

LIMITED LIABILITY PARTNERSHIP TAX ALLOCATION AND COMPLIANCE AGREEMENT

This Limited Liability Partnership Tax Allocation and Compliance Agreement (the "Agreement") is entered into and made effective as of _____, by and among _____ (the "Partnership") and the partners signatory hereto (individually, a "Partner" and collectively, the "Partners").

RECITALS

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

WHEREAS, the Partners desire to enter into this Agreement to establish the methods by which the Partnership's income, gains, losses, deductions, and credits shall be allocated for federal, state, and local income tax purposes, and to ensure compliance with the Internal Revenue Code (the "Code") and treasury regulations promulgated thereunder;

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:

SECTION 1: TAX CHARACTERIZATION AND CLASSIFICATION

The Partners intend for the Partnership to be classified as a partnership for federal, state, and local income tax purposes. No Partner, manager, or representative of the Partnership shall make an election to classify the Partnership as an association taxable as a corporation without the prior written consent of all Partners.

SECTION 2: ALLOCATIONS OF INCOME, GAIN, LOSS, AND DEDUCTION

Subject to compliance with Section 704(b) of the Code and the Treasury Regulations thereunder, the income, gain, loss, and deduction of the Partnership shall be allocated among the Partners in accordance with their partnership interests as set forth below:

- A. **General Allocations:** Except as otherwise provided in this Agreement, the net profits and net losses of the Partnership shall be allocated to the Partners in proportion to their respective percentage interests, which are as follows:
- Partner Name: _____ - Percentage Interest: _____ %
 - Partner Name: _____ - Percentage Interest: _____ %
 - Partner Name: _____ - Percentage Interest: _____ %
 - Partner Name: _____ - Percentage Interest: _____ %
- B. **Regulatory Allocations:** This Agreement shall be deemed to include "qualified income offset," "minimum gain chargeback," and "partner nonrecourse debt minimum gain chargeback" provisions as required by Treasury Regulations under Section 704(b).

SECTION 3: SECTION 704(C) ALLOCATIONS

In accordance with Section 704(c) of the Code 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. The Partnership shall utilize the _____ method for making such allocations.

SECTION 4: PARTNERSHIP REPRESENTATIVE

The Partners hereby designate _____ as the "Partnership Representative" within the meaning of Section 6223 of the Code (as amended by the Bipartisan Budget Act of 2015). The Partnership Representative is

authorized and required to represent the Partnership in connection with all examinations of the Partnership's affairs by tax authorities, subject to the following limitations:

1. The Partnership Representative shall keep all Partners informed of any administrative or judicial proceedings.
2. The Partnership Representative shall not settle any tax audit, make any material tax election, or extend any statute of limitations without the prior written consent of Partners holding at least _____% of the percentage interests.

SECTION 5: TAX RETURNS AND COMPLIANCE

The Partnership Representative shall cause all federal, state, and local income tax returns of the Partnership to be prepared by a certified public accountant selected by the Partners. Drafts of all tax returns, including Schedule K-1s, shall be provided to each Partner for review and comment at least _____ days prior to the filing deadline (including extensions).

SECTION 6: MISCELLANEOUS

1. **Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without giving effect to any choice of law principles.
2. **Amendments:** This Agreement may be amended, modified, or supplemented only by a written instrument executed by all Partners.
3. **Severability:** If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it valid and enforceable, and the remaining provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Partnership Tax Allocation and Compliance Agreement as of the date first written above.

PARTNERSHIP:

By:

Name: _____

Title: _____

PARTNER:

By:

Name: _____

Date: _____

PARTNER:

By:

Name: _____

Date: _____

PARTNER:

By:

Name: _____

Date: _____

