

**OPERATING AGREEMENT**  
**FOR**  
**BERTIN HOLDINGS, LLC**

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**OPERATING AGREEMENT  
FOR  
BERTIN HOLDINGS, LLC  
A LIMITED LIABILITY COMPANY**

THIS OPERATING AGREEMENT (hereinafter "Agreement") of Bertin Holdings, LLC, an Idaho limited liability company (hereinafter "Company"), is entered into on September 15, 2023 and is adopted by and between Taylor Joseph Bertin (hereinafter "Member(s)"), and Taylor Joseph Bertin (hereinafter "Manager(s)").

**Recitals**

The Company is a limited liability company formed under the Idaho Limited Liability Company Act (hereinafter the "Act"). The parties intend by this Agreement to define their rights and obligations with respect to the Company's governance and financial affairs, and to adopt regulations and procedures for conducting the Company's activities. Accordingly, intending to be legally bound, they agree as follows:

**Article 1: Company Formation**

1.1 **Registered Agent.** The Company's registered and designated office in Idaho is located at

[REDACTED]

1.2 **Term.** The Company will continue perpetually unless:

- (a) The sole member resolves to dissolve;
- (b) Any event which causes the Company's business to become unlawful;
- (c) The death, resignation, expulsion, bankruptcy, retirement of the sole member or the occurrence of any other event that terminates the continued membership of a member of the Company; or
- (d) Any other event causing dissolution of the Company under applicable state laws.

1.3 **Continuance of Company.** In the event of an occurrence described in Section 1.2(c), the Company will expire and may be administratively dissolved.

1.4 **Business Purpose.** The primary purpose of the Company will be to engage in the business of rental real estate, and in conducting any other lawful purpose. The Company shall also have power to buy, sell, lease, exchange, develop any and all real and personal property of every kind and nature, and to invest its funds in real estate, mortgages, stocks, bonds, and any other type of investments for the primary purpose listed above. The Company shall also have unlimited power to engage in and to conduct any lawful act concerning any and all lawful business for which Limited Liability Companies may be organized under the Idaho Limited Liability Company Act.

1.5 **Principal Place of Business.** The Company's address is 290 Market Street, Unit 702, Minneapolis, Minnesota 55405.

1.6 **The Member.** The name, address, and membership interest of the Sole Member is as follows:

Member	Profit %	Loss %	Ownership %
Taylor Joseph Bertin [REDACTED]	100%	100%	100%

1.7 **Admission of Additional Members.** Additional members may only be admitted to the Company through a Membership Transfer Agreement issuance by the company with the new interest in the Company or as otherwise provided in this agreement.

## Article 2: Capital Contributions

2.1 **Initial Contributions.** The member will initially contribute capital to the Company, as described in Exhibit 1 attached to this agreement. The agreed total value of such property and cash is \$100.00.

2.2 **Additional Contributions.** Except as provided in ARTICLE 5.3, no member will be obligated to make any additional contribution to the Company's capital.

## Article 3: Profits, Losses and Distributions

3.1 **Profits/Losses.** For financial accounting and tax purposes, the Company's net profits or net losses will be determined on an annual basis. These profits and losses will be allocated to the member as set forth in this agreement below, as amended, and in accordance with Treasury Regulation 1.704-1.

3.2 **Distributions.** The member will determine and distribute available funds annually or as they see fit. "Available funds" refers to the net cash of the Company available after expenses and liabilities are paid. Upon liquidation of the Company, distributions will be made in accordance with the positive capital account balances or pursuant to Treasury Regulation 1.704l(b)(2)(ii)(b) (2). To the extent the member has a negative capital account balance, there will be a qualified income offset, as set forth in Treasury Regulation 1.704-l(b)(2)(ii)(d).

## Article 4: Management

4.1 **Representative Management.** The Company will be managed by manager(s). The Member(s) from time to time may establish and change the Manager(s) or number of Managers. The name and business address of the Company's initial Manager(s) shall be: Taylor Joseph Bertin, located at 290 Market Street, Unit 702, Minneapolis, Minnesota 55405.

#### 4.2 Powers and Authority.

(a) General Scope. Except for matters on which the Member(s) approval is required by the Act or this Agreement, the Manager(s) has full power, authority and discretion to manage and direct the Company's business, affairs, and properties including, without limitation, the specific powers referred to in Article 4.2 (b).

(b) Specific Powers. The Manager is authorized on the Company's behalf to (i) make all decisions as to the management of all or any part of the Company's assets and business; (ii) make any and all elections available to the Company under any federal or state tax law or regulation; (iii) file any necessary tax returns and/or reports; and (iv) direct all of the bank accounts and financial affairs of the Company.

4.3 **Required Member Approval.** Notwithstanding any other provisions of this Agreement, without the unanimous approval of all Members, the Manager may take no action with respect to (i) the development, purchase, sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the Company's assets; (ii) the borrowing of money and the granting of security interests in the Company's assets (including loans from Members); (iii) the prepayment, refinancing or extension of any mortgage affecting the Company's assets; (iv) the compromise or release of any of the Company's claims or debts; (v) all promissory notes, mortgages, deeds of trust, security agreements, and other similar documents; or (vi) all articles, certificates and reports pertaining to the Company's organization, qualification and dissolution.

4.4 **Manner of Acting.** After a Manager obtains any necessary approvals from the Company Members, as may be required under this Agreement, the Manager may, on behalf of the Company, execute and deliver (i) all contracts, conveyances, assignments, leases, subleases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (ii) all checks, drafts and other orders for the payment of the Company's funds; and (iii) all other instruments of any kind or character relating to the Company's affairs

4.5 **Agency Power and Authority.** A Manager apparently acting for the Company in the usual course of its business has the power to bind the Company, and no person has an obligation to inquire into Manager's actual authority to act on the Company's behalf. However, if a Manager acts outside the scope of the Manager's actual authority or in contravention of a decision of the Members, the Manager will indemnify the Company for any costs or damages it incurs as a result of the unauthorized act.

4.6 **Majority of Managers Required.** When more than one Manager is serving for the Company, a majority of the Managers' approval is required for any decision or act made by the Manager(s). If two Managers are serving, unanimous consent is required for any such act.

#### 4.7 Fiduciary Duties.

(a) Standard of Care.

(1) Exculpation. A Manager will not be liable to the Company or any Member for an act or omission done in good faith to promote the Company's best interests, unless the act or omission constitutes gross negligence, intentional misconduct or a knowing violation of law.

(2) Justifiable Reliance. A Manager may rely on the Company's records maintained in good faith and on information, opinions, reports or statements received from any Person pertaining to matters the Manager reasonably believes to be within the Person's expertise or competence

(b) Conflict of Interest.

(1) Competing Activities. A Manager may participate in a Competing Activity so long as said activity does not have a direct and negative effect on the Company

(2) Self-Dealing. A Manager may enter into a business transaction with the Company if the terms of the transaction are no less favorable to the Company than those of a similar transaction with an independent third party. Approval or ratification by Members having no interest in the transaction constitutes conclusive evidence that the terms satisfy the foregoing condition.

4.8 **Indemnification of Managers.** The Company may but is not required to indemnify each Manager for all expenses, losses, liabilities and damages the Manager actually and reasonably incurs in connection with the defense or settlement of any action arising out of or relating to the conduct of the Company's activities, except an action with respect to which the Manager is adjudged to be liable for breach of a fiduciary duty owed to the Company or the Members under the Act or this Agreement.

4.9 **Compensation.** The Company may reimburse any Manager for reasonable expenses properly incurred on the Company's behalf. The Company may also compensate any Manager for services provided for and on behalf of the Company. Any compensation shall require seventy-five percent (75%) approval by all Members.

4.10 **Tenure.**

(a) Term. A Manager will serve until the earlier of: (1) the Manager's resignation; (2) the Manager's removal; (3) the Manager's Bankruptcy; (4) as to a Manager who is a natural person, Manager's death or disability; and (5) as to a Manager that is an Entity, Manager's dissolution.

(b) Resignation. A Manager at any time may resign by written notice delivered to the Members at least 30 days prior to the effective date of the resignation.

(c) Removal. The Member at any time may remove a Manager, with or without cause.

(d) Vacancy. If a Manager for any reason ceases to act, the Member will promptly elect a successor, to serve until a successor is elected and qualified.

4.11 **Power of Attorney.** Each Member appoints each Manager, with the full power of substitution, as the Member's attorney-in-fact, to carry out the duties and operations of the Company unless such duty or act requires the Member's specific consent as set forth above in Section 4.3.

4.12 **Board of Advisors.** The Member(s) may at any time appoint a Board of Advisors to serve in a consulting and advisory role to the Managers of the Company. The Board of Advisors will receive no compensation unless otherwise agreed. The Members may at any time remove a member of the Board of Advisors with or without cause, with the approval of Members whose aggregate Membership Interest exceeds 50 Percent.

## Article 5: Records and Accounting

5.1 **Records.** The member must keep the following at the Company's principal place of business or other location:

(a) A current list of the full name and the last known street address of each Member;

(b) A copy of the Articles of Organization, this operating agreement, and all amendments to either document;

(c) Copies of Company's federal, state and local income tax returns and reports for the three (3) most recent years;

(d) Copies of the Company's financial statements for the three (3) most recent years.

5.2 **Books.** The member will maintain a complete and accurate accounting of the Company's affairs at the Company's principal place of business. The Member may select the method of accounting and the company's accounting period will be the calendar year.

5.3 **Member's Accounts.** The Member's capital account will be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and will consist of his or her initial capital contribution increased by:

(a) Any additional capital contribution made by the Member;

(b) Credit balances transferred from the member's distribution account to his or her capital account;

(c) And Decreased by: Distributions to the Member in reduction of Company Capital;

(d) Also Decreased by: The Member's share of Company losses if charged to his or her capital account.

5.4 **Reports.** The Member will close the books of account after the close of each calendar year and will prepare a statement of such Member's distributive share of income and expense for income tax reporting purposes. The Member must keep such statements with the other financial statements kept pursuant to Section 4.7(d).

## Article 6: Transfers

6.1 **Assignment.** The Member may sell, assign, or otherwise dispose of all or any part of his or her interest in the Company.

## Article 7: Dissolution

7.1 **Dissolution.** The Member may dissolve the company at any time. The Member may NOT dissolve the company for a loss of Membership interests. Upon dissolution, the company pays its debts first before distributing cash, assets, and/or capital to the Member or the Member's economic interests. The dissolution may only be ordered by the Member, not by the owner of the Member's economic interest.

## Article 8: General Provisions

8.1 **Amendments.**

(a) Required Amendments. The Company, the Manager(s), and the Member will execute and file any amendment to the Articles required by the Act or the Code. If any such amendment results in inconsistencies between the Articles and this Agreement, this Agreement will be considered to have been amended in the specifics necessary to eliminate the inconsistencies.

(b) Other Amendments. Any Manager or any Member may propose for consideration and action an amendment to this Agreement or to the Articles. A proposed amendment will become effective at such time as it is approved by the Managers and all Members.

8.2 **Nominee.** Title to the Company's assets may be held in the name of the Company or any nominee (including any Manager or any Member so acting), as the Company determines. The Company's agreement with any nominee may contain provisions indemnifying the nominee for costs or damages incurred as a result of the nominee's service to the Company.

8.3 **Investment Representation.** Each Member represents to the Company and the other Members that (i) the Member is acquiring a Membership Interest in the Company for investment and for the Member's own account and not with a view to its sale or distribution and (ii) neither the Company nor any other Member has made any guaranty or representation upon which the Member has relied concerning the possibility or probability of profit or loss resulting from the Member's investment in the Company.

8.4 **Resolution of Disputes.** The Member and Managers (collectively, the "Parties") will endeavor in good faith to resolve all disputes arising under or related to this Agreement by mediation with a mutually acceptable mediator. The Parties affected by the dispute (the "Affected Parties") shall select an individual who understands the mediation process, possesses no conflict with any Affected Party, and who possesses knowledge in the area of dispute. If the process of mediation is not successful, the Affected Parties agree to be bound to arbitration by a third-party arbitrator (the "Arbitrator") whose identity is to be (i) different from that of any person who already served as mediator for the dispute and (ii) agreed upon by the Affected Parties. The Arbitrator shall follow the then-prevailing local court rules and procedures and shall produce an arbitration opinion which contains a summary of the applicable law and findings of fact, which opinion is to be upheld as binding on the Affected Parties unless a court subsequently determines that such opinion is clearly erroneous or that the Arbitrator acted in an arbitrary and capricious manner. All costs shall be incurred by the Member.

8.5 **Notices.** Notices contemplated by this Agreement may be sent by any commercially reasonable means, including hand delivery, first class mail, fax, E-mail, or private courier. The notice must be prepaid and addressed as set forth in the Company's records. The notice will be effective on the date of receipt or, in the case of notice sent by first class mail, the fifth day after mailing.

8.6 **Resolution of Inconsistencies.** If there are inconsistencies between this Agreement and the Articles, the Articles will control. If there are inconsistencies between this Agreement and the Act, this Agreement will control, except to the extent the inconsistencies relate to provisions of the Act that the Members cannot alter by agreement. Without limiting the generality of the foregoing, unless the language or context clearly indicates a different intent, the provisions of this Agreement pertaining to the Company's governance and financial affairs and the rights of the Member upon Disassociation and dissolution will supersede the provisions of the Act relating to the same matters.

8.7 **Additional Instruments.** The Member will execute and deliver any document or statement necessary to give effect to the terms of this Agreement or to comply with any law, rule, or regulation governing the Company's formation and activities.

8.8 **Computation of Time.** In computing any period of time under this Agreement, the day of the act or event from which the specified period begins to run is not to be included. The last day of the period is included, unless it is a Saturday, Sunday, or legal holiday, in which case the period will run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

8.9 **General Construction Principles.** Words in any gender are deemed to include the other genders. The singular is deemed to include the plural and vice versa. The headings and underlined paragraph titles are for guidance only and have no significance in the interpretation of this Agreement.



8.10 **Binding Effects.** Subject to the provisions of this Agreement relating to the transferability of Membership Interests and the rights of Transferees, this Agreement is binding on and will inure to the benefit of the Company, the Member and their respective distributees, successors and assigns.

8.11 **Governing Law.** Idaho law governs the construction and application of the terms of this Agreement.

8.12 **Counterparts.** This Agreement may be executed in counterparts, each of which will be considered an original.

Signed on the respective dates set forth below, to be effective as of September 1, 2023.

**MEMBER:**

\_\_\_\_\_  
Taylor Joseph Bertin

\_\_\_\_\_  
Date

**MANAGER:**

\_\_\_\_\_  
Taylor Joseph Bertin

\_\_\_\_\_  
Date

**Exhibit A**  
**Company Net Value**

<u>DATE</u>	<u>VALUE</u>
Upon Formation	\$0.00
January 1, 2024	_____
January 1, 2025	_____
January 1, 2026	_____
January 1, 2027	_____
January 1, 2028	_____

**ORGANIZATIONAL  
RESOLUTION OF THE MEMBER OF  
BERTIN HOLDINGS, LLC**

The undersigned, being the sole Member of Bertin Holdings, LLC, an Idaho limited liability company (hereinafter the “Company”), hereby unanimously adopt the following resolution, which shall supersede any provisions of the Operating Agreement. All articles of the Operating Agreement not modified by this Resolution shall remain in effect and binding upon the Member:

IT IS RESOLVED, that the Company adopt the following Membership ownership percentages for the Member of the Company:

Member	Profit %	Loss %	Ownership %
Taylor Joseph Bertin [REDACTED] [REDACTED]	100%	100%	100%

IT IS FURTHER RESOLVED, that Taylor Joseph Bertin, located at 290 Market Street, Unit 702, Minneapolis, Minnesota 55405, shall serve as Manager of the Company until the Manager’s resignation or removal pursuant to Article 4 of the Operating Agreement.

IT IS FURTHER RESOLVED, that the address of the Company is 290 Market Street, Unit 702, Minneapolis, Minnesota 55405, and the Company shall report its tax return in the cash basis format on the calendar year.

IT IS FURTHER RESOLVED, that the Company’s registered and designated office in Idaho is located at 1555 West Shoreline Drive, Suite 100, Boise, Idaho 83702, and its registered agent at that location is Registered Agent Solutions, Inc.

IT IS FURTHER RESOLVED that the Company shall establish an expense reimbursement policy pursuant to Reg. 1.62-2, which shall automatically renew on an annual basis, upon the following terms and conditions:

1. An employee of Company shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of Company, if the expenses are adequately substantiated;
2. Company will not reimburse employees for business or professional expenses incurred on behalf of Company that are not properly substantiated;
3. All expenses must be substantiated within sixty (60) days or less after the expense is paid or incurred;
4. In general, to substantiate an expense, employees must provide to Company adequate records of:
  - a. The amount of the expense;
  - b. The date and time of the expense;
  - c. Where applicable, the place of any travel; and
  - d. The business purpose of the expense.
5. In lieu of reimbursing an employee for actual expenses paid or incurred in connection with transportation costs, Company may choose to pay a mileage allowance, based upon actual miles traveled, as substantiated by employee in addition to the items above.
6. For business travel away from the employee’s home, the Company may choose to pay a per diem allowance for meals and lodging in lieu of actual expenses. Any mileage or per diem allowance will be paid to the employee at the then applicable rate established by the Commissioner of Internal Revenue.

7. Under certain circumstances, Company may advance funds to an employee to defray future business expenses. Any advance will generally be made within thirty (30) days of when the employee is expected to pay or incur the expense. The employee must substantiate all expenses according to the accountable plan. In addition, the employee must return (or repay), within a reasonable time, any amounts advanced in excess of substantiated expenses.

IN WITNESS WHEREOF, each of the undersigned has executed this resolution on the respective dates set forth below, to be effective as of September 15, 2023.

**MEMBER:**

\_\_\_\_\_  
Taylor Joseph Bertin

\_\_\_\_\_  
Date

**MANAGER:**

\_\_\_\_\_  
Taylor Joseph Bertin

\_\_\_\_\_  
Date