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## Single-Member LLC Operating Agreement

### *State of Alabama*

This is a Single-Member LLC Operating Agreement (hereinafter "Agreement") for the LLC described below, executed as of \_\_\_\_\_, for good and valuable consideration.

### **Article 1 - FORMATION & LLC INFORMATION:**

**a. Name & state.** This Agreement is made for the Limited Liability Company of the following name: \_\_\_\_\_ (the "LLC"). The LLC is formed pursuant to the laws of the state of Alabama. The LLC is a Professional LLC.

**b. Address.** The mailing address and the street address (principal office address) for the LLC are as follows:

\_\_\_\_\_

The principal and mailing address of the LLC may change as the sole Member, described below, designates.

**c. Registered agent.** The name and address of the registered agent (or statutory agent, as applicable) are as follows:

Name: \_\_\_\_\_

Address:

\_\_\_\_\_

The LLC may change its registered or statutory agent, as the Member may decide, by filing a relevant statement with the state of Alabama.

## **Article 2 - PURPOSE:**

**a. Professional services.** The purpose of the Limited Liability Company is to provide the following professional services:

\_\_\_\_\_

**b. Powers.** The LLC shall have any and all powers available to limited liability companies under the laws of the state of Alabama.

## **Article 3 - DURATION:**

The duration of this LLC shall be perpetual in nature.

The LLC may be terminated if:

1. The Member decides to dissolve the LLC and does so through a valid vote.
2. The Member passes away.
3. The continued existence of the LLC becomes unlawful for any reason.
4. A judicial order dissolves the LLC.
5. Any state or federal law requires dissolution based on any event or action.

## **Article 4 - MEMBER:**

**a. The LLC only has one Member.** The sole Member's information is below:

Name: \_\_\_\_\_

Address:

\_\_\_\_\_

Cash contribution of \$2(two US dollars)

**b. Management.** General management of the LLC is vested in the Member.

**c. Initial Contributions.** Member may not receive interest on their initial contribution

and is permitted return of their initial contribution if expressly provided in this Agreement or under the laws of Alabama.

**d. Additional Contributions.** Additional financial contributions may be required from time to time from the Member.

**e. Liability.** Member shall not be personally liable for any act, omission, obligation, debt, or liability under the LLC, beyond their initial contribution, including for any decisions or holdings which may come from a court of competent jurisdiction or other judicial or regulatory body. Member's initial contribution is subordinate to all other debts and liabilities of the LLC. If no funds remain within the LLC after the repayment of any debts or liabilities, Member will have no ability to obtain repayment of their initial contribution, unless specifically accounted for elsewhere in this Agreement or under relevant law.

**f. Member payment to LLC.** For any payment of funds from the Member to the LLC not specifically stated to be a contribution, that payment will be treated as a debt owed by the LLC to the Member, to be paid back with interest determined at the time the debt is made.

**g. Authority to bind.** Member has the ability to bind the LLC in contract.

**h. Agency.** Member is an agent of the LLC and shall be entitled to act accordingly. All legal obligations created by the authority of the Member shall be valid.

**i. Valuation.** For any required valuation of ownership interest or valuation of the LLC as a whole, Member will utilize a fair market appraisal of the LLC taken under generally accepted accounting principles (GAAP). Member will hire an independent appraiser to complete the valuation.

**j. New Members.** Any Member that wishes to entirely relinquish their Member interest must first ensure that they are not the sole Member. If so, the LLC must be dissolved. Members may relinquish only part of their interest to create new members. New Members may also be created when any Member among two or more Members decides to entirely relinquish their interest. If no current Member wishes to purchase the interest, the Membership, in full or in part, may be transferred to a non-Member who will agree in writing to be bound by the terms and conditions outlined in this Agreement and by the terms of any applicable organization document filed with the relevant Alabama authority.

## **Article 5 - INDEMNIFICATION:**

**a. No liability.** No Member, Officer, or employee of the LLC shall be liable to the LLC for

any claim or damage any person or entity may have against the LLC which may have been caused by any act of the Member, Officer, or employee while acting on behalf of the LLC with proper authorization, unless such claim or damage was caused by the Member, Officer, or employee through gross negligence or willful misconduct.

**b. Indemnification.** The LLC shall indemnify any Member, Officer, or employee of the LLC who was acting on behalf of the LLC with proper authorization who may be subject to any legal action, claim, demand, suit, or proceeding. Such indemnification shall include repayment of legal fees.

This subpart shall not apply to indemnify any Member, Officer, or employer who was acting in gross negligence or willful misconduct.

## **Article 6 - VOTING:**

**a. Voting rights.** In any situation where Member decides to expand the LLC and there is more than one Member, each Member shall receive votes based on their percentage interest in the LLC.

## **Article 7 - DUTIES:**

Member will be responsible for ensuring the LLC's completion of the following:

1. Payment of wages and salaries to any employees of the LLC, through the LLC's own financial accounts;
2. Keeping of adequate records for the LLC, including, if needed, for any large action items or resolutions;
3. Any and all formal requirements imposed on LLCs under relevant state law.

**a. Duties of loyalty and care.** Member owes a duty of loyalty and duty of care to the LLC. Member may not engage in any business or venture which is similar in nature to the business of the LLC or in competition with the LLC.

**b. Duty to devote time.** Member has a duty to devote reasonable time to the LLC for the purposes of ensuring the smooth operation of the business of the LLC.

**c. Fiduciary duties.** Member owes fiduciary duties of good faith and fair dealing to the LLC only. Member also owes a duty of disclosure to the LLC.

## **Article 8 - FISCAL CONSIDERATIONS:**

**a. Tax/fiscal closing.** The tax/fiscal closing month for the LLC is January. The LLC must pay all taxes required under state and Federal law, as applicable.

**b. Duty to maintain books.** Member will be responsible for ensuring the maintenance of separate financial records for the LLC, unrelated to any individual person or Member, which may include bank accounts, checks, invoices, books, financial statements and any other pertinent financial record or account. Such separate accounts and records also include assets of the LLC, which shall not be commingled with the assets of any person or Member. Books will be maintained with GAAP.

**c. Records.** All records, including financial records, of the LLC will be held at the LLC's principal place of business.

**d.**

**e. Distributions.** Distributions may be made weekly or on a discretionary basis, but are not required. Distributions will not exceed the LLC's net profit. If there is more than one, Members will receive distributions according to the specific percentages of ownership each Member holds.

**f. Tax treatment.** The LLC has elected to be taxed as a corporation through the Internal Revenue Service (IRS), meaning that the entity itself will be taxed on its profits prior to the Member being taxed on distributions.

**g. Annual report.** At the close of each fiscal year, the LLC will compile an annual report to assist in the filing of Member's federal taxes. The annual report will contain, at minimum, a copy of the LLC's federal tax returns for that fiscal year.

**h.**

**i. Title.** Title to all LLC property will be vested in the name of the LLC and not the name of the Member.

## **Article 9 - OFFICERS:**

Member shall have the authority to appoint Officers of the LLC. Such Officers shall include, at minimum, a President, Secretary, and Treasurer. Member may decide to create additional Officers through votes and may determine the titles, powers, and responsibilities of each Officer. Officers shall have powers and duties as the Member

decides. The term of office for each Officer will be dictated by the Member and may be until a successor is chosen.

Officers may be removed with or without cause at any time by the Member.

If any Office is vacant, the Member may fill such Office through an appointment.

Officers may act as agents of the LLC with respect to the power and duties they are delegated by the Member. Officers owe fiduciary duties of loyalty and care to the LLC.

**a. President.** The President shall have the power and responsibility to oversee the general business of the LLC. The President shall preside over the meetings of the LLC, if any, and will be responsible for enacting all business voted on. The Member may elect to allow the President to act additionally as the Chief Operating Officer of the LLC or may elect a Chairperson to do so. If the President is Chief Operating Officer, the President shall be permitted to execute contracts on behalf of the LLC unless someone else's signature is explicitly required by the contract or applicable law.

**b. Secretary.** The Secretary shall be responsible for maintaining all records of the LLC and completing any filings, except financial filings, as required by applicable law. The Secretary will provide notice to all required parties about any and all meetings of the LLC, both regularly scheduled and special, if any. The Secretary shall record and keep all minutes of the meetings of the LLC, if any, and will create and file any reports for the LLC, except financial reports.

**c. Treasurer.** The Treasurer is responsible for maintaining all financial books and records of the LLC and for completing any financial filings required by applicable law. The Treasurer shall maintain the accounts of the LLC using GAAP and shall review such accounts from time to time to ensure all are as expected. The Treasurer will be responsible for disbursing funds to the LLC and to Member and Officers as required. The Treasurer, in conjunction with the President and Secretary, will be responsible for providing distributions. The Treasurer will be required to complete an annual financial report every year for filing with the state of Alabama.

**d. Additional officers.** The LLC may elect additional Officers, including, as mentioned above, a Chairperson. Additional elections may also include any number of Vice-Presidents, as required and contemplated by the Member. Assistant Officers may be elected to manage responsibilities for the Officers at any time the Officers may not be present or if the Officers need additional help.

## **Article 10 - DISSOLUTION/WRAPPING UP:**

**a. Term.** The LLC may dissolve upon the occurrence of any of the events listed in the Article entitled "Duration," above, or upon the decision of the Member.

**b. Winding up.** Winding up the business of the LLC will be the responsibility of the Member. Duties in winding up may include satisfying any creditors, liquidating assets, ensuring the cancelation of outstanding contracts, and any other actions the Member deem appropriate.

**c. Accounting.** The Treasurer of the LLC shall be responsible to provide an accounting to the Member of the final assets and liabilities, including liquid funds, if any, at dissolution.

**d. Funds priority.** At dissolution, liquidated funds will be disbursed with the following priority:

1. to satisfy non-Member creditors;
2. to satisfy Member creditors to whom the LLC has a debt obligation;
3. recovery of the Member's initial contributions;
4. remaining distributions to Member.

**e.**

#### **Article 11 - GENERAL PROVISIONS:**

**a. Language.** All communications made or notices given pursuant to this Agreement shall be in the English language.

**b.**

**c. Entire agreement.** This Agreement constitutes the entire understanding between the Member and the LLC with respect to the subject matter covered herein. This Agreement supersedes and replaces all prior or contemporaneous agreements or understandings, written or oral, regarding the LLC.

**d. Governing law.** This Agreement shall be governed by and construed in accordance with the internal laws of Alabama without giving effect to any choice or conflict of law provision or rule.

**e. Amendment.** This Agreement may be amended by the Member, or if there are multiple members, only if agreed to in writing by each and all of the then-current Members of the LLC.

**f.**

**EXECUTION:**

\_\_\_\_\_

Signature:\_\_\_\_\_