

JOINT VENTURE TAX COMPLIANCE AND ACCOUNTING AGREEMENT

This Joint Venture Tax Compliance and Accounting Agreement (the "Agreement") is entered into as of _____, 20____, by and between the following parties:

Party A: _____, a _____ organized under the laws of _____, with its principal office located at _____.

Party B: _____, a _____ organized under the laws of _____, with its principal office located at _____.

Party A and Party B are hereinafter collectively referred to as the "Venturers" or "Parties" and individually as a "Venturer" or "Party."

RECITALS

WHEREAS, the Parties have entered into a Joint Venture Agreement dated _____, 20____ (the "JV Agreement"), establishing the joint venture known as _____ (the "Joint Venture"); and

WHEREAS, the Parties desire to establish terms and procedures governing the accounting, bookkeeping, financial reporting, and tax compliance matters of the Joint Venture to ensure mutual cooperation and compliance with applicable laws;

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 Parties agree as follows:

1. ACCOUNTING PRINCIPLES & BOOKS OF RECORD

- A. **Accounting Framework:** The books, records, and financial statements of the Joint Venture shall be prepared and maintained in accordance with _____ consistently applied.
- B. **Fiscal Year:** The fiscal year of the Joint Venture shall end on _____ of each year.
- C. **Maintenance of Books:** The primary books of account shall be kept at _____, and shall be accessible to either Party or its authorized representatives upon reasonable notice during normal business hours.
- D. **Designated Accountant:** The Joint Venture's accounting and day-to-day financial record keeping shall be managed by _____ (the "Accounting Administrator").

2. FINANCIAL REPORTING AND AUDITS

- A. **Periodic Reports:** The Accounting Administrator shall prepare and distribute to each Party:
- Monthly unaudited financial statements within _____ days following the end of each calendar month.
 - Quarterly financial statements and progress reports within _____ days following the end of each fiscal quarter.
- B. **Annual Audit:** Within _____ days after the close of each fiscal year, the financial statements of the Joint Venture shall be audited by an independent certified public accounting firm selected by _____.

3. TAX CLASSIFICATION & ELECTIONS

- A. **Tax Classification:** The Joint Venture shall be classified for federal, state, and local income tax purposes as a _____, and the Parties shall file all tax returns consistently with such classification.
- B. **Tax Decisions & Elections:** All major tax elections, including but not limited to depreciation methods, amortization periods, and accounting methods, shall be determined by the mutual written consent of both Parties.
- C. **Partnership Representative:** Pursuant to applicable tax regulations, _____ is hereby designated as the Partnership Representative (or equivalent tax matters partner) and shall have the authority to act on behalf of the Joint Venture in tax audits and proceedings, subject to the limitations set forth in Section 5 of this Agreement.

4. TAX RETURNS & FILING RESPONSIBILITIES

- A. **Preparation of Tax Returns:** The Accounting Administrator shall cause all federal, state, and local tax returns of the Joint Venture to be prepared at the expense of the Joint Venture.
- B. **Review Period:** Drafts of all tax returns shall be delivered to each Party at least _____ days prior to the statutory filing deadline (including extensions). Each Party shall have _____ days to review, comment on, and approve such returns.
- C. **Schedule K-1 and Information Reporting:** The Joint Venture shall deliver to each Party its respective Schedule K-1 and any other required tax information schedules on or before _____ of each year.

5. AUDITS AND TAX CONTROVERSIES

- A. **Notification:** The Partnership Representative shall notify the other Party within _____ business days of receiving any notice of inquiry, audit, assessment, or proceeding from any tax authority regarding the Joint Venture.
- B. **Consent for Settlement:** The Partnership Representative shall not settle, compromise, or agree to any tax adjustment with any taxing authority without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed.
- C. **Costs of Audit:** All reasonable out-of-pocket costs and professional fees incurred in connection with any tax audit or contest shall be borne by the Joint Venture.

6. INFORMATION SHARING AND COOPERATION

The Parties agree to cooperate fully with each other and to make available to each other, in a timely manner, all financial records, tax calculations, invoices, receipts, and other documents necessary for the preparation of tax returns, the response to tax inquiries, or the resolution of audits.

7. TERM AND TERMINATION

This Agreement shall remain in full force and effect until the liquidation and final winding up of the Joint Venture, and thereafter for so long as any statute of limitations remains open with respect to any tax return of the Joint Venture.

8. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without giving effect to any principles of conflicts of law. Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted in _____.

9. MISCELLANEOUS

- A. **Amendments:** This Agreement may be amended or modified only by a written instrument executed by authorized representatives of both Parties.
- B. **Entire Agreement:** This Agreement, together with the JV Agreement, constitutes the entire understanding between the Parties concerning the subject matter hereof and supersedes all prior agreements.

IN WITNESS WHEREOF, the Parties hereto have caused this Joint Venture Tax Compliance and Accounting Agreement to be executed by their duly authorized representatives as of the date first written above.

PARTY A:

By: _____

Title: _____

Date: _____

PARTY B:

By: _____

Title: _____

Date: _____