

---

**OPERATING AGREEMENT**  
OF  
**BEST WIDGETS, LLC**  
AN ARIZONA LIMITED LIABILITY COMPANY

---

**June 14, 2023**

Prepared by  
**KEYTLaw, L.L.C.**

Arizona Entity Formation and Administration  
7373 EAST DOUBLETREE RANCH ROAD, SUITE 135  
SCOTTSDALE, ARIZONA 85258  
Telephone: 480-664-7472

Copyright © 2001 - 2023, Richard Keyt and Richard C. Keyt

---

---

**OPERATING AGREEMENT**  
OF  
**BEST WIDGETS, LLC**

---

---

Table of Contents

<b>Article 1 Formation, Name, Purposes .....</b>	<b>1</b>
Section 1.1    Formation.....	1
Section 1.2    Name.....	1
Section 1.3    Principal Address.....	1
Section 1.4    The Operating Agreement: Act Section 29-3105 .....	2
Section 1.5    Purpose and Powers .....	2
Section 1.6    Term .....	2
Section 1.7    Statutory Agent.....	2
Section 1.8    Payments of Individual Obligations .....	2
Section 1.9    Title to Property.....	3
Section 1.10   General Business Practices .....	3
<b>Article 2 Corporate Transparency Act.....</b>	<b>5</b>
Section 2.1    Corporate Transparency Act Compliance .....	5
Section 2.2    CTA Penalties for Noncompliance.....	6
Section 2.3    Due Date of the CTA’s FinCEN Report.....	6
Section 2.4    Hire FinCEN Filer, LLC to File Your FinCEN Report.....	6
Section 2.5    Beneficial Members’ Obligations .....	6
Section 2.6    Manager’s Obligation to File the CTA Report .....	7
Section 2.7    CTA Affidavit .....	7
<b>Article 3 Definitions .....</b>	<b>8</b>
Section 3.1    Beneficial Owner .....	8
Section 3.2    CTA .....	8
Section 3.3    Dissociation Event: Act Section 29-3602.....	8
Section 3.4    Dissociated Member: Act Section 29-3602.....	8
Section 3.5    Entity .....	8
Section 3.6    Majority in Interest of the Members: Act Section 29-3102.12 .....	8

Section 3.7	Manager: Act Section 29-3102.13.....	8
Section 3.8	Member: Act Section 29-3102.15 .....	9
Section 3.9	Membership Interest .....	9
Section 3.10	Operating Agreement: Act Section 29-3102.17 .....	9
Section 3.11	Percentage Interest.....	9
Section 3.12	Person .....	9
<b>Article 4 Units .....</b>		<b>10</b>
Section 4.1	Definition of Units.....	10
Section 4.2	Treasury Units .....	10
Section 4.3	Percentage Interest.....	10
Section 4.4	Class A Units.....	10
Section 4.5	Class B Units .....	11
Section 4.6	Allocation of Profits and Losses .....	11
<b>Article 5 Capital Contributions .....</b>		<b>12</b>
Section 5.1	Capital Contributions: Act Section 29-3403 .....	12
Section 5.2	Initial Capital Contributions .....	12
Section 5.3	Additional Capital Contributions.....	12
Section 5.4	Remedies for Nonpayment of Capital Contributions.....	12
Section 5.5	Limitations on Withdrawals of Capital Contributions.....	15
Section 5.6	Capital Accounts .....	15
<b>Article 6 Profits, Losses, Distributions .....</b>		<b>17</b>
Section 6.1	Issued Units & Percentage Interests.....	17
Section 6.2	Profits & Losses .....	17
Section 6.3	Distributions: Act Section 29-3404.A .....	17
Section 6.4	State Law Limitation on Distributions.....	17
Section 6.5	Member Loans .....	18
<b>Article 7 Election &amp; Removal of Managers &amp; Manager Duties .....</b>		<b>19</b>
Section 7.1	Initial Manager.....	19
Section 7.2	Management Committee.....	19
Section 7.3	Resignation of a Manager .....	19
Section 7.4	Member’s Right to Remove a Manager .....	19
Section 7.5	Manager Vacancies.....	19

Section 7.6	Meetings of the Management Committee .....	19
Section 7.7	Manager’s Obligations .....	20
Section 7.8	Manager’s Salaries .....	20
Section 7.9	Manager has no Exclusive Duty to Company .....	21
Section 7.10	Manager Not Liable for Certain Acts.....	21
Section 7.11	Indemnity of the Manager .....	21
Section 7.12	Manager Duties: Act Section 29-3409 .....	21
<b>Article 8 Management .....</b>		<b>23</b>
Section 8.1	Management by Managers.....	23
Section 8.2	Number, Tenure and Qualifications.....	23
Section 8.3	Right to Rely on Manager .....	23
Section 8.4	Majority of the Members & Managers .....	23
Section 8.5	Operation of Company as a Separate Enterprise.....	24
Section 8.6	Management Powers and Responsibilities .....	24
Section 8.7	Members’ Consent Required for Certain Actions .....	25
Section 8.8	Banking .....	26
Section 8.9	Records to be Kept; Rights to Information: Act Section 29-3410 .....	26
<b>Article 9 Members .....</b>		<b>29</b>
Section 9.1	Limitation of Liability: Act Section 29-3304 .....	29
Section 9.2	Married Members Whose Spouses Do Not Sign This Agreement .....	29
Section 9.3	A Member May Not Unilaterally Dissociate: Act Section 29-3601 .....	30
Section 9.4	Events that Cause a Member’s Dissociation: Act Section 29-3602.....	30
Section 9.5	Effect of a Member’s Dissociation: Act Section 29-3603.....	32
Section 9.6	Company Records .....	33
Section 9.7	Priority and Return of Capital .....	33
Section 9.8	Tax Matters .....	33
Section 9.9	Other Instruments .....	33
Section 9.10	Confidentiality.....	33
Section 9.11	Maintenance of Subchapter S Status.....	35
Section 9.12	Intentionally False Arizona Corporation Commission Filing .....	35
Section 9.13	Liability for Filing a False Document with the Arizona Corporation Commission: Act Section 20-3205 .....	36
Section 9.14	Transactions Between a Member and the Company.....	37
Section 9.15	Guaranties.....	37

Section 9.16	Intellectual Property Rights .....	37
Section 9.17	Consequences of the Company or a Member Getting a Judgment Against a Member .....	38
Section 9.18	Theft or Embezzlement.....	39
Section 9.19	Expulsion of a Member .....	39
Section 9.20	Company’s Purchase Option .....	40
Section 9.21	Payment Terms .....	41
<b>Article 10 New Members .....</b>		<b>42</b>
Section 10.1	Definitions.....	42
Section 10.2	Preemptive Rights .....	42
Section 10.3	Requirement for a New Member.....	42
Section 10.4	Prohibition on Transfer of a Member’s Membership Interest.....	43
Section 10.5	Transfers of Membership Interests Without Consent .....	43
Section 10.6	Transfer of a Membership Interest on Death of a Member by an LLC Beneficiary Designation Form.....	44
Section 10.7	Transfer of a Membership Interest on the Death of a Member .....	45
<b>Article 11 Meetings.....</b>		<b>46</b>
Section 11.1	General.....	46
Section 11.2	No Required Meetings .....	46
Section 11.3	Meetings of Members.....	46
Section 11.4	Meetings of Managers .....	46
Section 11.5	Notice of Meetings.....	46
Section 11.6	Place of Meetings.....	46
Section 11.7	Meeting of all Members.....	47
Section 11.8	Record Date .....	47
Section 11.9	Quorum.....	47
Section 11.10	Order of Business .....	47
Section 11.11	Manner of Acting .....	47
Section 11.12	Votes .....	48
Section 11.13	Member Subject to a Court Order .....	48
Section 11.14	Proxies.....	48
Section 11.15	Action by Members Without a Meeting .....	48
Section 11.16	Waiver of Notice .....	49

<b>Article 12 Partnership Tax Audit Provisions</b> .....	<b>50</b>
Section 12.1    When This Article Applies .....	50
Section 12.2    Tax Classification .....	50
Section 12.3    Partnership Representative .....	50
Section 12.4    Initial Partnership Representative .....	50
Section 12.5    Knowledge of a Tax Problem .....	50
Section 12.6    Partnership Representative’s Obligations.....	50
Section 12.7    Partnership Representative to Preserve Tax Classification.....	51
Section 12.8    Coordination with TEFRA Audit Rules .....	51
Section 12.9    Election under Code Section 6221(b) to Opt Out of Bipartisan Budget Act Tax Audit Treatment.....	51
Section 12.10   Consistent Treatment .....	51
Section 12.11   Adjustment in Future Tax Years.....	51
Section 12.12   Resignation of a Partnership Representative .....	52
Section 12.13   Member’s Right to Remove a Partnership Representative .....	52
Section 12.14   Partnership Representative Vacancies .....	52
Section 12.15   Partnership Representative’s Salaries .....	52
Section 12.16   Indemnity of the Partnership Representative .....	53
Section 12.17   Standard of Care of Partnership Representative .....	53
 <b>Article 13 Indemnification</b> .....	 <b>54</b>
Section 13.1    Indemnity Rights .....	54
Section 13.2    Indemnity for Violations of the Corporate Transparency Act.....	54
Section 13.3    Notice and Defense.....	54
Section 13.4    Other Sources .....	55
Section 13.5    Survival.....	55
 <b>Article 14 Dissolution and Termination</b> .....	 <b>56</b>
Section 14.1    Dissolution: Act Section 29-3701 .....	56
Section 14.2    Notice of Winding Up: Act Section 29-3702 .....	57
Section 14.3    Distribution of Assets During Winding Up: Act Section 29-3707 .....	57
Section 14.4    Articles of Termination .....	57
 <b>Article 15 Dispute Resolution Provisions</b> .....	 <b>58</b>
Section 15.1    Creation of the Procedure .....	58
Section 15.2    Person Defined.....	58

Section 15.3	Initiation of Procedure .....	58
Section 15.4	Commencement of Procedure.....	58
Section 15.5	Selection of a Mediator.....	59
Section 15.6	Time and Place for Mediation Conference .....	59
Section 15.7	Discovery, Exchange of Information .....	59
Section 15.8	Summary and Development of the Evidence and the Law .....	59
Section 15.9	Conduct of Mediation .....	59
Section 15.10	Final Determinations are Binding on All Parties .....	59
Section 15.11	Arbitration.....	60
Section 15.12	Appraisals.....	60
Section 15.13	Prevailing Party is Entitled to Recover All Reasonable Costs .....	60
Section 15.14	Inadmissibility of Communications.....	60
<b>Article 16 Miscellaneous Provisions .....</b>		<b>61</b>
Section 16.1	Notices .....	61
Section 16.2	Application of Arizona Law .....	61
Section 16.3	Amendments.....	61
Section 16.4	No Oral Agreements .....	62
Section 16.5	Invalidity and Unreasonableness of Expectations Not Included in This Agreement .....	62
Section 16.6	Headings .....	63
Section 16.7	Severability.....	63
Section 16.8	Successors and Assigns .....	63
Section 16.9	Attorneys' Fees .....	63
Section 16.10	Creditors and Other Third Parties .....	63
Section 16.11	Entire Agreement.....	63
Section 16.12	Consent to Jurisdiction.....	63
Section 16.13	Waiver of Jury Trial .....	64
Section 16.14	Equitable Remedies .....	64
Section 16.15	Intent of Agreement .....	64
Section 16.16	Representation by Counsel.....	64
Section 16.17	Investment Representations.....	64
Section 16.18	No Partition Action .....	65
Section 16.19	Estoppel Certificate.....	65
Section 16.20	Notice of Immunity from Liability for Certain Disclosures.....	65

Section 16.21 Electronic Signatures..... 66



---

---

# OPERATING AGREEMENT

OF

## Best Widgets, LLC

JUNE 14, 2023

---

---

This Operating Agreement (this “**Agreement**”) is effective as of June 14, 2023, by Homer Simpson, a married man dealing with his separate property (“**Homer**”); Ned Flanders (“**Ned**”) and Molly Flanders (“**Molly**”), husband wife (collectively “**Flanders**”) and Best Widgets, LLC, an Arizona limited liability company (“**Company**”).

A. The Company is a newly formed Arizona limited liability company.

B. In this Agreement Homer, Ned and Molly will be referred to individually as a “**Member**” and collectively as “**Members.**” Homer may also be referred to as “**Manager.**”

C. The parties to this Agreement desire to conduct the business and affairs of the Company under the terms and conditions set forth below.

---

### Article 1

#### Formation, Name, Purposes

---

##### Section 1.1      Formation

The Company is subject to Arizona Revised Statutes Sections 29-3101 through 29-4201, as amended from time to time, which statutes are known as the “Arizona Limited Liability Company Act” (the “**Act**”). The Company was created on the filing of its Articles of Organization with the Arizona Corporation Commission. The Members shall from time to time sign or cause to be signed all such certificates, fictitious name or business statements and other documents, and make or cause to be made all such filings, recordings and publishings, and do such other acts as the Managers may deem necessary or appropriate to comply with the requirements of law for the formation and operation of the Company in all jurisdictions in which the Company desires to conduct business. The Managers will cause the Company to be qualified or authorized to do business in any jurisdiction in which qualification or authorization is necessary to conduct the Company’s business.

##### Section 1.2      Name

The name of the Company shall be “**Best Widgets, LLC.**”

##### Section 1.3      Principal Address

The Company’s principal address is 24 West Camelback Road, #467, Phoenix, Arizona, 85013 or any other address determined by the Managers. If the Company changes its principal address, the