

PARTNERSHIP TAX ALLOCATION AND COMPLIANCE AGREEMENT

This Partnership Tax Allocation and Compliance Agreement (the "Agreement") is entered into as of _____, 20_____, by and among the undersigned partners (each a "Partner" and collectively the "Partners") of _____ (the "Partnership").

RECITALS

WHEREAS, the Partners have formed a Partnership under the laws of the State of _____;

WHEREAS, the Partners desire to enter into this Agreement to govern the allocation of partnership income, gain, loss, deduction, and credit, and to ensure compliance with federal, state, and local tax laws, including regulations under Section 704 of the Internal Revenue Code;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Partners agree as follows:

SECTION 1: CAPITAL ACCOUNTS AND CONTRIBUTIONS

1.1 Establishment of Capital Accounts. The Partnership shall establish and maintain for each Partner a separate Capital Account in accordance with Internal Revenue Code Section 704(b) and the Treasury Regulations promulgated thereunder.

1.2 Initial Capital Contributions. The Partners have made or shall make initial capital contributions as set forth in the schedule below:

Partner Name	Capital Contribution (\$)	Partnership Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION 2: TAX ALLOCATIONS

2.1 Allocation of Net Income and Net Loss. Except as otherwise provided in this Agreement, Net Income and Net Loss of the Partnership for each fiscal year shall be allocated to the Capital Accounts of the Partners in proportion to their respective Partnership Interests.

2.2 Section 704(c) Allocations. In accordance with Internal Revenue Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial fair market value.

2.3 Special Allocations and Regulatory Safe Harbors. This Agreement incorporates by reference the "qualified income offset" provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and the "minimum gain chargeback" provisions of Treasury Regulation Sections 1.704-2(f) and 1.704-2(i)(4).

SECTION 3: TAX COMPLIANCE AND REPRESENTATIVE

3.1 Partnership Representative. _____ is hereby designated as the "Partnership Representative" under Internal Revenue Code Section 6223 and shall represent the Partnership in all examinations of the Partnership's affairs by tax authorities.

3.2 Tax Returns and Information. The Partnership Representative shall cause to be prepared and timely filed all required federal, state, and local tax returns. Schedule K-1s shall be delivered to each Partner within _____ days after the close of the

Partnership's fiscal year.

3.3 Partnership Elections. Any tax elections required or permitted to be made by the Partnership under the Internal Revenue Code shall be made in the sole discretion of the Partnership Representative, subject to the approval of Partners holding more than _____ % of the Partnership Interests.

SECTION 4: DISTRIBUTIONS

4.1 Tax Distributions. To the extent funds are legally available, the Partnership shall make cash distributions to each Partner in an amount sufficient to cover federal, state, and local income tax liabilities arising from allocations of taxable income from the Partnership. Tax distributions shall be calculated using the highest combined marginal tax rate applicable to any individual Partner, estimated at _____ %.

SECTION 5: MISCELLANEOUS

5.1 Governing Law This Agreement shall be construed, interpreted, and governed by the laws of the State of _____.

5.2 Amendments. No amendment or modification of this Agreement shall be valid or binding unless expressed in writing and signed by all Partners.

IN WITNESS WHEREOF, the Partners have executed this Partnership Tax Allocation and Compliance 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: _____