

# **PARTNERSHIP SECTION 754 ELECTION AGREEMENT**

This Partnership Section 754 Election Agreement (the "Agreement") is entered into as of \_\_\_\_\_, by and among \_\_\_\_\_ (the "Partnership"), and the undersigned partners of the Partnership (collectively, the "Partners").

## **RECITALS**

**WHEREAS**, the Partnership is governed by that certain Partnership Agreement dated as of \_\_\_\_\_ (as amended from time to time, the "Partnership Agreement"); and

**WHEREAS**, a transfer of an interest in the Partnership or a distribution of property from the Partnership has occurred, or is anticipated to occur, which transaction is described as follows:

\_\_\_\_\_  
\_\_\_\_\_

; and

**WHEREAS**, the Partners deem it to be in the best interest of the Partnership and the Partners 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 and 743 of the Code.

**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 hereto agree as follows:

## **1. SECTION 754 ELECTION**

The Partnership, through its authorized officers, general partners, or partnership representative, shall timely file an election under Section 754 of the Code (the "Election") in accordance with Treasury Regulation Section 1.754-1(b). The Election shall be filed with the Partnership's federal income tax return for the taxable year ending \_\_\_\_\_, and shall apply to all subsequent taxable years of the Partnership unless and until such Election is revoked with the consent of the Commissioner of the Internal Revenue Service.

## **2. COOPERATION AND PROVISION OF INFORMATION**

Each Partner agrees to cooperate fully with the Partnership and to provide any and all information, valuations, and documentation reasonably requested by the Partnership or its tax advisors to compute the basis adjustments required under Sections 734 and 743 of the Code and to comply with all associated reporting requirements under Treasury Regulations.

## **3. ALLOCATION OF EXPENSES**

Any and all third-party costs, fees, and expenses incurred by the Partnership in connection with making the Election and computing the associated basis adjustments (including, but not limited to, legal, accounting, and appraisal fees) shall be: (check one)

- Borne entirely by the Partnership as a general expense.
- Allocated and charged specifically to the capital account of \_\_\_\_\_.
- Allocated among the Partners as follows: \_\_\_\_\_.

## **4. BINDING EFFECT**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs, executors, and administrators.

## **5. GOVERNING LAW**

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.

**6. 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.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

**PARTNERSHIP:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PARTNER:**

\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Title (if applicable): \_\_\_\_\_

**PARTNER:**

\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Title (if applicable): \_\_\_\_\_

**PARTNER:**

\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Title (if applicable): \_\_\_\_\_