

PARTNERSHIP CAPITAL ACCOUNT RECONCILIATION AGREEMENT

AGREEMENT FOR MAINTENANCE OF PARTNER CAPITAL ACCOUNTS

This Partnership Capital Account Reconciliation Agreement (the "Agreement") is entered into and made effective as of this _____ day of _____, 20_____, by and among the undersigned partners:

Partner A: _____ residing at _____

Partner B: _____ residing at _____

Partner C: _____ residing at _____

collectively referred to herein as the "Partners," who are associated under the partnership known as _____ (the "Partnership").

RECITALS

WHEREAS, the Partners entered into a Partnership Agreement dated _____, 20_____; and

WHEREAS, the Partners desire to formally establish and outline the precise terms, conditions, and procedures for maintaining, adjusting, and reconciling the individual Capital Accounts of each Partner to ensure compliance with applicable financial and tax regulations.

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. ESTABLISHMENT OF CAPITAL ACCOUNTS

1. An individual Capital Account shall be established and maintained for each Partner in accordance with the rules of the Internal Revenue Code and Treasury Regulations.
2. The initial capital contribution of each Partner, valued as of the date of this Agreement, is agreed to be as follows:

Partner A: \$ _____ representing a _____ % interest.

Partner B: \$ _____ representing a _____ % interest.

Partner C: \$ _____ representing a _____ % interest.

2. MAINTENANCE AND ADJUSTMENTS

1. Each Partner's Capital Account shall be increased by:
 - a. The amount of any additional cash capital contributions made by the Partner.
 - b. The fair market value of any property contributed by the Partner to the Partnership (net of liabilities secured by such contributed property that the Partnership is considered to assume or take subject to).
 - c. The Partner's distributive share of Partnership income and gain (or items thereof).
2. Each Partner's Capital Account shall be decreased by:
 - a. The amount of money distributed to the Partner by the Partnership.
 - b. The fair market value of any property distributed to the Partner by the Partnership (net of liabilities secured by such distributed property that the Partner is considered to assume or take subject to).

c. The Partner's distributive share of Partnership loss and deduction (or items thereof).

3. RECONCILIATION PROCEDURES

1. The Capital Accounts shall be reconciled on a _____ basis.
2. The reconciliation process shall be conducted by _____ or an independent certified public accountant appointed by the Partners.
3. Upon completion of each reconciliation, the Partners shall receive a written report of the adjusted balances. Any objection to the reconciliation must be submitted in writing within _____ days of receipt, failing which the reconciliation shall be deemed final and binding.

4. GOVERNING LAW

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

IN WITNESS WHEREOF, the Partners have executed this Partnership Capital Account Reconciliation Agreement as of the date first written above.

Partner A Signature

Print Name: _____

Date: _____

Partner B Signature

Print Name: _____

Date: _____

Partner C Signature

Print Name: _____

Date: _____