SPECIAL PARTNERSHIP INCOME AND LOSS ALLOCATION AGREEMENT

This Special Partnership Income and Loss Allocation Agreement (the "Agreement") is entered into as of ________________, 20 ________, by and among the partners of ________________________________ (the "Partnership").

RECITALS

WHEREAS, the Partnership is governed by that certain Partnership Agreement dated ________________, 20________ (the "Partnership Agreement"); and

WHEREAS, the Partners desire to provide for a special allocation of certain items of partnership income, gain, loss, deduction, or credit, pursuant to Section 704(b) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder; and

WHEREAS, the Partners agree that such allocations have substantial economic effect and reflect their economic arrangements;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Partners agree as follows:

1. SPECIAL ALLOCATIONS

Notwithstanding anything to the contrary in the Partnership Agreement, the specific items of Partnership income, gain, loss, deduction, or credit described below shall be allocated among the Partners as follows for the taxable year ending ________________, 20 ________, and all subsequent taxable years unless amended by the Partners:

Partner Name	Allocation Item Description	Allocation Percentage / Amount
________________________________	________________________________	________________
________________________________	________________________________	________________
________________________________	________________________________	________________
________________________________	________________________________	________________

2. COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 704(B)

1. **Capital Accounts:** Capital accounts shall be maintained in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv).
2. **Liquidation:** Upon liquidation of the Partnership (or any Partner's interest), liquidating distributions shall be made in accordance with the positive capital account balances of the Partners.
3. **Deficit Restoration / Qualified Income Offset:** To the extent required by law, if any Partner has a deficit balance in their capital account following the liquidation of their interest, such Partner shall be obligated to restore the amount of such deficit, or alternatively, the Partnership Agreement's qualified income offset provisions shall apply to ensure substantial economic effect.

3. INTEGRATION WITH PARTNERSHIP AGREEMENT

This Agreement is an amendment to and shall be read in conjunction with the Partnership Agreement. In the event of any conflict between the terms of this Agreement and the Partnership Agreement regarding the allocation of the specified items herein, the terms of this Agreement shall govern.

4. GOVERNING LAW

This Agreement shall be construed, interpreted, and governed by the laws of the State of ____________________, without regard to its conflict of law principles.

5. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Partners have executed this Special Partnership Income and Loss Allocation Agreement as of the date first written above.

PARTNER:

Signature: ____

Print Name: ____

Date: ____________________

PARTNER:

Signature: ____

Print Name: ____

Date: ____________________

PARTNER:

Signature: ____

Print Name: ____

Date: ____________________

PARTNER:

Signature: ____

Print Name: ____

Date: ____________________