

---

**OPERATING AGREEMENT**

OF

**BEST STUFF LLC**

AN ARIZONA LIMITED LIABILITY COMPANY

---

**August 24, 2021**

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 - 2021, Richard Keyt

---

---

**OPERATING AGREEMENT**  
**OF**  
**BEST STUFF 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.....	2
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 .....	3
Section 1.9    Title to Property.....	3
Section 1.10   General Business Practices .....	3
<b>Article 2 Definitions .....</b>	<b>5</b>
Section 2.1    Dissociation Event: Act Section 29-3602.....	5
Section 2.2    Dissociated Member: Act Section 29-3602.....	5
Section 2.3    Majority in Interest of the Members: Act Section 29-3102.12 .....	5
Section 2.4    Manager: Act Section 29-3102.13.....	5
Section 2.5    Member: Act Section 29-3102.15 .....	5
Section 2.6    Membership Interest .....	5
Section 2.7    Operating Agreement: Act Section 29-3102.17 .....	5
Section 2.8    Percentage Interest.....	6
<b>Article 3 Units .....</b>	<b>7</b>
Section 3.1    Definition of Units.....	7
Section 3.2    Treasury Units.....	7
Section 3.3    Percentage Interest.....	7
Section 3.4    Class A Units.....	7
Section 3.5    Class B Units.....	8

Section 3.6	Allocation of Profits and Losses .....	8
<b>Article 4</b>	<b>Capital Contributions .....</b>	<b>9</b>
Section 4.1	Capital Contributions: Act Section 29-3403 .....	9
Section 4.2	Initial Capital Contributions .....	9
Section 4.3	Additional Capital Contributions.....	9
Section 4.4	Remedies for Nonpayment of Capital Contributions.....	9
Section 4.5	Limitations on Withdrawals of Capital Contributions.....	12
Section 4.6	Capital Accounts .....	12
<b>Article 5</b>	<b>Profits, Losses, Distributions .....</b>	<b>14</b>
Section 5.1	Issued Units & Percentage Interests.....	14
Section 5.2	Profits & Losses.....	14
Section 5.3	Distributions: Act Section 29-3404.A .....	14
Section 5.4	State Law Limitation on Distributions.....	14
Section 5.5	Member Loans .....	15
<b>Article 6</b>	<b>Election &amp; Removal of Managers &amp; Manager Duties .....</b>	<b>16</b>
Section 6.1	Initial Manager.....	16
Section 6.2	Management Committee.....	16
Section 6.3	Resignation of a Manager .....	16
Section 6.4	Member’s Right to Remove a Manager .....	16
Section 6.5	Manager Vacancies.....	16
Section 6.6	Meetings of the Management Committee .....	16
Section 6.7	Manager’s Obligations .....	17
Section 6.8	Manager’s Salaries .....	17
Section 6.9	Manager has no Exclusive Duty to Company.....	18
Section 6.10	Manager Not Liable for Certain Acts.....	18
Section 6.11	Indemnity of the Manager .....	18
Section 6.12	Manager Duties: Act Section 29-3409 .....	18
<b>Article 7</b>	<b>Management .....</b>	<b>21</b>
Section 7.1	Management by Managers.....	21
Section 7.2	Number, Tenure and Qualifications.....	21
Section 7.3	Right to Rely on Manager .....	21
Section 7.4	Majority of the Members & Managers.....	21

Section 7.5	Operation of Company as a Separate Enterprise.....	22
Section 7.6	Management Powers and Responsibilities .....	22
Section 7.7	Members’ Consent Required for Certain Actions .....	23
Section 7.8	Banking .....	24
Section 7.9	Records to be Kept; Rights to Information: Act Section 29-3410 .....	24
<b>Article 8 Members .....</b>		<b>28</b>
Section 8.1	Limitation of Liability: Act Section 29-3304 .....	28
Section 8.2	Married Members Whose Spouses Do Not Sign This Agreement .....	28
Section 8.3	A Member May Not Unilaterally Dissociate: Act Section 29-3601 .....	29
Section 8.4	Events that Cause a Member’s Dissociation: Act Section 29-3602.....	29
Section 8.5	Effect of a Member’s Dissociation: Act Section 29-3603 .....	31
Section 8.6	Company Records .....	32
Section 8.7	Priority and Return of Capital .....	32
Section 8.8	Tax Matters .....	32
Section 8.9	Other Instruments .....	32
Section 8.10	Corporate Transparency Act Compliance .....	32
Section 8.11	CTA Affidavit .....	34
Section 8.12	Confidentiality.....	35
Section 8.13	Maintenance of Subchapter S Status.....	37
Section 8.14	Falsification of the Articles of Organization.....	37
Section 8.15	Liability for Filing a False Document with the Arizona Corporation Commission: Act Section 20-3205 .....	38
Section 8.16	Transactions Between a Member and the Company.....	38
Section 8.17	Guaranties.....	39
Section 8.18	Intellectual Property Rights .....	39
Section 8.19	Consequences of the Company or a Member Getting a Judgment Against a Member .....	40
Section 8.20	Theft or Embezzlement.....	40
Section 8.21	Expulsion of a Member .....	41
Section 8.22	Company’s Purchase Option .....	42
Section 8.23	Payment Terms .....	42
<b>Article 9 New Members .....</b>		<b>44</b>
Section 9.1	Definitions.....	44
Section 9.2	Preemptive Rights.....	44

Section 9.3	Requirement for a New Member.....	44
Section 9.4	Prohibition on Transfer of a Member's Membership Interest.....	45
Section 9.5	Transfers of Membership Interests Without Consent .....	45
Section 9.6	Transfer of a Membership Interest on Death of a Member by an LLC Beneficiary Designation Form .....	46
Section 9.7	Transfer of a Membership Interest on the Death of a Member .....	47
<b>Article 10 Meetings.....</b>		<b>48</b>
Section 10.1	General.....	48
Section 10.2	No Required Meetings .....	48
Section 10.3	Meetings of Members.....	48
Section 10.4	Meetings of Managers .....	48
Section 10.5	Notice of Meetings.....	48
Section 10.6	Place of Meetings.....	48
Section 10.7	Meeting of all Members.....	49
Section 10.8	Record Date .....	49
Section 10.9	Quorum.....	49
Section 10.10	Order of Business .....	49
Section 10.11	Manner of Acting .....	49
Section 10.12	Votes .....	50
Section 10.13	Member Subject to a Court Order .....	50
Section 10.14	Proxies.....	50
Section 10.15	Action by Members Without a Meeting .....	50
Section 10.16	Waiver of Notice .....	51
<b>Article 11 Partnership Tax Audit Provisions.....</b>		<b>52</b>
Section 11.1	When This Article Applies .....	52
Section 11.2	Tax Classification .....	52
Section 11.3	Partnership Representative .....	52
Section 11.4	Initial Partnership Representative .....	52
Section 11.5	Knowledge of a Tax Problem .....	52
Section 11.6	Partnership Representative's Obligations.....	52
Section 11.7	Partnership Representative to Preserve Tax Classification.....	53
Section 11.8	Coordination with TEFRA Audit Rules .....	53
Section 11.9	Election under Code Section 6221(b) to Opt Out of Bipartisan Budget Act Tax Audit Treatment.....	53

Section 11.10	Consistent Treatment .....	53
Section 11.11	Adjustment in Future Tax Years.....	53
Section 11.12	Resignation of a Partnership Representative .....	54
Section 11.13	Member’s Right to Remove a Partnership Representative .....	54
Section 11.14	Partnership Representative Vacancies .....	54
Section 11.15	Partnership Representative’s Salaries .....	55
Section 11.16	Indemnity of the Partnership Representative .....	55
Section 11.17	Standard of Care of Partnership Representative .....	55
<b>Article 12 Indemnification.....</b>		<b>57</b>
Section 12.1	Indemnity Rights .....	57
Section 12.2	Indemnity for Violations of the Corporate Transparency Act.....	57
Section 12.3	Notice and Defense.....	57
Section 12.4	Other Sources .....	58
Section 12.5	Survival.....	58
<b>Article 13 Dissolution and Termination .....</b>		<b>59</b>
Section 13.1	Dissolution: Act Section 29-3701 .....	59
Section 13.2	Notice of Winding Up: Act Section 29-3702 .....	60
Section 13.3	Distribution of Assets During Winding Up: Act Section 29-3707 .....	60
Section 13.4	Articles of Termination .....	60
<b>Article 14 Dispute Resolution Provisions .....</b>		<b>62</b>
Section 14.1	Creation of the Procedure .....	62
Section 14.2	Person Defined.....	62
Section 14.3	Initiation of Procedure.....	62
Section 14.4	Commencement of Procedure.....	62
Section 14.5	Selection of a Mediator.....	63
Section 14.6	Time and Place for Mediation Conference .....	63
Section 14.7	Discovery, Exchange of Information .....	63
Section 14.8	Summary and Development of the Evidence and the Law .....	63
Section 14.9	Conduct of Mediation .....	63
Section 14.10	Final Determinations are Binding on All Parties .....	63
Section 14.11	Arbitration.....	64
Section 14.12	Appraisals.....	64
Section 14.13	Prevailing Party is Entitled to Recover All Reasonable Costs.....	64

Section 14.14	Inadmissibility of Communications .....	64
<b>Article 15</b>	<b>Miscellaneous Provisions .....</b>	<b>65</b>
Section 15.1	Notices .....	65
Section 15.2	Application of Arizona Law .....	65
Section 15.3	Amendments.....	66
Section 15.4	No Oral Agreements .....	66
Section 15.5	Invalidity and Unreasonableness of Expectations Not Included in This Agreement .....	66
Section 15.6	Headings .....	67
Section 15.7	Severability.....	67
Section 15.8	Successors and Assigns .....	67
Section 15.9	Attorneys’ Fees .....	67
Section 15.10	Creditors and Other Third Parties .....	67
Section 15.11	Entire Agreement.....	67
Section 15.12	Consent to Jurisdiction.....	67
Section 15.13	Waiver of Jury Trial .....	68
Section 15.14	Equitable Remedies .....	68
Section 15.15	Intent of Agreement .....	68
Section 15.16	Representation by Counsel .....	68
Section 15.17	Investment Representations.....	69
Section 15.18	No Partition Action .....	69
Section 15.19	Estoppel Certificate.....	69
Section 15.20	Notice of Immunity from Liability for Certain Disclosures.....	70
Section 15.21	Electronic Signatures.....	70

---

---

# OPERATING AGREEMENT

OF

## Best Stuff LLC

AUGUST 24, 2021

---

---

This Operating Agreement (this “**Agreement**”) is effective as of August 24, 2021, by Homer Simpson, a married man dealing with his separate property (**Homer**); Ned Flanders, as Trustee of the Camelback Mountain Trust under Agreement dated August 24, 2021 (the “**CM Trust**”); World Wide Widgets, LLC, an Arizona limited liability company (the “**WWW**”) and Best Stuff LLC, an Arizona limited liability company (“**Company**”).

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

B. In this Agreement RC Trust, CM Trust and WWW will be referred to individually as a “**Member**” and collectively as “**Members.**” RC Trust and WWW will be referred to collectively as “**Managers**” and individually as a “**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 Stuff LLC.**”