegation of power must be in a writing and signed by the delegating Manager.

As long as any delegation of power is in effect, the Manager to whom the power is delegated may unilaterally exercise the delegated powers with the same force and effect as if the delegating Manager had personally joined in the exercise of the power.

Section 6.05 Delegation to Agents and Others

The Manager may employ agents, employees, accountants, attorneys, consultants, and other persons necessary or appropriate to carry out the business and affairs of the Company, whether or not the person or persons are Affiliated Persons, or are employed by an Affiliated Person.

The Manager may direct the Company to pay reasonable fees, costs, expenses, salaries, wages, and other compensation as the Manager determines to be appropriate as an expense of the Company. Those expenses may include payment or reimbursement for all fees, costs, and expenses incurred in the formation and organization of the Company.

The Manager may delegate management functions to any corporation, partnership, limited liability company, or other entity qualified to manage the property and to conduct the business activities of the Company. Delegation of management powers will not relieve the Manager from personal liability for management decisions and operations of the Company. Any delegation of authority is to be considered in compensating the Manager for services to the Company.

Section 6.06 Powers

In pursuing its lawful purposes, the Company may do all things that limited liability companies are permitted to do under the Act.

Section 6.07 Authorization to Sign Certain Instruments

Regarding all obligations, powers, and responsibilities under this Agreement, the Manager may sign and deliver any notes and other evidence of indebtedness, contracts, agreements, assignments, deeds, leases, loan agreements, mortgages, and other security instruments and agreements in any form on behalf of the Company as the Manager determines to be proper.

Section 6.08 Affidavit of Manager’s Authority

Any third party dealing with the Company may rely on a notarized writing signed by the Manager stating the Manager’s authority to act for the Company. The Manager may use the following as an example of a valid writing:

**Sample Written Statement of Authority of the Manager
of
Sterling Southern Land, LLC**

On my oath and under penalty of perjury, I swear that I am the duly appointed Manager of Sterling Southern Land, LLC, a Georgia Limited Liability Company. I certify that I have not been removed as Manager and have the authority to act for and bind Sterling Southern Land, LLC in business transactions for which this affidavit is given as affirmation of my authority.

Danny E. Sterling, Manager

Sworn and subscribed before me the undersigned authority, by
Danny E. Sterling on _____, 20____.

Notary Public

This example may be modified to reflect the Manager’s fiduciary duty.

Article Seven

The Manager

Section 7.01 Manager

Danny E. Sterling is appointed as Manager of the Company. The Manager shall manage and administer the Company's property and perform all other duties prescribed for a Manager by Georgia law. The Company must have at least one Manager at all times. No other person may act for or bind the Company except as permitted in this Agreement or as required by law. No Manager will be personally liable for the obligations of the Company.

Section 7.02 Extent and Scope of Services

The Manager shall adequately promote the interest of the Company and the mutual interest of the Members, and shall commit the necessary time and effort to do so. The Manager is not required to devote full-time hours to Company business.

(a) Other Ventures

The Manager may engage in and possess interests in other business ventures independently or with others, and neither the Company nor any Member will acquire any interest in the Manager's independent ventures because of the Manager's service to the Company. The Manager may compete with the Company through any independent venture without liability to the Company for so doing.

Despite the fiduciary duty owed by the Manager to the Company or the Members of the Company, the Manager is under no obligation to present any investment opportunity to the Company.

(b) Manager's Fiduciary Duty

In carrying out the duties of Manager under this Agreement, the Manager shall act as a fiduciary for the Members. In fulfilling this fiduciary duty, the Manager shall act in good faith and loyalty in a manner the Manager reasonably believes to be in the best interests of the Company and its Members, and with such care as an ordinary prudent person in a similar position would use under similar circumstances.

Section 7.03 Manager's Power to Amend

The Manager may, without the consent of the Members, amend any provision of this Agreement or the Articles of Organization, and prepare and deliver any documents necessary to reflect:

a change in the Company's name or its principal office location;

the admission, substitution, or termination of Members according to this Agreement;

a change that the Manager, with sole discretion, determines to be necessary or advantageous to qualify or to maintain qualification as a limited liability company or a company in which the Members have limited liability under the laws of any

jurisdiction, or to ensure that the tax treatment of the Company does not change, other than under Article Two;

a change that does not adversely affect the Members in any material respect or that is required or contemplated by this Agreement; or

any other similar amendments.

Any other amendments require the written consent of 85% of the Voting Membership Interests unless other provisions of this Agreement require a higher percentage of the Voting Members (such as liquidating the Company before its term expires).

Section 7.04 Indemnification and Hold-Harmless Provision

To the extent possible, this provision is intended to supersede any provision of Georgia law to the contrary.

The Manager is not liable to any Member for any loss or damage incurred on behalf of the Company because of any act, omission, or forbearance if the Manager acted in good faith, in a manner that the Manager reasonably believed to be for the best interests of the Company, and within the scope of the authority granted to the Manager by this Agreement.

(a) Gross Negligence or Willful Misconduct

A Manager is personally liable if the Manager is guilty of fraud, intentional breach of this Agreement, gross negligence, or willful misconduct regarding an act, omission, or forbearance.

(b) Good-Faith Acts, Omissions, and Forbearances

Any act, omission, or forbearance by a Manager on advice of counsel to the Company must be conclusively presumed to have been in good faith.

(c) No Personal Liability for Capital Contributions

The Manager is not personally liable for the return of any portion of any Member's Capital Contribution. Any return of capital will only be made from Company assets.

(d) Indemnity Provisions

The Company shall indemnify and hold the Manager harmless from any loss, expense, or damage resulting from any act, omission, or forbearance of the Manager relating to the Company. The Company is not required to indemnify the Manager for any loss, claim, expense, or damage incurred because of the Manager's willful misconduct, gross negligence, or fraud.

Section 7.05 Manager's Voluntary Resignation

Subject to any contract between the Company and the Manager, any Manager may resign at any time, without prejudice to any Company rights under any contract to which the Manager is a party, by giving written notice to the Members. Any resignation will take effect on the date the notice is received or later if specified in the resignation notice. Unless otherwise specified, acceptance of the resignation notice is not required to make the Manager's resignation effective.

Section 7.06 Manager Removal

A Manager may be removed as Manager for cause by the affirmative vote of at least 85% of the Voting Membership Interests. For purposes of this provision, the term *for cause* includes:

- any material act of self-dealing by a Manager;
- any material act constituting gross negligence, willful misconduct, or fraud;
- any act constituting the willful and intentional disregard of a directive of the Voting Members by a vote on a matter in which the Voting Members have a vote under this Agreement or under the laws of the State of Georgia.

The term *material* means a significant monetary damage to the Company as the result of the act, omission, or forbearance by a Manager constituting self-dealing, gross negligence, or fraud. The term *material* does not include:

- incidental or insignificant monetary damage to the Company;
- monetary damage incurred by someone who is not a Member and for which the Company is not liable; nor
- an intangible loss or damage that cannot be valued under the fair market valuation standards of federal tax law as reflected in pronouncements such as Revenue Ruling 59-60.

If a court of competent jurisdiction or an arbitrator in binding arbitration conducted under the terms of this Agreement or by agreement of the Manager conclusively resolves the issues of self-dealing, willful misconduct, gross negligence, fraud, and material damage to the Company against the Manager, any voting attributes of a Manager who is also a Voting Member will be disregarded in the vote to remove the Manager.

Section 7.07 Events Not Considered Withdrawal of Manager

Despite any provision in the Act, neither of the following events automatically causes a withdrawal:

- the Manager becoming the subject of an order for relief or being declared insolvent in any federal or state bankruptcy or insolvency proceeding, nor
- an entity Manager's charter revocation and the expiration of the 90-day reinstatement period or revocation without a reinstatement of its charter.

Section 7.08 Additional Managers

Upon the unanimous consent of the Voting Members and any then-serving Manager or Managers, any person (including a Voting Member) may be designated a Manager at any time.

Section 7.09 Vacancy in the Office of Manager

If all of the Managers withdraw, are removed, or otherwise cannot serve as Managers for any reason, a majority of the Voting Membership Interests of the Voting Members shall, within 90 days after the date the last remaining Manager stops serving, designate one or more new Managers. The appointed Manager or Managers will automatically have the rights, authorities, duties, and obligations of a Manager under this Agreement.

Section 7.10 Compensation and Expenses of Manager

The Manager is entitled to receive a reasonable salary or other compensation for services provided. The Manager is entitled to reimbursement for reasonable costs and expenses the Manager incurs in conducting Company business.

Section 7.11 No Bond Required

Except to the extent required by law, no Manager is required to furnish bond or other security in order to serve as Manager.

Section 7.12 Manager's Responsibility to File Necessary Forms and Make or Terminate Elections

The Manager shall take all action necessary to assure prompt and timely filing of:

- the Articles of Organization and any amendments thereto according to this Agreement;
- all required state and federal tax returns, reports, and forms; and
- all state and federal tax elections or election terminations as determined by the Manager to be in the best interest of the Company.

Article Eight The Members

Section 8.01 Members' Names and Addresses

The Manager shall maintain an updated list of all past and present Members of the Company, and their last known mailing addresses. The list must be kept as part of the Company records. Members shall notify the Manager of any change of address within a reasonable period of time.

Section 8.02 Limited Liability of Members

Except under Article Four, no Member will be required to contribute capital to the Company for the payment of any losses or for any other purposes, and no Member will be responsible or obligated to any third party for any debts or liabilities of the Company in excess of the amount of:

- that Member's unpaid required contributions to the Company's capital;
- unrecovered contributions to the Company's capital; and
- that Member's share of any undistributed Company profits.

Section 8.03 No Right to Participate in Management

No Member may participate in the management and operation of the Company's business and its investment activities or bind the Company to any obligation or liability whatsoever. But a Voting Member may exercise any power authorized by the Act that a Voting Member may exercise without being considered to be taking part in the control of the business of the Company.

(a) Title Transfer to Company Assets

A Member may not transfer legal or beneficial title to property of the Company unless the Member acts according to the limited authority prescribed by the laws of the State of Georgia relating to the winding up of the Company in the absence of a qualified Manager. Any Member who acts in that capacity may do so only after first submitting an affidavit of fact stating the conditions under which the Member serves. Any affidavit prepared according to this provision must be kept with the Company records.

(b) Members Must Not Bind the Company

A Member must not perform any act that would bind the Company or any other Member.

(c) Members Must Not Incur Expenditures

A Member must not incur any expenditure on the Company's behalf.

Section 8.04 Restrictions on Members' Withdrawal Rights

No Member may withdraw from the Company or receive a return of any contributions to the Company until the Company is terminated and its affairs wound up according to the Securities Act and this Agreement. Any Member who does any of the following has breached this Agreement:

- attempt to withdraw from the Company;
- interfere in the management of the Company affairs;
- engage in conduct that results in the Company losing its tax status as a Company;
- engage in conduct that discredits the Company;
- own a Membership Interest that becomes subject to a charging order, attachment, garnishment, or similar legal proceedings;
- breach any confidentiality provisions of this Agreement;
- bring any legal action against the Company to force the dissolution of the Company, to force any distribution of Company assets, or to appoint a receiver; or
- fail to discharge a legal duty to the Company.

Any Member who breaches this Agreement is liable to the Company for damages caused by the breach, including attorney's fees and expenses of litigation. The Company may offset damages against any distributions or return of capital to the Member who has breached this Agreement.

Section 8.05 Restrictions on Assignees' Withdrawal Rights

No Assignee has the right to receive a return of any contributions (whether the contributions were made by the Assignee or by an Assignor) until the Company is terminated and its affairs wound up according to the Act and this Agreement. Any Assignee who does any of the following will be considered to have breached this Agreement:

- interfere in the management of the Company affairs;
- engage in conduct that results in the Company losing its tax status as a Company;

engage in conduct that discredits the Company;
breach any confidentiality provisions of this Agreement;
bring any legal action against the Company to force the dissolution of the Company,
to force any distribution of Company assets, or to appoint a receiver; or
fail to discharge a legal duty to the Company.

Any Assignee who breaches this Agreement is liable to the Company for damages caused by the breach. The Company may offset damages against any distributions or return of capital to the Assignee who has breached this Agreement.

Section 8.06 No Right to Cause Dissolution

No Member may cause the dissolution and winding up of the Company by court decree or otherwise.

Section 8.07 Partition Waiver

Each Member, individually and on behalf of the Member's successors and assigns, expressly waives any right to have any Company property partitioned.

Section 8.08 Member Expulsion

The Company may only expel a Member for violating this Agreement. A Member may only be expelled on the unanimous consent of all Voting Members, excluding the Member to be expelled, under Section 6.03(b). If a Member to be expelled is a Managing Member, the Managing Member will first be removed as a Manager under Section 7.06.

An expelled Member loses all rights as a Member of the Company, and the expelled Member's Interests are converted to that of an Assignee.

Section 8.09 Voting

Voting Members may only vote on the following matters:

- removing a Manager, subject to the provisions of Section 7.06;
- electing a successor Manager;
- terminating and dissolving the Company;
- amending this Agreement; and
- any matter requiring the vote of the Members as set out elsewhere in this Agreement or in the Act.

Voting Members may vote by written consent, with or without a formal meeting. Non-Voting Members may not vote unless otherwise specified by this Agreement. Where Non-Voting Members may vote, Non-Voting Members may vote by written consent, with or without a formal meeting. Assignees may not vote.

Section 8.10 Limits on Voting Rights

Despite any other provision in this Agreement, Non-Voting Members have no right to vote on the following matters:

- distributing income or capital from the Company;
- withholding any distribution of income or capital from the Company;
- redeeming, liquidating, purchasing, or otherwise acquiring any Partnership Interest owned by any Member or Assignee;
- returning capital to any Member or Assignee; and
- contributing partnership property to any charity or any charitable trust.

Section 8.11 Access to Information

Subject to the provisions of this Section, each Member is entitled to all information regarding the Company under the circumstances and subject to the conditions stated in this Agreement and the Act. Assignees have no right to information regarding the Company, except as required under the Act.

All Members and any Assignees who obtain any information are subject to the confidentiality provisions of this Section.

(a) Confidential Information

The Members acknowledge that they may receive confidential information regarding the Company, the release of which may be damaging to the Company or to persons with whom it does business. Each Member shall hold in strict confidence any information regarding the Company that is confidential, and may not disclose it to any person other than another Member, except for disclosures:

- compelled by law (but the Member must notify the Manager promptly of any request for that information before disclosing it, if practicable);
- to a Member's advisors or representatives, but only if they have agreed to be bound by the provisions of this Section; or
- that the Member also has received from a source independent of the Company that the Member reasonably believes was obtained without breach of any obligation of confidentiality.

(b) Enforcement through Specific Performance

The Members acknowledge that disclosure of confidential information may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the provisions of this Section may be enforced by specific performance.

Article Nine

Meetings and Notice

Section 9.01 Special Meetings

Special meetings of the Members or Managers may only be called by a majority in interest of the Voting Members or Managers. Special meetings of the Members or Managers may only be called upon delivery to the Members or Managers of notice of a special meeting of the Members or Managers given according to this Agreement.

Section 9.02 Meeting Notice

The Manager shall deliver notice to each Voting Member or Manager of record entitled to vote at the meeting at the address as appears in the Company records at least two but no more than 30 days before the meeting date. The notice must state the date, time, and place of any meeting of the Members or Managers and a description of the meeting's purpose.

Section 9.03 Waiving Meeting Notice

A Member or Manager may waive notice of any meeting, before or after the date and time of the meeting as stated in the notice, by delivering a signed waiver to the Company to include in the minutes. If a Member or Manager attends any meeting in person or by proxy, the Member or Manager waives objection to lack of notice or to defective notice of the meeting, unless the Member or Manager objects to holding the meeting or transacting business at the meeting. The Member or Manager waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Member or Manager objects to considering the matter when it is presented.

Section 9.04 Voting by Proxy

The Voting Members or Managers may appoint a proxy to vote or otherwise act for the Voting Members or Managers under a written appointment form signed by the Voting Member, Managers, or the person's attorney in fact. A proxy appointment is effective when received by the secretary or other Officer or agent of the Company authorized to tabulate votes. A fiduciary's general proxy is given the same effect as the general proxy of any other Voting Member or Manager. A proxy appointment is valid for 11 months unless otherwise specifically stated in the appointment form, or unless the authorization is revoked by the Voting Member or Manager who issued the proxy.

Section 9.05 Action by Consent

Any Action required or permitted to be taken at a meeting of the Members or Managers may be taken without a meeting if the action is taken by a sufficient amount of the Voting Members or Managers required to take the action. The action must be evidenced by one or more written consents describing the action taken. These consents, in the aggregate, must be signed by all of the Voting Members or Managers required to take the action and delivered to the Company to be included in the minutes.

Section 9.06 Quorum

For any meeting of the Members, a quorum requires the presence of Voting Members holding at least two-thirds of the Voting Membership Interests.

Section 9.07 Presence

Any Member or Manager may participate in any meeting through the use of any means of communication by which all Members or Managers participating may simultaneously hear each other during the meeting. Any Member or Manager participating in this way will be considered present in person at the meeting.

Section 9.08 Conduct of Meetings

At any meeting of the Members or Managers, the Manager presides and the Voting Members appoint a person to act as secretary of the meeting. The secretary of the meeting shall prepare minutes of the meeting, to be kept with the Company records.

Section 9.09 Approval or Consent of Members

Unless provided otherwise by the Securities Act or this Agreement, any action of the Voting Members requires a vote or written consent of a majority of the Voting Members in favor of the action.

Article Ten Books, Records, and Bank Accounts

Section 10.01 Books and Records

The Manager shall keep books of account regarding the operation of the Company at the principal office of the Company, or at any other place the Manager determines. All Members and their duly authorized representatives will have access to the books at all reasonable times. The Manager shall keep the following records:

- a current list of the full name and last known address of each Manager and Member and whether each Member is a Voting Member or a Non-Voting Member;
- a copy of the Articles of Organization (together with any amendments) and copies of any powers of attorney under which any certificate has been signed;
- copies of the Company's federal, state, and local income tax returns and any reports for the three most recent years;
- copies of this Agreement (together with any amendments);
- copies of any financial statements of the Company for the three most recent years;
- and
- any other documents required by law.

Section 10.02 Accounting and Taxable Year

The Manager shall keep books of account consistent with any method authorized or required by the Internal Revenue Code and as determined by the Manager. The Manager shall close and balance the books at the end of each Company year. The Company's Taxable Year is the period authorized or required by the Internal Revenue Code, and as determined by the Manager.

Section 10.03 Reports

Within a reasonable time after the end of each Taxable Year, the Manager shall provide all Members with the information necessary to prepare and file their respective tax returns. The Manager shall prepare all financial statements at the Company's expense.

Section 10.04 Bank Accounts and Company Funds

The Manager shall deposit all cash receipts in the Company's depository accounts. All accounts used by or on behalf of the Company are property of the Company, and will be received, held, and disbursed by the Manager for the purposes specified in this Agreement. The Manager must not commingle Company funds with any other funds.

Article Eleven Admitting Additional Members

Section 11.01 Admission by Unanimous Consent of Voting Members; Prerequisites

Additional Members, whether Voting Members, Non-Voting Members, or both, may only be added after the unanimous consent of the Voting Members. Before being admitted as a Member, a prospective Member must first:

provide evidence satisfactory to the Manager that admission of the prospective Member will not violate any applicable securities law, cause a termination of the Company under applicable provisions of the Code, or alter the status of any tax election made by the Company;

pay all reasonable expenses connected with admission as a Member, including professional fees incurred in obtaining opinions or valuations; and

agree to be bound by all of the terms of this Agreement by signing the Agreement.

Section 11.02 Capital Contributions and Fair Market Value

Other than contributions of cash or publicly traded securities, the fair market value of any property to be contributed by an additional Member as the initial Capital Contribution will be determined as agreed upon by the additional Member and the holders of a majority of the Voting Membership Interests before the contribution is made. In the alternative, the Manager will appoint a disinterested appraiser to determine the value of the property to be contributed.

The Manager may adopt and revise rules, conventions, and procedures as the Manager determines to be appropriate regarding the admission of Members to reflect the Membership Interest at the end of the year in accordance with the intentions of the Members.

Section 11.03 Admissions Must Not Violate This Article

Any attempt to admit an additional Member that violates this Article will be null and void.

Article Twelve

Transfer of Membership Interests by a Member

Section 12.01 Transfer Restrictions

Except as provided in this Article, no Member may transfer any Membership Interest either voluntarily or involuntarily by any means without the unanimous written consent of all Voting Members. The Voting Members are not required to consent to any attempted transfer and will not be subject to any liability for withholding consent.

Any attempted transfer of a Membership Interest or the admission of a Substitute Member in violation of this Article is null and void.

Section 12.02 Transfer of Interest

No Member may transfer any Membership Interest without first offering in writing to sell the Interest to the Company and to all other Members as provided in this Section. Any transferee under this Section 12.02 will hold the interest only as an Assignee and will be subject to the terms of Section 12.04.

(a) Notice

A Member who intends to transfer a Membership Interest must first give notice of the intent to transfer to the Company and to all other Members. Any notice of intent to transfer must include the following information.

(1) Writing Explaining Terms of Offer

If the Member received a written offer, a copy of that written offer must be attached to the notice.

If the Member received only an oral offer, a written explanation of the oral offer must be attached to the notice. The written explanation must completely detail the purchase price and payment terms.

(2) Certification of Genuine Offer

The Manager shall certify in the written notice that the offer is genuine to the best of the Manager's knowledge.

(b) Company's Priority Right to Purchase

The Company has the first right to purchase all or any portion of the Membership Interest according to the terms of any written notice of an offer except as the Company may elect to modify the terms under Section 12.02(d) below. The Company may exercise this first right to purchase by giving written notice of the Company's intent to purchase to the selling Member within 90 days of receiving the written notice of the offer.

(c) Other Members' Priority Right to Purchase

If the Company does not provide written notice of an intent to purchase the Membership Interest within 90 days of receiving the written notice of the offer or if the Company provides written notice of an intent not to purchase the Membership Interest, any Member may purchase any portion of the Membership Interest according to the terms of the offer except as the Member may elect to modify the terms under Section 12.02(d) below. A Member may exercise this right to purchase by giving notice of intent to purchase to the selling Member within 120 days of receiving the written notice of the offer. **But only a Voting Member may purchase a Voting Membership Interest in the Company.**

If more than one Member exercises the right to purchase the same Membership Interest, each Member may purchase a *pro rata* share of the Membership Interest in proportion to each Member's respective Membership Interest in the Company before the offer of sale.

(d) Payment Terms under Company's or Members' Priority Right to Purchase

If the Company or a Member exercises the priority right to purchase a Membership Interest as provided above, then the Company or purchasing Member may, at the buyer's discretion, pay the purchase price either:

according to the payment terms specified in the written notice of the offer provided by the selling Member, or

by delivering an unsecured promissory note made by the buyer for the purchase price.

If the buyer chooses to pay the purchase price according to a promissory note, the note will bear a market rate of interest on the unpaid balance of principal. The principal amount of the note will be payable in 10 equal annual payments of principal and amortized interest. The first payment will be due on the first anniversary of the note. Subsequent payments will be due on each anniversary date until the note is paid in full. The note must provide for a 60-day right to cure after notice of any default on any payment before acceleration of the unpaid balance of principal and interest. The buyer may prepay the note in whole or in part at any time without penalty.

(e) Closing on Purchase by the Company or a Member

The closing of any purchase of a Membership Interest under this Section will occur at the Company's principal office within 150 days from the date of the notice of intent to sell.

(f) Transfer to Third Party after Non-Exercise of Priority Right

If neither the Company nor any Member exercises their respective priority right to purchase the Membership Interest, the selling Member may transfer its Membership Interest to the party that made the original offer for the purchase price and on the terms in the original offer.

The closing on any transfer to a third party under this Section must occur within 60 days from the earlier of:

the expiration of the Company's and the other Members' priority rights to purchase; and

the date on which the Company and all other Members have provided written notice of their intent not to exercise their respective priority rights to purchase.

If the Membership Interest is not sold to the prospective purchaser within the specified time, the Company and the other Members will again be offered an opportunity to exercise their respective priority rights to purchase the Membership Interest under Section 12.02(b) and Section 12.02(c) above.

Section 12.03 Additional Transfer Restrictions

If any proposed transfer of Membership Interests or addition of a Substitute Member will terminate the Company under either Internal Revenue Code Section 708(b) or the Act, then the transfer is prohibited unless the Manager specifically approves the transfer. If not approved by the Manager, the attempted transfer will be disregarded and void *ab initio*.

But the Manager may not approve any transfer or addition of a Substitute Member that violates any applicable federal or state securities law.

Section 12.04 Transferee Treated as an Assignee until Admitted as a Substitute Member

The transferee of a Membership Interest will hold the interest only as an Assignee until the transferee satisfies all the requirements of Section 12.05 to become a Substitute Member. As an Assignee, the transferee will have only those rights in Section 12.06.

Section 12.05 Conditions Required to Become a Substitute Member

An Assignee will not become a Substitute Member and will not have any rights as a Member until all of the conditions, consents, and procedures in this Section have been fully satisfied.

(a) Members' Consent

All Voting Members, other than the assigning Member, must consent in writing to the admission of the Assignee as a Substitute Member.

(b) Executing All Other Agreements

The assigning Member and the Assignee shall sign, acknowledge, and deliver instruments of transfer and assignments to the Company, in the form and substance satisfactory to the Company. These instruments include the written acceptance and adoption by the Assignee of this Agreement, together with the Assignee's signing, acknowledgment, and delivery of a power of attorney to the Manager in the form and with the content specified in Section 15.02.

(c) Reasonable Transfer Fee

An Assignee shall pay a reasonable transfer fee to the Company. The Manager may, with sole discretion, establish the transfer fee amount on a case-by-case basis.

(d) Effective Date of Admission as Substitute Member

The effective date of an admission as a Substitute Member is the date on which all the remaining Voting Members vote to accept the Assignee as a Substitute Member under this Agreement.

Section 12.06 Assignee's Rights and Limitations

An Assignee is entitled to receive distributions from the Company to the same extent that the transferring Member would receive distributions under this Agreement. Until the effective date that an Assignee is admitted as a Substitute Member, both the Company and the Members will treat the Assignor of the transferred Membership Interest as the absolute owner of the transferred Membership Interest except regarding any Member distributions made that are attributable to the transferred Membership Interest.

An Assignee has substantially fewer rights than a Member. Assignees only hold a right to receive economic benefits when distributed from the Company in respect to the assigned Membership Interest. Other limitations on Assignees' rights include:

- access only to those Company records and information specifically authorized for the Assignees under the Act;
- no right to vote in any Company matters; and
- no other legal or economic rights.

Section 12.07 Permitted Transfers

A Member may only transfer a Membership Interest without any other Member's consent to a trust for his or her benefit, to his or her spouse, to a trust for the benefit of his or her spouse, or to a trust created by the Member as Grantor, so long as the proposed transfer does not:

- cause the Company to terminate for federal income tax purposes;
- result in any event of default as to any secured or unsecured obligation of the Company;
- cause a reassessment of any real property owned by the Company; or
- cause other adverse material impact to the Company.

The transferee of a Membership Interest transfer permitted by this Section will be admitted as a Substitute Member without the necessity of compliance with Section 12.05, but the Company may require the transferee to accept this Agreement in writing.

Section 12.08 Amending Operating Agreement and Articles of Organization

If required by law, upon the admission of a new Member, the Manager shall amend the Operating Agreement or the Articles of Organization to reflect any substitution of Members.

(a) Substitute Member Acceptance upon Amendment

Until the Operating Agreement or Articles of Organization are amended under this Section, an Assignee will not become a Substitute Member.

(b) Assessing Fees

If a Substitute Member's entry into the Company requires an amendment, the Manager may assess any fees, costs, or other expenses of any required amendment against that Substitute Member.

Section 12.09 Member Disability

The agent of a disabled Member acting under a durable power of attorney or the Legal Representative of a disabled Member may exercise all of the Member's rights and voting authority, and is entitled to receive distributions of cash or other property from the Company on behalf of the Member. If more than one agent or Legal Representative is entitled to act for a disabled Member, the Manager will designate in writing which agent or Legal Representative may act on behalf of the disabled Member.

Section 12.10 Death of a Member

Except for transfers to those persons or entities specifically listed as permitted transferees in Section 12.07, any Membership Interest that is transferred because of a Member's death will be an Assignee interest.

A transferee of any transfer under this Section will be bound by all of the terms of this Agreement.

Section 12.11 Voting Rights of Transferred Interests

A Voting Member who transfers a Voting Membership Interest to an Assignee will continue to hold all voting rights associated with the assigned Interest until the Assignee of the transferred Interest satisfies all of the requirements to become a Substitute Member under Section 12.05.

In the case of an Assignee who holds an Interest received because of the death of a Voting Member, the voting rights associated with the transferred Interest will be suspended and disregarded for purposes of calculating votes until the Assignee of the transferred Interest satisfies all of the requirements to become a Substitute Member under Section 12.05.

Section 12.12 Non-Recognition of an Unauthorized Transfer or Assignment; Accumulation of Amounts to Be Distributed

The Company is not required to recognize the purported Interest of any transferee or Assignee who alleges to have received any Interest other than by an authorized transfer or Assignment under this

Agreement. If the ownership of a Membership Interest is in doubt, or if there is reasonable doubt as to who is entitled to a distribution attributable to an Interest, the Manager may accumulate the amounts to be distributed until this issue is finally determined and resolved. The Manager shall credit any accumulated amounts to the Capital Account associated with the Interest.

Section 12.13 Creditor Rights; Charging Order Sole Exclusive Remedy

If a creditor obtains a judgment by a court of competent jurisdiction against any Member or Assignee, the court may charge the Member or Assignee's Interest with payment of the unsatisfied amount of the judgment from distributions attributable to the affected Interest, but only to the extent permitted by the Securities Act. To the extent any interest is charged with satisfaction of a judgment, the judgment creditor will receive no more than the rights of an Assignee; the creditor will not be admitted as a Member of the Company.

The charging order is the exclusive remedy by which a judgment creditor of a Member or an Assignee of a Membership Interest may obtain any satisfaction from the Company toward any judgment against the Member or Assignee. This Section does not deprive any Member or Assignee of rights under any exemption laws available to the Member or Assignee.

Section 12.14 Company's Unilateral Purchase Option for Interest Acquired without Consent

The Company will have the unilateral option to purchase any Interest acquired by any transferee under this Section. For purposes of establishing the value of the Interest under this provision, the Interest will be considered the Interest of an Assignee.

(a) Circumstances Triggering Purchase Option

Any of the following circumstances will trigger the Company's unilateral right to purchase a transferee's Interest. Collectively these events are referred to as *triggering events*.

The Membership Interest of a deceased Member passes to an individual or entity other than as permitted under Section 12.10.

Any individual, entity, organization, or agency obtains a Member's Interest, whether inclusive or exclusive of voting rights, because of:

any valid court order that the Company is required by law to recognize;

being subject to a lawful charging order by a court of competent jurisdiction;

a levy, voluntary or involuntary bankruptcy proceeding, or other transfer of a Membership Interest, with voting rights, that the Company has not approved but that the Company is required by law to recognize; or

any decree of divorce or equitable division of property that transfers a Membership Interest in the Company.

If the Company's unilateral purchase option is exercised, the Company will purchase the affected Interest of the transferee for the fair market value of the Interest, valued as the Interest of an Assignee.

If the Interest is transferred subject to a divorce decree or equitable division of property, the Company's unilateral option as to the transferred Interest will be suspended for a period of 90 days, and the divorcing Member will have all of the rights of the Company in this Section. If the divorcing Member fails to initiate exercise of the option within the 90-day period, the Company's unilateral option right will be restored.

(b) Terms and Conditions of Exercisable Purchase Option

If the Company elects to exercise its unilateral purchase option, the following terms and conditions will apply to the transaction.

(1) Written Notice of Intent to Purchase

The Company will provide written notice to the Assignee or transferee within 90 days of the triggering event that the Company intends to purchase the Interest. If the Company does not provide written notice within 90 days of the triggering event, the Company's unilateral purchase option will lapse.

(2) Exercise of Option and Date of Valuation

If the Company provides written notice of its intent to exercise its purchase option, then the Company may exercise the option within 180 days from the first day of the month following the month in which the Company provided the notice.

The valuation date for the Interest to be purchased will be the first day of the month following the month in which notice is delivered.

(3) Written Appraisal Requirement

Unless the Company and the transferee or Assignee agree otherwise, the fair market value of any Interest subject to the Company's purchase option will be determined by Qualified Appraisal performed by a Qualified Appraiser selected by the Company. The Qualified Appraiser must be qualified to perform business appraisals and to value limited liability company or partnership interests.

(4) Acceptance or Rejection of Valuation

If the transferee objects to the appraiser's valuation report, the transferee must deliver written notice of the objection to the Manager within 30 days from the date the transferee is provided with written notice of the valuation report. If the transferee does not object in writing within the required period, the report will be considered accepted as written.

If the transferee objects to the valuation report, closing of the sale will be postponed for a reasonable time until the valuation of the Interest is resolved.

(5) No Voting Rights during Purchase-Option Period

Until the closing, the transferee will not be allowed to exercise any vote attributable to the Interest that is subject to the purchase option. The transferee will be entitled to all items of income, deduction, gain, or loss from the Interest. The transferee of the Interest will be an Assignee unless all conditions have been satisfied for the transferee to become a Substitute Member as described in Section 12.05.

(6) Location and Date of Closing

Closing of any sale under this Section will occur at the principal office of the Company within 45 days of the date on which the valuation report is accepted by the transferee or the date on which the valuation of the Interest is otherwise resolved.

(7) Payment of Terms upon Exercise of Option

In order to prevent unduly burdening the Company's resources, the Company may unilaterally elect to pay any purchase-money obligation in 30 equal annual installments. If the remaining term of the Company is less than 30 years, the Company may make equal annual installments over the remaining term of the Company. Interest on any unpaid principal amount will be determined at market rates determined as of the closing date and, at the option of the Company, may be adjusted annually as of the first day of each Taxable Year.

In determining whether the remaining term of the Company is less than 30 years, the Company may assume that any option to extend the Company term will be exercised by the Voting Members. If the option to continue is not exercised, then the balance will become due immediately upon dissolution of the Company.

The first installment of principal and interest will be due on the first day of the Taxable Year following the closing date. Subsequent annual installments will be due on the first day of each subsequent Taxable Year until the entire obligation is fully paid. The Company may prepay any part of any purchase-money obligation at any time without premium or penalty.

Section 12.15 Assignee or Charging Order Holder Assumes Tax Liability

The Assignee of a Membership Interest and any person who acquires a charging order against a Membership Interest shall report income, gains, losses, deductions, and credits regarding the interest for the period in which the Assignee Interest is held or for the period the charging order is outstanding.

Article Thirteen

Dissolution and Termination

Section 13.01 Dissolving the Company

The Company will be dissolved only if an event described in this Section occurs.

(a) Date Designated by the Manager

The Company will be dissolved on a date designated by the Manager with the unanimous written consent of the Voting Members.

(b) Judicial Dissolution

The Company will be dissolved upon the entry of a decree of judicial dissolution by a court of competent jurisdiction.

After dissolution, the Company shall conduct only activities necessary to wind up its affairs.

Section 13.02 Liquidating the Company Property

After dissolving the Company, the Manager, or a liquidator appointed by a majority of the Voting Members, shall liquidate the Company property; apply and distribute the proceeds from the liquidation of the property under this Agreement; and cause the cancellation of the Company's Articles of Organization.

(a) Creditor Payment and Provision for Reserves

First, the proceeds from the liquidated property will be applied toward or paid to any non-Member creditor of the Company in the order of payment required by applicable law. After paying liabilities owed to non-Member creditors, the Manager, or liquidator shall set up a reserve of assets as the Manager, or liquidator determines is reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company.

(1) Creating an Escrow Account

The Manager, or liquidator may, but need not, pay over any reserves for contingent liabilities to a bank to hold in escrow for later payment.

(2) Distributing Reserves

The Manager, or liquidator shall distribute any remaining reserves after the Manager, or liquidator is reasonably satisfied that any liabilities have been adequately resolved. The remaining reserves will be distributed to the Members or their assigns in the order of priority for Member distributions set forth in this Agreement.

(b) Distributing Property after Paying Liabilities and Establishing Reserves

After paying liabilities and establishing reserves, the Manager, or liquidator shall satisfy any debts owed to Members with any remaining net assets of the Company,

and then distribute any remaining assets to the Members in proportion to their positive Capital Account balances.

(c) Non-Cash Assets

If any part of the net assets distributable to the Members consists of notes, accounts receivable, or other non-cash assets, the Manager, or liquidator may take whatever steps it considers to be appropriate to convert the assets into cash or any other form to facilitate distribution. If any in-kind assets of the Company are to be distributed, those assets will be distributed using their fair market value at the distribution date, as determined by the Manager, or liquidator.

Section 13.03 Company Property Sole Source

Company property is the sole source for the payment of any debts or liabilities owed by the Company. Any return of Capital Contributions or liquidation amounts to the Members or Assignees (or both if the Company has Members and Assignees) will be satisfied only to the extent that the Company has adequate assets. If the Company does not have adequate assets to return the Capital Contributions, neither the Members nor Assignees will have any recourse against the Company or any other Members or Assignees, except to the extent that other Members may have outstanding debts or obligations owing to the Company.

Section 13.04 Company Asset Sales during Term of the Company

The sale of Company assets during the term of the Company does not constitute liquidation, dissolution, or termination of the Company as defined under this Article. The Manager may reinvest the sale proceeds in other assets consistent with the business purposes for the Company. Further, the Manager may participate in any real property exchange as defined in Code Section 1031 if the exchange fulfills the business purposes of the Company.

Article Fourteen

Dispute Resolution Provisions

The provisions of this Article supersede any rules governing mediation or arbitration under the law of Georgia or any other jurisdiction.

Section 14.01 Resolving Disputes among Members and within the Company

The Members and Manager shall use the procedure outlined in this Article to resolve any dispute, contest, or claim that may result among any of the Members or between one or more of the Members or Managers and the Company that may relate to this Agreement. The purpose of the alternative dispute resolution procedures in this Article is to resolve all disputes, contests, and claims without litigation.

Section 14.02 Notice of Controversy and Designating Authorized Representatives

Any person (*claimant*) who has any dispute relating to the Company shall provide written notice to all Members and to any other person that has an interest in the controversy (*respondents*) describing the general nature of the controversy. The notice must designate an Independent Person as an authorized representative who is empowered to fully settle the controversy on behalf of the claimant. Two or more claimants may designate a common authorized representative.

Each respondent shall also designate an Independent Person as an authorized representative who is empowered to fully settle the controversy on behalf of the respondent. Two or more respondents may designate a common authorized representative.

Written notice of the designation of the authorized representatives must be delivered to each party within 10 business days from the date the respondents receive notice of the controversy.

Section 14.03 Beginning the Dispute Resolution Procedure

The authorized representatives shall conduct an initial meeting within 30 days from the date the claimant's notice is delivered to the respondents. The authorized representatives are entitled to collect and review all relevant evidence pertaining to the controversy and to negotiate and resolve the controversy. Resolution of any controversy by the authorized representatives is conclusive and binds all parties.

If the authorized representatives do not resolve the controversy within 30 days from the date of their initial meeting, they shall discontinue direct negotiations and submit the controversy to mediation.

Section 14.04 Selecting a Mediator

Within five days of discontinuing direct negotiations, the authorized representatives shall exchange written lists of persons whom they consider to be qualified to serve as a mediator. Within 15 days after they exchange these lists, the authorized representatives shall agree upon one mediator to mediate the controversy.

If the authorized representatives do not agree on a mediator, the controversy will be submitted to binding arbitration under Section 14.10.

Section 14.05 Time and Place for Mediation Conference

The authorized representatives shall promptly designate a mutually convenient time and place for the mediation. If the authorized representatives fail to do so, the controversy will be submitted to binding arbitration under Section 14.10.

Section 14.06 Discovery and Exchange of Information

The authorized representatives are entitled to fully discover, obtain, and review all information relevant to resolving any controversy.

Section 14.07 Delivery of Written Summaries; Authority to Obtain Professional Assistance

At least seven days before the first mediation conference, each authorized representative shall deliver to the mediator a concise written summary of fact and law about the issues. The authorized representatives and the mediator may retain legal counsel, accountants, appraisers, and other experts whose opinions may assist the mediator in resolving the controversy.

Section 14.08 Conducting Mediation

The mediator determines the format for mediation conferences, ensuring the authorized representatives have an equal opportunity to review the evidence and any relevant technical and legal presentations. The mediator shall determine the time schedule for resolving the mediation and shall attempt to facilitate the parties' efforts to achieve final resolution of all disputed issues.

If the mediator is unable to facilitate a final resolution of all issues, any unresolved issues will be submitted to arbitration under Section 14.10.

Section 14.09 Final Determinations Bind All Parties

Any final determination made by the authorized representatives, mediator, or arbitrator binds each party who receives notice of a controversy, even if the party does not respond or designate a representative, or if the party's authorized representative fails or refuses to participate in the designation of a mediator.

Section 14.10 Arbitration

If any controversy is not finally resolved according to the alternative dispute resolution procedures in this Article, the parties to the controversy shall submit to mandatory and binding arbitration. The controversy will be settled by arbitration according to the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator's judgment may be entered in any court having competent jurisdiction. If the arbitrator determines that the evidence produced through the arbitration process is insufficient to support a decision, the arbitrator may conclude the arbitration proceedings without a decision.

Section 14.11 Settlement during Mediation or Arbitration

At any time before the conclusion of any mediation or arbitration, the authorized representatives may enter an agreement to resolve the controversy. Any settlement agreement will be conclusive and bind all parties.

Section 14.12 Qualified Appraisals

If a Qualified Appraisal of the value of a Membership Interest is required in order to resolve a dispute, each of the parties to the dispute may choose a Qualified Appraiser to provide a valuation. In the alternative, the parties may agree to select one Qualified Appraiser. The mediator or arbitrator will determine to what extent the Qualified Appraisal will be used in resolving any dispute.

Section 14.13 Right to Seek Equitable Relief

If a party materially breaches this Agreement and if the other parties determine in good faith that immediate relief is necessary, the parties alleging the material breach may seek temporary restraining orders, preliminary injunctions, or similar temporary and equitable relief in a court of competent jurisdiction.

Section 14.14 Prevailing Party Is Entitled to Recover All Reasonable Costs

The prevailing party in any dispute between any Member or Manager and the Company or between the Members themselves is entitled to recover from the losing party all reasonable costs incurred, including any attorney's fees and any costs of mediation, arbitration, court fees, appraisals, and expert-witnesses.

Article Fifteen General Matters

Section 15.01 Successors and Assigns

Subject to the restrictions on transfer in this Agreement, this Agreement binds and inures to the benefit of the Members, and to their respective successors, personal representatives, heirs, and assigns.

Section 15.02 Irrevocable Durable Power of Attorney

By signing this Agreement, each Member (including any Substitute Member) irrevocably appoints the Manager as the Member's agent and attorney in fact, with all necessary powers to prepare and deliver any documents required to carry out this Agreement, including:

- the Company's Articles of Organization and any necessary amendments;
- the Company's dissolution if the Company is terminated;
- any amendment to this Agreement to be signed by the Members;
- any documents required by law to conduct Company business; and
- any documents concerning the acquisition, management, sale, or encumbrance of Company property that the Manager determines is necessary to conduct Company business.

The Members acknowledge that this power of attorney is coupled with an interest and is irrevocable and will continue in effect if any Member becomes incapacitated. This power of attorney also survives the assignment of any Membership Interest and empowers the Manager to act to the same extent for any Substitute Members or Assignees.

Any Manager may exercise the power by a facsimile signature or by listing all of the Members signing the instrument with a signature of the Manager as the attorney in fact for all of them.

The Manager may not exercise this power of attorney in any way that would increase the liability of any Member beyond the Member's liability as set forth in this Agreement.

Section 15.03 No Waiver

Any Member's failure to insist upon strict performance of any provision or obligation of this Agreement, irrespective of the length of time for which the failure continues, is not a waiver of that Member's right to demand strict compliance in the future. An express or implied consent to or waiver of any breach or default in the performance of any obligations under this Agreement is not a consent to or waiver of any other breach or default in the performance of the same or any other obligation.

Section 15.04 Definitions

For purposes of this Agreement, the following terms have the following meanings.

(a) Act

Act means the Georgia Limited Liability Company Act, as amended from time to time.

(b) Additional Member

Additional Member means a Member who is admitted to the Company after this Agreement is signed, but who is not a Substitute Member. An Additional Member may be either a Voting Member or a Non-Voting Member.

(c) Additional Capital Contribution

See *Capital Contribution*.

(d) Affiliated Person

Affiliated Person means a Member, a member of an individual Member's Immediate Family, a Legal Representative, successor, Assignee, or trust for the benefit of a Member, a trust created by the Member as Grantor, and any corporation or other legal entity of which a majority of the voting interest is owned by any one or more Affiliated Persons.

(e) Agreement

Agreement means this Operating Agreement, as amended from time to time.

(f) Articles of Organization

Articles of Organization means the Articles of Organization filed with the Secretary of State of Georgia as required by the Act, or any other similar instrument required to be filed by the laws of any other state in which the Company intends to conduct business.

(g) Assignee

Assignee means the recipient of a Membership Interest by *Assignment*.

(h) Assignment

Assignment means any method—direct or indirect, voluntary or involuntary—by which the legal or beneficial ownership of any interest in the Company is transferred or changed, including:

any sale, exchange, gift, or any other form of conveyance, assignment, or transfer;

a change in the beneficial interests of any trust or estate that holds any interest in the Company and a distribution from any trust or estate;

a change in the ownership of any Member or Assignee that is a corporation, partnership, limited liability company, or other legal entity, including the dissolution of the entity;

a change in legal or beneficial ownership or other form of transfer resulting from the death or divorce of any Member or Assignee or the death of the spouse of any Member or Assignee;

any transfer or charge under a charging order issued by any court; and

any levy, foreclosure, or similar seizure associated with the exercise of a creditor's rights in connection with a mortgage, pledge, encumbrance, or security interest.

Assignment does not include any mortgage, pledge, or similar voluntary encumbrance or grant of a security interest in any Interest in the Company.

(i) Bankrupt

Bankrupt means filing a petition in voluntary bankruptcy, an assignment taken voluntarily or involuntarily by a Member for the benefit of creditors, or other action under any federal or state law for the benefit of an insolvent party. *Bankrupt* does not include filing a petition of involuntary bankruptcy against a Member if the petition is dismissed within 45 days from the filing date, nor does it include the issuance of a charging order against a Member's Interest if the charging order is removed within 10 days of being served.

(j) Capital Account

Capital Account means the account established and maintained for each Member under Section 4.04 and under Treasury Regulation Section 1.704-1(b)(2)(iv), as amended from time to time.

(k) Capital Contribution

Capital Contribution means the total cash and other consideration contributed and agreed to be contributed to the Company by each Member. Each *Initial Capital Contribution* is shown in Exhibit A, attached and incorporated into this Agreement. *Additional Capital Contribution* means the total cash and other consideration contributed to the Company by each Member other than the Initial Capital Contribution. Any reference in this Agreement to the Capital Contribution of a current Member includes any Capital Contribution previously made by any prior Member regarding that Member's Interest. The value of a Member's Capital Contribution is the amount of cash plus the fair market value of other property contributed to the Company.

(l) Cash-Flow Earnings

Cash-Flow Earnings means the net income, including capital gains income, realized by the Company for the Taxable Year, reduced or increased according to the following guidelines.

(1) Net Income Reductions

Net income will be reduced by the actual payment of items that are not deductible by the Company for federal income tax purposes, including nondeductible travel and entertainment expenses,

charitable contributions, nondeductible interest payments, the payment of debt principal and interest, the acquisition of depreciable property during the Taxable Year to the extent that the cost is not fully deductible in the year of acquisition, and any other payment that represents an actual decrease in the cash available to the Company.

(2) Net Income Increases

Net income will be increased by the amount expended for intangible expenses for federal income tax purposes. Intangible expenses include depreciation, depletion, and amortization costs reported as deductions for federal income tax purposes, but do not include depreciation reported as an expense that is deductible under Internal Revenue Code Section 179.

(3) Treatment of Gain on Asset Sale

The gain from the sale of a Company asset will be included in determining the Company's net income for distribution purposes to the extent of payments of the gain amount actually received by the Company for the Taxable Year. Deferred payments of gain under an installment sale or other deferred payment arrangement will be considered income in the year a payment is actually received.

The computation of Cash-Flow Earnings does not include income from a partnership, trust, limited liability company, or other organization classified by federal tax law as a pass-through entity to the extent that distributions of income from the pass-through entity are not actually received during the Taxable Year or within 60 days after the close of the Taxable Year. Subsequent distributions to the Company from a pass-through entity that are attributable to income realized and reported for a prior year will increase the Cash-Flow Earnings for distribution purposes.

Cash-Flow Earnings determined for distribution purposes do not include working reserves of the company as determined in the Manager's reasonable discretion. Reserves are amounts needed for working capital, debt service, deferred maintenance, and for anticipated capital improvements.

Cash-Flow Earnings take into account the obligation of the Company to the payment obligations of interest to Members who have advanced funds to the Company as loans and the payment of any guaranteed payment obligations of the Company. The distribution of earnings may be deferred for a reasonable time to the extent that the Company does not have available cash to satisfy the distribution amount. The term *available cash* indicates the actual cash of the Company in checking accounts, money market funds, and 90-day Treasury Bills.

(m) Charity

Charity includes any organization of a type described in Internal Revenue Code Sections 170(c), 2055(a), and 2522(a).

(n) Charitable Trusts

Charitable Trust includes any charitable remainder trust created under Internal Revenue Code Section 664 or any charitable income trust created under Treasury Regulations Section 1.170A-6(c); Treasury Regulations Section 25.2522(c); or Treasury Regulations Section 20.2055-2(e).

(o) Company

Company means Sterling Southern Land, LLC, a Georgia Limited Liability Company.

(p) Delivery

Delivery means:

personal delivery to a party;

mailing by certified United States mail to the last known address of the party to whom delivery is made, with return receipt requested to the party making delivery;

facsimile transmission to a party when receipt is confirmed in writing or by electronic transmission back to the sending party; or

electronic mail transmission to a party when receipt is confirmed in writing or by electronic mail transmission back to the sending party.

The effective date of delivery is the date of personal delivery or the date of the return receipt, if received by the sending party. If no return receipt is provided, then the effective date will be the date the transmission would have normally been received by certified mail if there is evidence of mailing.

(q) Disability

Disability of a Member means that any one of the following has occurred:

the Member has been declared incompetent, incapacitated, or otherwise legally unable to effectively manage his or her property or financial affairs by a court of competent jurisdiction;

the Member's incapacity has been certified in writing by two licensed physicians, one of whom is the Member's personal physician, after examining the Member;

the Member has disappeared or is absent for unexplained reasons, causing the Member to be unable to manage his or her property or financial affairs effectively; or

the Member is being detained under duress or under law, causing the Member to be unable to manage his or her property or financial affairs effectively.

A Member's disappearance, absence, or detention under duress may be established by an affidavit of any Manager; or, if the individual in question is the only Manager, by the affidavit of any other Member. The affidavit must describe the

circumstances of the individual's disappearance, absence, or detention. Any third party dealing in good faith with the Company may rely upon the affidavit.

Upon regaining capacity, a formerly incapacitated Member will have all the rights, power, and authority originally granted to the Member by this Agreement.

(r) Immediate Family

Immediate Family means any Member's spouse (but not a spouse who is legally separated from the person under a decree of divorce or separate maintenance), parents, parents-in-law, descendants (including descendants by adoption), brothers, sisters, brothers-in-law, sisters-in-law, and grandchildren-in-law.

(s) Including and Includes

In this Agreement, the words *include*, *includes*, and *including* mean *include* without limitation, *includes* without limitation, and *including* without limitation, respectively. *Include*, *includes*, and *including* are words of illustration and enlargement, not words of limitation or exclusivity.

(t) Independent Person

Independent Person means an individual who is not related to or subordinate to a claimant or respondent of any controversy concerning the Company, is not a Member of the Company, and has no financial stake in the resolution of the controversy other than fair and reasonable compensation for services provided to resolve the controversy.

(u) Initial Capital Contribution

See *Capital Contribution*.

(v) Internal Revenue Code

References to the *Internal Revenue Code* or to its provisions are to the Internal Revenue Code of 1986, as amended from time to time, and any corresponding Treasury Regulations. References to the *Treasury Regulations* are to the Treasury Regulations under the Internal Revenue Code in effect. If a particular provision of the Internal Revenue Code is renumbered or a subsequent federal tax law supersedes the Internal Revenue Code, any reference is to the renumbered provision or to the corresponding provision of the subsequent law, unless the result would be clearly contrary to the Members' intent as expressed in this Agreement. The same rule applies to Treasury Regulations references.

(w) Legal Representative or Personal Representative

The terms *Legal Representative* and *Personal Representative* mean a person's guardian, conservator, executor, administrator, Trustee, or any other person or entity personally representing a person or the person's estate.

(x) Majority in Interest; 85% in Interest of the Voting Members

Majority in Interest means that 51 or more votes out of 100 votes that may be cast will determine the matter subject to the vote.

85% in interest of the Members means that at least 85 votes out of the total 100 votes that may be cast will determine the matter subject to the vote.

(y) Manager

Manager means any individual or legal entity designated in this Agreement as a Manager. A Manager conducts the business of the Company and is authorized to exercise the powers and duties of Manager detailed in this Agreement.

(z) Market Rate of Interest or Market Rate

The terms *market rate of interest* and *market rate* mean the rate of interest identified as the *prime rate* by the *Wall Street Journal* in its “Money Rates” column; or, if two or more rates are reported as the prime rate, the average of the two or more. If Internal Revenue Code Sections 483 and 1274A apply to this transaction, the minimum rate of interest of the purchase money obligation will be fixed at the rate of interest then required by those Sections.

(aa) Member

Member, without the qualifier *Voting* or *Non-Voting*, means any person or legal entity designated in this Agreement as a Voting or Non-Voting Member or any person or legal entity who becomes a Voting or Non-Voting Member under this Agreement.

(bb) Members

The term *Members*, without the qualifier *Voting* or *Non-Voting*, means all of the Voting and Non-Voting Members of the Company collectively.

(cc) Membership Interest

Membership Interest means the ownership interest and rights of a Member in the Company, including the Member’s right to a distributive share of the profits and losses, the distributions, and the property of the Company. All Membership Interests are subject to the restrictions on transfer imposed by this Agreement. Each Member’s Interest is personal property and no Member will acquire any interest in any of the assets of the Company. A Membership Interest may be further defined as a *Voting Membership Interest* or a *Non-Voting Membership Interest*.

Membership Interests may be adjusted from time to time under Article Three.

(dd) Non-Voting Member

A *Non-Voting Member* means a Member who, except as otherwise specifically permitted by this Agreement or with the prior written consent of all the Voting Members or of the Manager, has no right to vote or participate in the Company’s management, or to act on behalf of the Company in any way or for any purpose.

(ee) Person

Person has the same broad meaning as defined in Internal Revenue Code Section 7701(a)(1). The term specifically includes the Company; its successors and assigns; each Member or Assignee, and their successors, assigns, heirs, and personal representatives. The phrase *each other person* identifies any individual,

corporation, partnership, limited liability company, trust, or other party whose interest may be affected, adversely or otherwise, by the resolution of any dispute, contest, or claim.

(ff) Property

Property means all Company property and rights as described in Exhibit A and any property—real or personal, tangible or intangible—otherwise acquired by the Company.

(gg) Qualified Appraiser and Qualified Appraisal

A *Qualified Appraiser* means an appraiser who is a Member of the American Society of Appraisers, Business Valuations Division and accredited to perform business appraisals or valuations by this organization; or, alternatively, a certified public accountant accredited in business valuation by the American Institute of Certified Public Accountants. A *Qualified Appraisal* means any appraisal performed by a Qualified Appraiser.

(hh) Securities Act

Securities Act refers to the Securities Act of 1933, as amended.

(ii) Substitute Member

Substitute Member means any person not previously a Member who acquires a Membership Interest and is admitted as a Substitute Member according to the terms of Section 12.05 of this Agreement. A *Substitute Member* may be either a Voting Member or Non-Voting Member.

(jj) Taxable Year

Taxable Year means the calendar year or any other accounting period selected by the Manager. Taxable Year is synonymous with fiscal year for all purposes of this Agreement.

(kk) Voting Member

Voting Member means any Member who has the right to vote upon all matters that Members have the right to vote on under this Agreement, in proportion to their respective Percentage Interest in the Company.

(ll) Voting Membership Interest

Voting Membership Interest means a Membership Interest that includes the right to consent or approve certain Company actions. Each Voting Member holds a Voting Membership Interest and has the right to vote the holder's proportionate interest in the Company regarding all matters that all Voting Members have a right to vote under this Agreement or by law.

Example: A Member with a Membership Interest of 35.5 % will have a 35.5% Voting Membership Interest in the Company, and will have 35.5 votes out of 100 votes that may be cast on matters that require the consent or affirmative action of the Members.

Section 15.05 Changing the Company's Situs

The Company's situs may be changed only by the unanimous written consent of all of the Voting Members and the Manager.

Section 15.06 No Duty to Mail Articles of Organization

The Manager does not have an obligation to deliver or mail copies of the Articles of Organization or any amendments to the Members unless required to do so by the Act.

Section 15.07 General Matters

The following general provisions and rules of construction apply to this Agreement:

(a) Multiple Originals; Validity of Copies

This Agreement may be signed in any number of counterparts, each of which will be deemed an original.

Any person may rely on a copy of this Agreement that the Manager certifies to be a true copy to the same effect as if it were an original.

(b) Singular and Plural; Gender

Unless the context requires otherwise, words denoting the singular may be construed as plural and words of the plural may be construed as denoting the singular. Words of one gender may be construed as denoting another gender as is appropriate within the context. The word *or*, when used in a list of more than two items, may function as both a conjunction and a disjunction as the context requires or permits.

(c) Headings of Articles, Sections, and Subsections

The headings of Articles, Sections, and Subsections used within this Agreement are included solely for the reader's convenience and reference. They have no significance in the interpretation or construction of this Agreement.

(d) Governing Law

This Agreement is governed, construed, and administered according to the laws of Georgia, as from time to time amended, except as to trust property required by law to be governed by the laws of another jurisdiction, and unless the situs of administration is changed under Section 15.05.

(e) Notices

Unless otherwise stated, whenever this Agreement calls for notice, the notice must be in writing and must be personally delivered with proof of delivery, or mailed postage prepaid by certified mail, return receipt requested, to the last known address of the party requiring notice. Notice is effective on the date personally delivered or on the date of the return receipt. If a party giving notice does not receive the return receipt but has proof that he or she mailed the notice, notice will be effective on the date it would normally have been received by certified mail. If notice is required to be given to a minor or incapacitated individual, notice must be given to the minor or incapacitated individual's parent or Legal Representative.

(f) Severability

The invalidity or unenforceability of any provision of this Agreement does not affect the validity or enforceability of any other provision of this Agreement. If a court of competent jurisdiction determines that any provision is invalid, the remaining provisions of this Agreement are to be construed as if the invalid provision had never been included in this Agreement.

(g) Acceptance

Each Manager and Member has reviewed this Agreement, accepts all its provisions, and agrees to be bound by all the terms, conditions, and restrictions contained in this Agreement.

Remainder of page left intentionally blank.

Signatures begin on following page.

This Operating Agreement is signed and effective as of the date first set forth above.

MANAGER:



Danny E. Sterling

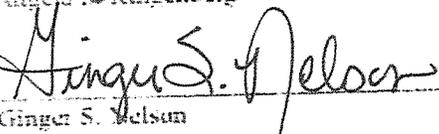
CLASS A VOTING MEMBERS:



Danny E. Sterling



Angela S. Ringenberg



Ginger S. Nelson

CLASS B NON-VOTING MEMBERS:

Danny E. Sterling
Danny E. Sterling

Angela S. Ringenberg
Angela S. Ringenberg

Ginger S. Nelson
Ginger S. Nelson

**The Operating Agreement
of
Sterling Southern Land, LLC**

EXHIBIT A

<u>Class A Members:</u>	<u>Percentage</u>
Danny E. Sterling	0.70%
Angela S. Ringenberg	0.15%
Ginger S. Nelson	0.15%
<u>Class B Members:</u>	<u>Percentage</u>
Danny E. Sterling	69.30%
Angela S. Ringenberg	14.85%
Ginger S. Nelson	14.85%
<u>Total Class A and Class B</u>	<u>100.00%</u>