

**OPERATING AGREEMENT
(One Member)**

OF

_____, **LC**

a Utah Limited Liability Company

_____, **200**__

**OPERATING AGREEMENT
OF
_____, LC**

THIS OPERATING AGREEMENT OF _____, LC, a limited liability company organized under the laws of the State of Utah (the "Company"), is made and entered into as of this ____ day of _____, 200__, for purposes of forming a limited liability company by _____¹ and setting forth guidelines that constitute the Company's Operating Agreement.

1. Governing Law. The terms and provisions of this Agreement will be construed and interpreted in accordance with the terms and provisions of the Utah Limited Liability Company Act. The Company shall be subject to the provisions of such Act.²

2. OMISSION OF THE ABBREVIATION "L.C." IN THE COMMERCIAL USE OF THE NAME OF THE COMPANY SHALL RENDER ANY PERSON WHO PARTICIPATES IN SUCH OMISSION, OR KNOWINGLY ACQUIESCES IN IT, LIABLE FOR ALL INDEBTEDNESS, DAMAGE, OR LIABILITY OCCASIONED BY SUCH OMISSION.

3. Capital Accounts.³ The Member shall have a Capital Account equal to:

(1) the amount of his or her cash and/or property contribution to the Company; plus

(2) the amount of Company net income and gain from the sale of any Company property ; and

(3) the amount of any additional capital contributions made by the Member; less

(4) the amount of Company net operating losses and losses from the sale of any Company property; and less

(5) the amount of cash or other assets distributed to such Member (net of any liabilities assumed by such Member in connection with a transfer).

Although the Company is a limited liability company, it is contemplated that for federal income tax purposes it will be treated as a partnership and its Member will be treated as a partner.⁴

¹When adding one or more additional member(s), you must seek advice of your attorney.

²Seek advise of your attorney regarding any questions you may have with respect to whether the Company's activities are restricted by or subject to the Act.

³Seek advice of an accountant regarding capital account accounting, profit, loss and income tax accounting.

4. Accounting Records.⁵ The Company shall keep adequate accounting records of the Company's business.

5. Bank Accounts. The funds of the Company shall be deposited in general accounts and operating accounts in a bank(s) as determined by the Member.

6. Method of Winding Up Company's Business. Upon the decision to terminate the Company's business, the proceeds from the liquidation and winding up shall be applied first to the payment of creditors of the Company, including the Member who is a creditor, to the extent permitted by law, in satisfaction of liabilities of the Company other than those liabilities to Member on account of his or her contributions to the Company, and second all remaining assets of the Company, cash or property shall be distributed to the Member, when all debts, liabilities, and obligations of the Company have been paid or discharged, or adequate provisions have been made to do so. When all of the remaining property and assets of the Company have been distributed to the Member, Articles of Dissolution shall be executed and filed with the Utah Division of Corporations and Commercial Code.

7. Construction. It is the intent of the Member that the Company be treated as a partnership for federal and state income tax purposes, that the Member be recognized as a partner for federal and state income tax purposes, and that the profits and losses of the Company shall be included in the Member's gross income. It is also the intention of this Agreement that the Member obtains limited liability pursuant to the Utah Limited Liability Company Act and not be generally liable as a partner. All provisions of this Operating Agreement shall be construed in accordance with these expressed intentions.

IN WITNESS WHEREOF, the Member of the Company has executed this Agreement as of the date first above written.

MEMBER:

⁴The Company must file federal and state information income tax returns. Seek advice of an accountant regarding tax return preparation and filing.

⁵Seek advice of an accountant regarding capital account accounting, profit, loss and income tax accounting.