

OPERATING AGREEMENT [COMPANY]

This Operating Agreement (this "**Agreement**") of Aunt Doris's B&B, L.L.C., a Minnesota limited liability company (the "**Company**"), is entered into as of December 30, 2024 (the "**Effective Date**") by and among the Company, Alpha, and Beta (each a "**Member**" and collectively the "**Founding Members**"), and any other person or entity that, after the date above, becomes a Member of the Company in accordance with the terms of this Agreement.

ARTICLE 1 Organizational Matters

Section 1. Name. The name of the Company is Aunt Doris's B&B, L.L.C.

Section 2. Assumed Name; Business Name. The Company may do business under an assumed name from time to time, as provided by the Minnesota Revised Uniform Limited Liability Company Act, Minn. Stat. §§ 322C.0101 et seq. (the "**MN RULLCA**"), as amended from time to time. The Company currently conducts and transacts business under the assumed name Aunt Doris's B&B.

Section 3. Principal Office. The principal office of the Company is located at [ADDRESS], or such other location in Minnesota as may be determined by the Members from time to time.

Section 4. Registered Office; Registered Agent. The registered office and agent for service of process on the Company, in the State of Minnesota, shall be the office and natural person, corporation, or other business entity (each a "Person") named in the Articles of Organization or other office or Person(s) as the Members may designate from time to time in the manner provided by the MN RULLCA. The registered agent for the Company is Alpha.

Section 5. Purpose; Powers.

(a) The purpose of the Company is to engage in any lawful business purpose or activity in accordance with the MN RULLCA and to engage in any and all activities necessary or incidental to that purpose.

(b) The Company shall have all the powers necessary or convenient to carry out the purpose(s) for which it is formed, including the powers granted by the MN RULLCA.

Section 6. Term. The term of the Company commenced on November 14, 2024, and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Agreement or as provided by law.

ARTICLE 2 Members

Section 1. Members. The names, mailing addresses, and ownership interests (the “Membership Interests”) of the Members are set out in the attached Schedule I.

Section 2. Capital Contributions; Capital Accounts; No Withdrawals.

(a) The Members have contributed to the Company the amounts, in the form of cash, property, services, or a promissory note or other obligation, as such amounts may be amended herein from time to time, the (“Capital Contributions”), set out in Schedule I. No Member is required to make additional Capital Contributions to the Company, except as otherwise provided in this Agreement.

(b) The Company shall establish and maintain for each Member a separate account detailing the contributions and adjustments for each Member (each a “Capital Account”).

(c) No Member shall be entitled to withdraw any part of its Capital Account or to receive any distribution from the Company, except as otherwise provided in this Agreement.

(d) If any Member shall have a deficit balance in its Capital Account, such Member shall have no obligation, during the term of the Company or upon dissolution or liquidation of the Company, to restore such negative balance or make any Capital Contributions to the Company by reason thereof, except as may be required by MN RULLCA or in respect of any negative balance resulting from such Member's withdrawal of capital or dissolution in contravention of this Agreement.

Section 3. Admission of Additional Members.

(a) An Additional Member may be admitted from time to time subject to approval of the Founding Members. Once the Company has three Members, Additional Members may be admitted subject to unanimous approval of all Members, or other approval as agreed upon by the then existing Members and codified in a future written agreement.

(b) Any Person admitted as a Member, shall be a party under the Operating Agreement, shall be deemed a Member on the books and records of the Company, and shall be issued its Membership Interests.

(c) Any Additional Member shall make a Capital Contribution to the Company in an amount as agreed upon by the then existing Members and codified in a future written agreement.

Section 4. Withdrawal; Death of Member; Expulsion.

(a) A Member may withdraw at any time and for any reason so long as the withdrawing Member provides 60 days’ advance written notice to the Company of their intent to withdraw. The remaining Members shall have a right of first refusal to purchase the withdrawing Members’ Membership Interests. If the remaining Members do not accept the Membership Interests, any transfer of the Membership Interests must be approved by unanimous consent of all Members. If the remaining Members do not consent to the transfer, the Company shall purchase the Membership Interests. The value of the Membership Interest

shall be determined using the EBITDA multiplier. As soon as any Member ceases to hold any Membership Interests, such Person shall no longer be a Member.

(b) The death of any Member shall not cause the dissolution of the Company. In such event, the Company and its business shall be continued by the remaining Member(s) and the Membership Interests owned by the deceased Member shall be automatically transferred to such Member's executors, administrators, testamentary trustees, legatees, or beneficiaries, as applicable, as permitted transferees; provided, that any such permitted transferee shall be admitted as a Member only upon compliance with the provisions of Article 2.03(a).

(c) A Member may be expelled from the Company if such Member (i) materially breaches this Agreement or (ii) commits theft, fraud, or gross negligence against the Company or any other Member, in which case such expelled Member shall no longer be a Member and shall be deemed an assignee of its Membership Interest for all purposes, with no right to any payment or distribution as a result of the expulsion.

Section 5. Meetings.

(a) Meetings of the Members shall be held annually, or more frequently from time to time as desired by the Members. Meetings may be called by any Member(s) by providing each other Member with 7 days' advance written notice by email or certified mail. Attendance at meetings shall constitute waiver of the notice requirement.

(b) Any Member may participate in a meeting of the Members by means of conference telephone, virtual meeting, or other communication equipment that enables all Members to hear each other. Participation in a meeting by any means detailed above shall constitute presence in person.

(c) A Member may vote in person or by proxy on any matter that is to be voted on by the Members, and such proxy may be granted in writing, by means of Electronic Transmission, or as otherwise permitted by the MN RULLCA.

(d) A quorum of any meeting of the Members shall require the presence, whether in person (physically or subject to Article 2.05(b)), or by proxy, of the Members holding a majority of the Membership Interests entitled to vote. Subject to Article 2.06, no action may be taken by the Members unless the appropriate quorum is present at a meeting.

(e) Where a quorum is present at a meeting, no action may be taken without the affirmative vote of at least a majority of the Membership Interests entitled to vote on the given matter, except as subject to Article 3.02 and any other provision of this Agreement or the MN RULLCA requiring the vote, consent, or approval of a different percentage of the Membership Interests or of particular Members.

Section 6. Action Without Meeting. Any action that is to be voted on, consented to, or approved by Members may be taken without a meeting, without prior notice, and without a vote if a written consent(s) signed (including e-signed) by a majority of Members entitled to vote are delivered to the Company by certified mail or e-mail to the Company email address.

ARTICLE 3

Management

Section 1. Management of the Company. Except as otherwise provided by the MN RULLCA, the business, property, and affairs of the Company shall be managed by the Members. The actions of the Members taken in accordance with the provisions of this Agreement shall bind the Company.

Section 2. Actions Requiring Approval of Members. The company shall not take the following actions without unanimous consent of the Members entitled to vote, except as otherwise required by the MN RULLCA.

- (a) Amend, modify, or waive any provisions of the Articles of Organization or this Agreement, in whole or in part.
- (b) Any action outside the ordinary course of business.
- (c) Issue additional Membership Interests in connection with a transfer of Membership Interests that complies with this Agreement, or admit additional Members to the Company, except as otherwise provided in Article 2, Section 3 of this Agreement.
- (d) Incur any indebtedness, pledge or grant liens on any assets or guarantee, assume, endorse, or otherwise become responsible for the obligations of any other Person.
- (e) Make or advance any loan, Capital Contribution, or investment in any Person.
- (f) Enter into or effect any transaction involving the purchase, lease, license, exchange, or other acquisition by the Company of any assets or equity interests of any Person other than sales of inventory in the ordinary course of business consistent with past practice.
- (g) Settle any lawsuit, action, dispute, or other proceeding or otherwise assume any liability or agree to the provision of any equitable relief by the Company.
- (h) Dissolve, wind up, or liquidate the Company or initiate a bankruptcy proceeding involving the Company.
- (i) Subject to Section 5, sell any interest in the Company to any party outside those specified in Schedule II.

ARTICLE 4

Allocations of Profits and Losses; Distributions

Section 1. Allocation of Profits and Losses. All annual profits and losses are to be reinvested in the Company, or distributed among the Members as codified in a future written agreement by the then existing Members.

Section 2. Capital Accounts. The Company will maintain a separate Capital Account for each Member. The Capital Account for each Member will be increased by such Member's Capital Contributions and decreased by Distributions made to such Member. Each Member's Capital Account also will be increased or decreased, as the case may be, to account for profits and losses that are allocated to such Member.

Section 3. Distributions to Members Prior to Liquidation. Distributions of available cash shall be paid to the Members in an amount and at a time as agreed upon by the then existing Members, as provided in Section 1. Except as provided in Section 8, all Distributions to Unitholders prior to the liquidation, winding up, and dissolution of the Company will be in cash, paid by check or direct deposit.

Section 4. Distributions Upon Dissolution and Winding Up. At the time of the dissolution and winding up of the Company, distributions will happen in accordance with Article 8.

Section 5. No Distribution by Reason of Withdrawal. Neither withdrawal from the Company, transfer of any Membership Interest, nor demand for the return of capital will entitle any owner of a Membership Interest to receive any distribution from the Company.

Section 6. Distributions in Kind. No Member has any right to demand or receive a distribution from the Company in any form other than cash. No Member may be compelled to accept any distribution of property in kind except under circumstances where all Members receive undivided interests in property or substantially equivalent interests in property on the basis of their Capital Accounts. If there is a distribution of property in kind, such property will be assumed to have been sold at its fair market value at the time of the distribution, and the resulting gain or loss will be allocated among the Members in the manner set forth in Section 1, and their Capital Accounts will be adjusted accordingly.

Section 7. Effect of Transfer on Allocations of Profits and Losses and Distributions. Profits and losses of the Company allocable to any Membership Interest transferred during a year will be allocated between the transferor and the transferee based upon the length of time during any fiscal year of the Company, as measured by the effective date of the transfer, that the Membership Interest was owned by each of them, or, upon majority approval by the Members, based upon a cut-off of the Company's books as of the effective date of the transfer. All Distributions after the effective date of the Transfer will be made to the transferee. Any agreement between the transferor and the transferee should take into account the extent that such distributions may be attributable to the results of operations during the time that the interest was owned by the transferor.

Section 8. Withholding. The Company may withhold taxes from distributions to Members subject to unanimous approval by the Members, if it is determined that such withholding is required by law.

ARTICLE 5

Transfers

Section 1. Required Consent to Transfer. No Member shall transfer all or any portion of its Membership Interest in the Company, except with the written consent of all

Members. No transfer of Membership Interests shall be complete until the prospective transferee is admitted as a Member of the Company.

Section 2. Agreement not to Transfer. Notwithstanding any other provision of this Agreement, each Member agrees that it will not transfer all or any portion of its Membership Interest in the Company, and the Company agrees that it shall not issue any Membership Interests:

- (a) if such transfer is an attempt to make the Membership Interest collateral;
- (b) if such transfer or issuance would affect the Company's existence or qualification as a limited liability company under the MN RULLCA;
- (c) if such transfer or issuance would cause the Company to lose its status as a partnership for federal income tax purposes.

Section 3. Void Transfers. Any transfer or attempted transfer of any Membership Interest in violation of this Agreement shall be null and void, no such transfer shall be recorded on the Company's books and the purported transferee in any such transfer shall not be treated (and the purported transferor shall continue to be treated) as the owner of such Membership Interest for all purposes of this Agreement.

Section 4. Schedule II Individuals and Right of First Offer. Any attempted transfer to an individual other than those named in Schedule II shall be void unless consented to by all Members in writing, and only after the existing Members have been offered to purchase the transferring Member's interest at its fair market value.

ARTICLE 6

Exculpation and Indemnification

Section 1. No Personal Liability: Members. Except as otherwise provided in the MN RULLCA, by Applicable Law, or expressly in this Agreement, no Member will be obligated personally for any debt, obligation, or liability of the Company or other Members, whether arising in contract, tort, or otherwise, solely by reason of being a Member.

Section 2. Indemnification.

- (a) To the fullest extent permitted under the MN RULLCA, any Member shall be entitled to indemnification and reimbursement of expenses from the Company for and against any:

- (i) Loss, damage, claim, or expense, including reasonable attorneys' fees (collectively, "Losses") incurred by the Member relating to or arising out of any actual or alleged act(s) or omission(s), negligent or not, performed or by any Member on behalf of the Company in the ordinary course of business;

- (A) Provided, however, that:

(1) Any indemnity under this Section shall be provided out of and to the extent of the Company's assets only;

(2) Neither any Member nor any other Person shall have any personal liability;

(3) No indemnification may be made to a Member if a final, non-appealable order of a court of competent jurisdiction or other final adjudication determines such Member's acts were committed in bad faith or as the result of active and deliberate dishonesty or gross negligence, or such Member personally gained a financial profit or other advantage to which such Member was not legally entitled.

(b) If it is judicially determined that the Member is not entitled to indemnification under Article 7.02(a), the Member may send written notice to the Company, and the Company shall reimburse each Member for reasonable legal or other expenses incurred in connection with investigating, preparing to defend or defending any claim, lawsuit, or other proceeding relating to any Losses for which such Member may be indemnified pursuant to this Section.

ARTICLE 7

Accounting and Tax Matters

Section 1. Inspection Rights. Upon reasonable notice from a Member, the Company shall afford the Member access during normal business hours to the organizational, financial, and similar records, reports, and documents of the Company, and shall permit the Member to examine and make copies of such documents.

Section 2. Accounting. The Company shall use the cash method of accounting and the tax year shall be the calendar year. Both the tax year and accounting period of the Company may be changed by the affirmative vote of all Members.

Section 3. Income Tax Status. The Company shall be treated as a partnership for federal, state, and local income tax purposes.

Section 4. Tax Returns. At the expense of the Company, the Members will cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to federal and state law. As soon as reasonably possible after the end of each Fiscal Year, the Members shall deliver to each other Member, and Company, the information necessary for the preparation of such Member's federal, state, and local income tax returns for such Fiscal Year. Members shall not treat any Company item on such Member's state or federal income tax return inconsistently with the treatment of the item on the Company's return.

ARTICLE 8

Distribution and Liquidation

Section 1. Events of Dissolution. The Company shall be dissolved and its affairs wound up only upon the occurrence of any of the following events:

- (a) An election to dissolve the Company made by the Founding Members, or, if codified in a future written agreement, the unanimous vote of all Members;
- (b) The loss of all Members for a period of at least 90 consecutive days;
- (c) The sale, exchange, involuntary conversion, or other disposition or transfer of all or substantially all the assets of the Company; or
- (d) The entry of a decree of judicial dissolution under the MN RULLCA.
- (e) An event or circumstance that this Agreement states causes dissolution;
- (f) On application by a Member, the entry by appropriate court of an order dissolving the company on the grounds that:
 - (i) The conduct of all or substantially all of the Company's activities is unlawful; or
 - (ii) It is not reasonably practicable to carry on the Company's activities in conformity with the Articles of Organization and this Agreement;
- (g) On application by a Member, the entry by appropriate court of an order dissolving the company on the grounds that those Members in control of the company:
 - (i) Have acted, are acting, or will act in a manner that is illegal or fraudulent; or
 - (ii) Have acted or are acting in a manner that is oppressive and was, is, or will be directly harmful to the applicant; or
- (h) On application by the Attorney General in an action commenced pursuant to § 322C.0708, the entry by an appropriate court of an order dissolving the company on grounds specified in § 322C.0708 of the MN RULLCA.
- (i) The initiation of bankruptcy proceedings under Chapter 7 of the United States Bankruptcy Code, 11 U.S.C. § 701 et seq.

Section 2. Winding Up and Liquidation. The Company continues after dissolution only for the purpose of winding up. Upon dissolution, the Company shall immediately commence to wind up its affairs in accordance with the MN RULLCA and the provisions of this Article. The Company shall discharge the Company's debts, obligations, or other liabilities, settle and close the company's activities, and marshal and distribute the assets of the Company.

Section 3. Distribution of Assets. The Members shall liquidate the assets of the Company and distribute the proceeds in the following order of priority:

(a) First, to the payment of the Company's debts and liabilities to its creditors (including Members, if applicable, but excluding liabilities for distributions) and the expenses of liquidation (including sales commissions incident to any sales of assets of the Company);

(b) Second, to each Member owning a transferable interest that reflects contributions made by a member and not previously returned, an amount equal to the value of the unreturned contribution;

(c) Third, in equal shares among members and dissociated members, except to the extent necessary to comply with any transfer effective under § 322C.0502 of the MN RULLCA.

(d) If the Company does not have sufficient surplus to comply with this Section, any surplus must be distributed among the owners of Membership Interests in proportion to the value of their respective unreturned contributions.

Section 4. Required Filings. Upon completion of the winding up of the Company, the Members shall make all necessary filings required by the MN RULLCA.

ARTICLE 9

Miscellaneous

Section 1. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Minnesota, without giving effect to any choice or conflict of law provision or rule (whether of the State of Minnesota or any jurisdiction).

Section 2. Submission to Jurisdiction. The Members agree that any suit, action, or proceeding based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, shall be brought in the courts of the State of Minnesota. Each Member irrevocably consents to the jurisdiction of such court in any such suit, action, or proceeding.

Section 3. Waiver. No waiver by any Member of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Member so waiving.

Section 4. Notices. Any notice to be given or to be served by a Member upon the Company in connection with this Agreement must be in writing and will be deemed to have been given when delivered personally, via email, or mailed to the Company at its registered office or its principal executive office or to a Member of the Company. Notice to a Member will be deemed to have been given when (i) delivered personally to the Member; (ii) delivered to the Member's email address; or (iii) deposited in the United States mail, postage prepaid and addressed to a Unitholder at the address most recently in the Company's records. At any time, by giving five days' prior written notice to the Company, a Member may

designate another address in substitution of the foregoing address as the address to which notice is to be given.

Section 5. Dispute Resolution. If a dispute has resulted in deadlock amongst the Members and it cannot be resolved by a good faith effort of the Members, the Members shall submit their dispute to binding mediation to be venued in Minnesota and mediated by a mutually agreed upon mediator from the American Arbitration Association (AAA). The Members shall bear the costs of mediation and arbitration equally.

Section 6. Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement, and such ruling shall not invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 7. Successors and Assigns. Subject to the restrictions on transfers set forth in Article 6, this Agreement shall be binding upon the Members hereto and their respective heirs, executors, administrators, successors, and assigns.

Section 8. Amendments. No provision of this Agreement may be amended or modified except by an instrument in writing executed by the Company and the consent of all Members. Any such written amendment or modification will be binding upon the Company and each Member.

Section 9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

Section 10. Entire Agreement. This Agreement, together with all related Schedules constitutes the sole and entire agreement of the Members to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

Section 11. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Members (and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns) and nothing herein, express or implied, is intended to or shall confer upon any other Person, including any creditor of the Company, any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the **Effective Date**.

The Members:

Alpha

Beta

SCHEDULE I

Member Name	Address	Capital Contribution	Non-capital Contribution	Membersh ip Interest	Pending Membersh ip Interest
Alpha	Address: --- Email: --- Phone: ---	\$ ---	\$ ---	50%	25%
Beta	Address: --- Email: --- Phone: ---	\$ ---	\$ ---	50%	25%

SCHEDULE II

In addition to the Founding Members specified in this Agreement, the unanimous consent of the following individuals—should they become Members—is required to transfer any Member's interest to an individual not named in this Agreement. In addition, the Founding Members shall have the right of first offer to any attempted transfer of membership interest.

Member Name	Address	Capital Contribution	Non-Capital Contribution	Pending Membership Interest
[Child I]				16%
[Child II]				16%
[Child III]				16%