

PARTNERSHIP INSIDE BASIS ADJUSTMENT AGREEMENT

This Partnership Inside Basis Adjustment Agreement (this "Agreement") is entered into as of _____, 20_____, by and among the undersigned partners (each, a "Partner" and collectively, the "Partners") and _____, a partnership organized under the laws of the State of _____ (the "Partnership").

RECITALS

WHEREAS, the Partnership is governed by that certain Partnership Agreement dated as of _____, 20_____, (as amended from time to time, the "Partnership Agreement");

WHEREAS, a transfer of a partnership interest or a distribution of property has occurred, specifically: _____, on _____, 20_____ (the "Transaction");

WHEREAS, the Partnership has made, or intends to make, an election under Section 754 of the Internal Revenue Code of 1986, as amended (the "Code"), to adjust the basis of partnership property in the manner provided in Sections 734(b) and/or 743(b) of the Code; and

WHEREAS, the parties hereto desire to agree upon the calculation, allocation, and reporting of the inside basis adjustments resulting from the Transaction.

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

SECTION 1. SECTION 754 ELECTION

The Partnership shall maintain in effect its election under Section 754 of the Code for the taxable year in which the Transaction occurred, and for all subsequent taxable years, unless revoked with the consent of the Internal Revenue Service. If such election has not yet been filed, the Partnership shall timely file such election with its federal income tax return for the taxable year ending _____, 20_____.

SECTION 2. INSIDE BASIS ADJUSTMENT CALCULATION

The parties agree that the total amount of the inside basis adjustment resulting from the Transaction is \$ _____ (the "Adjustment Amount"). The Adjustment Amount shall be allocated to the Partnership's assets in accordance with Section 755 of the Code and the Treasury Regulations promulgated thereunder.

SECTION 3. ALLOCATION OF ADJUSTMENT AMONG PARTNERSHIP ASSETS

The Adjustment Amount shall be allocated to the specific assets of the Partnership as follows:

- _____ : \$ _____
- _____ : \$ _____
- _____ : \$ _____
- _____ : \$ _____

SECTION 4. REPORTING AND TAX FILINGS

The Partnership shall report the adjustments to the basis of its assets on its federal, state, and local income tax returns in a manner consistent with the allocation set forth in Section 3 of this Agreement. The Partnership shall provide Schedule K-1s to the Partners reflecting such adjustments in accordance with applicable Treasury Regulations. No party shall take any position on any tax return, or in any administrative or judicial proceeding, that is inconsistent with the terms of this Agreement.

SECTION 5. INFORMATION AND COOPERATION

Each Partner agrees to provide the Partnership, upon request, with all information, valuations, and documentation reasonably necessary

for the Partnership to calculate, allocate, and report the basis adjustments contemplated by this Agreement.

SECTION 6. MISCELLANEOUS

6.1 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without regard to principles of conflicts of law.

6.2 Counterparts

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

6.3 Amendments

This Agreement may not be amended, modified, or supplemented except by a written instrument signed by all parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Partnership Inside Basis Adjustment Agreement as of the date first written above.

PARTNERSHIP:

By: _____
Name: _____
Title: _____

PARTNER:

Signature: _____
Name: _____
Title: _____

PARTNER:

Signature: _____
Name: _____
Title: _____

PARTNER:

Signature: _____
Name: _____
Title: _____