Exhibit 7.20.4-12 (12-05-2006)
Limited Liability Companies

Limited Liability Company Reference Guide Sheet

This Reference Guide Sheet is designed to help process: (1) requests for information on the treatment, under federal tax law, of limited liability companies associated with tax-exempt organizations, and (2) IRC 501(c)(3) exemption applications filed by limited liability companies. Refer to the Instructions for Limited Liability Company Reference Guide Sheet to help complete this Guide Sheet. The Instructions also reference additional resources and a model information letter. Exemption applications filed by LLCs under sections other than 501(c)(3) should be coordinated with the EO Group Manager, since the application of federal tax law to such LLCs is not entirely clear.

	PART I -- This part addresses general federal tax issues that may arise regarding an LLC:	**YES**	**NO**
1	Has information been requested regarding the treatment of an LLC that is associated with a tax-exempt organization? If "Yes," consider sending the model information letter that is referenced in the attached instructions.		
2	Has an LLC applied for recognition of exemption by filing a Form 1023 application? If "Yes," continue to Part II.		

PART II -- This part addresses issues that may arise regarding a Form 1023 application filed by an LLC for exemption under section 501(c)(3). A "Yes" response generally indicates that the LLC meets the organizational test for exemption, though the activities of the LLC should still be examined to confirm that it meets the operational test. Any "No" response indicates that a requirement for exemption has not been satisfied. In this circumstance, the application should be coordinated with the EO Group Manager.

1	Do the organizational documents (*e.g.,* Articles of Organization, Operating Agreement (or their equivalents)) include a specific statement limiting the LLC to one or more exempt purposes?		
2	Do the organizational documents specify that the LLC is operated exclusively to further the exempt purpose(s) of its members?		
3	Does the organizational language require that the LLC's members be limited to section 501(c)(3) organizations, governmental units, or wholly owned instrumentalities of a state or political subdivision thereof?		

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	Part II (continued)	YES	NO
4	Does the organizational language prohibit any direct or indirect transfer of any membership interest in the LLC to a transferee other than a section 501(c)(3) organization or governmental unit or instrumentality?		
5	Does the organizational language state that the LLC's assets may only be transferred (whether directly or indirectly) to any nonmember, other than a section 501(c)(3) organization or governmental unit or instrumentality, in exchange for fair market value?		
6	Does the organizational language provide that upon dissolution of the LLC, the LLC's assets will continue to be devoted to tax-exempt purposes?		
7	Does the organizational language require that any amendments to the LLC's articles of organization and operating agreement be consistent with section 501(c)(3)?		
8	Does the organizational language prohibit the LLC from merging with, or converting into, an entity that is not exempt under section 501(c)(3)?		
9	Does the organizational language prohibit the LLC from distributing any assets, other than in exchange for fair market value, to members who have ceased to be either organizations described in section 501(c)(3) or governmental units or instrumentalities?		
10	Does the organizational language include an acceptable contingency plan in the event one or more members of the LLC ceases at any time to be an organization described in section 501(c)(3) or a governmental unit or instrumentality?		
11	Does the organizational language state that the LLC's tax-exempt members will expeditiously and vigorously enforce all of their rights in the LLC and pursue all legal and equitable remedies to protect their interests in the LLC?		
12	Does the LLC represent, in a separate written statement, that all of its organizing document provisions are consistent with state LLC laws, and are enforceable at law and in equity?		

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Instructions for Limited Liability Company Reference Guide Sheet

Parts I and II of these instructions provide information keyed to certain questions in the Limited Liability Company Reference Guide Sheet. Part III provides additional resources regarding limited liability companies. Part IV provides a model information letter that explains the federal tax treatment applicable to a limited liability company in the context of exempt organizations.

PART I

This part addresses general federal tax issues that may arise regarding an LLC that is associated with a tax-exempt organization. A tax-exempt entity may choose to become a member or owner of an LLC with other members or owners, or to establish an LLC of which it is the sole owner or member for a variety of legitimate business reasons. The terms "owner" and "member" are used interchangeably throughout these instructions.

An LLC with two or more owners may elect to be treated either as a partnership or as an association that is taxable as a corporation.

A domestic LLC with a single owner is disregarded for federal tax purposes unless it elects to be regarded separately from its member, in which case it is treated as an association that is taxable as a corporation. A disregarded LLC whose sole owner is exempt from federal income tax under section 501(a) of the Code is not required to pay federal taxes or file a federal tax or information return; that is the responsibility of its sole owner. See Announcement 99-102. 1999-43 I.R.B. 545. The disregarded entity receives the benefit of its owner's tax-exempt status, including exemption from federal income tax, federal unemployment tax, and other federal taxes where applicable. A disregarded entity may also choose to report and pay employment tax for its employees. See Notice 99-6, 1999-3 I.R.B. 12. Nevertheless, the sole owner is generally protected against potential liabilities that may arise, under state law, from the activities of its disregarded entity.

Question 1

Where an organization has requested information regarding the federal tax law applicable to an LLC that is associated with a tax-exempt organization, the attached model information letter (see Part IV below) may be used.

The IRS does not issue letters that classify organizations as disregarded entities. Rather, section 301.7701 of the Procedure and Administration Regulations contemplates that an LLC with a single owner would make an election to be treated as either a disregarded entity or a regarded entity of its owner, without the necessity of the Service making a determination.

If a tax-exempt organization requests a determination letter confirming that a particular LLC is exempt from federal income tax because it is a disregarded entity, the attached model information letter should be sent in response. The relevant language of the model information letter states, "Where an exempt organization that is the sole owner of an LLC needs to

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demonstrate the status of the LLC as a disregarded entity, such as to state officials, it should consider providing a copy of its annual information return since that return would include financial and operational information of the disregarded LLC."

A tax-exempt organization may request a private letter ruling regarding the proposed activities of its disregarded entity. As noted in the model information letter, "an organization may request a private letter ruling regarding proposed transactions involving a disregarded LLC, such as whether a transaction would adversely affect the organization's tax-exempt status or result in unrelated trade or business taxation."

A tax exempt organization that is the sole owner of a disregarded LLC will not jeopardize its exempt status merely because the organizational documents of the LLC do not contain specific language limiting the LLC's purposes to one or more exempt purposes. However, the exempt status of the owner may be adversely affected if the disregarded LLC's organizational documents provide that the LLC will operate for purposes that are contrary to the tax-exempt purposes of the owner.

Announcement 99-102, 1999-43 I.R.B. 545 requires the exempt owner of a disregarded LLC to treat the operations and finances of the LLC as its own for federal tax and information reporting purposes. Although the LLC may be disregarded as a separate entity, it is not disregarded as an activity of its sole owner. Rather, the disregarded LLC's activities are treated as the activities of the owner. Therefore, if the disregarded entity's activities are contrary to the tax-exempt purposes of its sole owner, they may adversely affect the owner's tax-exempt status or create tax liability for the owner.

A single-owner LLC that is initially disregarded will be treated as an entity separate from its owner if it: (1) expands its ownership from one owner to two or more owners; (2) files for separate entity treatment on Form 8832 (see section 301.7701-3(c)(1)(i) of the Income Tax Regulations), or (3) claims exemption from taxation, *e.g.*, by filing a Form 1023 or 990, or is otherwise determined to be exempt. See section 301.7701-3(c)(1)(v)(A) of the regulations. In the latter case, the LLC is treated as having made the election for the period it claims exemption or is determined to be exempt. Upon making this election, the LLC is no longer disregarded, and is treated either as a partnership or as an association taxable as a corporation for federal tax purposes.

An LLC's election to be regarded as an entity separate from its owner triggers the exemption notification requirements under section 508 of the Code, requiring the LLC to apply for recognition of federal tax exemption. The section 508 notice period for filing an application for recognition of exemption begins upon the date the LLC ceases to be a disregarded entity.

Question 2

If an LLC wants to obtain its own exemption as a separate entity, it may file a Form 1023 exemption application. Both single-owner LLCs and LLCs with multiple members may file an exemption application. If an LLC is a disregarded entity, and if there is any doubt about whether it understands that by filing an exemption application it has made an election to be treated as a separate organization from its sole owner, the LLC should be contacted to affirm its intention.

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PART II

This part addresses issues that may arise when an LLC applies for exemption under section 501(c)(3) of the Code separately from its owner.

Generally, both the LLC's articles of organization and its operating agreement (referred to in some states as "regulations") should separately meet the first 11 conditions described in the Reference Guide Sheet. The 12th condition should be met in a separate written representation submitted as part of the application process. For LLCs organized in states that restrict information that can be included in an LLC's articles of organization (*e.g.*, name, address, whether the LLC is managed by its owners/members), the LLC may meet the first 11 conditions through language in its operating agreement, regulations, or equivalent governing document.

When an LLC is unwilling or unable to meet the 12 conditions set forth in the Guide Sheet, or when it is questionable whether an LLC's governing documents comply with the 12 conditions (*e.g.*, where terms are ambiguous or appear to conflict with one another and the organization refuses to modify), then the application should be coordinated with the appropriate EO Determinations group manager for possible consultation with or referral to EO Technical.

Question 1

The requirement that the LLC's organizational documents include a specific statement limiting the LLC to one or more exempt purposes may be satisfied by including standard purposes and activities clauses that satisfy the organizational test applicable to charitable organizations. Question 6, below, provides instructions relating to dissolution.

Question 2

Like Question 1, the requirement that the organizational documents specify that the LLC is operated exclusively to further the exempt purposes of its member(s) is intended to ensure that its assets are used exclusively for exempt purposes, and do not inure to the benefit of any private shareholder or individual.

Question 3

Question 3 on the Reference Guide Sheet asks whether the LLC's organizational language requires that the LLC's members be limited to 501(c)(3) organizations, governmental units, or wholly owned instrumentalities of a state or political subdivision. An LLC applying for exemption under section 501(c)(3) cannot have any members that are individuals or are organizations other than 501(c)(3) organizations or governmental units or instrumentalities. A "government unit" generally includes the United States, a state, a possession of the United States, or a political subdivision of a state or the United States. An "instrumentality" of the government generally includes fire departments, public libraries, state colleges, port authorities, and other entities that are used for a government purpose and perform a government function on behalf of one or more government units.

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The LLC must identify its members; a mere representation that it will, in the future, obtain members that are 501(c)(3) organizations or government units or instrumentalities is not sufficient. This requirement is a difficult hurdle for many LLC applicants.

Question 5

Question 5 on the Guide Sheet asks whether the LLC's organizational language states that its assets may only be transferred to any nonmember, other than a section 501(c)(3) organization or governmental unit or instrumentality, in exchange for fair market value. This provision helps ensure that the LLC's assets are devoted exclusively to charitable purposes, and that any dealings it has with private parties are at arm's length.

Question 6

Question 6 on the Guide Sheet asks whether the organizational language provides that upon dissolution of the LLC, the LLC's assets will continue to be devoted to charitable purposes. This requirement may be satisfied by a standard 501(c)(3) dissolution clause.

Question 10

This question asks whether the LLC's organizational language includes an acceptable contingency plan in the event one or more of the LLC's members ceases to be a 501(c)(3) organization or a governmental unit or instrumentality. This condition may be satisfied by requiring a forfeiture of such nonexempt members' interests in the LLC, or by requiring the nonexempt member(s) to sell its interests in the LLC to a section 501(c)(3) organization or governmental unit or instrumentality. The plan cannot involve a distribution of the LLC's assets to the nonexempt member, other than in exchange for fair market value. The plan should ensure that the nonexempt member's rights in the LLC are fully terminated within a reasonable time, *e.g.*, 90 days from the date that a member ceases to be organized or operated exclusively for tax-exempt purposes under section 501(c)(3).

PART III -- Other Resources

a. 2000 CPE, Part I, Topic II - *Limited Liability Companies as Exempt Organizations*

b. 2001 CPE, Part I, Topic B - *Limited Liability Companies as Exempt Organizations--Update*

c. IRS Publication 3402, *Tax Issues for Limited Liability Companies*

d. Notice 99-6, 1999-3 I.R.B. 12

e. Announcement 99-102, 1999-43 I.R.B. 545

f. Model Information Letter (see Part IV below)

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PART IV -- Model Information Letter

Date:

Contact Person:

Identification Number:

Telephone Number:

Dear:

This letter responds to your request for information regarding the treatment of a limited liability company ("LLC") for federal tax purposes.

A domestic LLC with a single owner or member (hereafter "owner") is disregarded for federal tax purposes unless it elects to be regarded separately from its owner or member, in which case it is treated as an association that is taxable as a corporation. An LLC with two or more owners or members may elect to be treated either as a partnership or as an association that is taxable as a corporation.

If the sole owner of a disregarded LLC is a tax-exempt organization described in section 501(a) of the Internal Revenue Code, then the LLC is treated as a component part of the exempt organization, unless it elects to be regarded separately. See Announcement 99-102, 1999-43 I.R.B. 545. Announcement 99-102 requires the exempt owner of a disregarded LLC to treat the operations and finances of the LLC as its own in filing an annual information return as required under section 6033 of the Code.

As a general rule, a disregarded LLC whose sole owner is exempt from federal income tax under section 501(a) of the Code is not required to pay federal taxes or file a federal tax or information return; that is the responsibility of its sole owner. The disregarded entity receives the benefit of its owner's tax-exempt status, including exemption from federal income tax, federal unemployment tax, and other federal taxes where applicable. A disregarded entity may choose to report and pay employment tax for its employees, but otherwise be treated as a disregarded entity. See Notice 99-6, 1999-3 I.R.B. 12.

A disregarded entity is allowed, but is not required, to obtain its own employer identification number (EIN). It generally cannot use this EIN for federal tax purposes, but must use its owner's EIN. However, the disregarded entity may use its own name and EIN to report and pay employment taxes. See Notice 99-6. A disregarded entity that becomes regarded must obtain and use its own EIN separate from its owner's EIN. See section 301.6109-1(h)(2)(ii) of the Procedure and Administration regulations.

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Where an exempt organization that is the sole member of an LLC needs to demonstrate the status of the LLC as a disregarded entity, such as to state officials, it should consider providing a copy of its annual information return, since that return would include financial and operational information of the disregarded LLC. In addition, an organization may request a private letter ruling regarding proposed transactions involving a disregarded LLC, such as whether such transaction would adversely affect the organization's tax-exempt status or result in unrelated trade or business taxation. See Revenue Procedure 2006-4, 2006-1 I.R.B. 132 (updated annually).

A single-owner LLC may affirmatively elect to be regarded separately from its sole owner for federal tax purposes by (1) obtaining more than one owner or member; (2) filing Form 8832 (Entity Classification Election) and electing classification as an association taxable as a corporation; or (3) claiming tax-exempt status. An organization may claim tax-exempt status for purposes of electing to be regarded separately from its sole member or owner for federal tax purposes by filing its own exemption application (*e.g.,* Form 1023 or 1024) or annual information return (*e.g.,* Form 990, 990-PF or 990-EZ). A disregarded LLC that claims its own tax-exempt status is treated as electing status as an association that is taxable as a corporation. The rules applicable to LLC classification elections are spelled out in section 301.7701 of the regulations.

A tax exempt organization that is the sole owner of a disregarded LLC will not jeopardize its exempt status merely because the organizational documents of the LLC do not contain specific language limiting the LLC's purposes to one or more exempt purposes. However, the exempt status of the owner may be adversely affected if the disregarded LLC's organizational documents provide that the LLC will be operated for purposes that are contrary to the tax-exempt purposes of the owner.

We believe this general information will be of assistance to you. If you have any questions, please contact the person whose name and telephone number are listed in the heading of this letter.

Sincerely,