

SECTION 754 ELECTION AND PARTNERSHIP BASIS ADJUSTMENT AGREEMENT

This Section 754 Election and Partnership Basis Adjustment Agreement (the "Agreement") is entered into as of _____, by and among _____, a _____ partnership (the "Partnership"), and the undersigned partners of the Partnership.

RECITALS

WHEREAS, on _____, a transfer of a partnership interest in the Partnership occurred, or a distribution of property by the Partnership occurred, which qualifies for an adjustment to the basis of partnership property under Section 734(b) or Section 743(b) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Partnership wishes to make, or has previously made, an election under Section 754 of the Code to adjust the basis of partnership property in the manner provided in Sections 734 and 743 of the Code; and

WHEREAS, the parties desire to set forth their agreement regarding the making of the Section 754 election, the computation and allocation of the resulting basis adjustments, and the sharing of related tax reporting responsibilities.

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:

1. SECTION 754 ELECTION

The Partnership shall file, with its timely filed federal income tax return (including extensions) for the taxable year ending _____, an election under Section 754 of the Code in accordance with Treasury Regulations Section 1.754-1(b). Once made, this election shall remain in effect for the taxable year of the election and all subsequent taxable years of the Partnership, unless revoked with the consent of the Commissioner of Internal Revenue.

2. CALCULATION AND ALLOCATION OF BASIS ADJUSTMENTS

The Partnership, at its own expense, shall calculate all basis adjustments required under Section 734(b) and Section 743(b) of the Code resulting from the transaction. The Partnership shall allocate such basis adjustments among the assets of the Partnership in accordance with Section 755 of the Code and the Treasury Regulations promulgated thereunder.

3. PROVISION OF INFORMATION

The transferring partner, transferee partner, or distributee partner, as applicable, shall provide to the Partnership, within _____ days of the date of the transaction or upon written request by the Partnership, all information and documentation reasonably necessary for the Partnership to calculate, allocate, and report the basis adjustments. This information shall include, but is not limited to, the partner's adjusted basis in the partnership interest, the fair market value of the consideration exchanged, and any other details required under Treasury Regulations Section 1.743-1(k).

4. TAX REPORTING AND CONSISTENCY

The Partnership shall report the basis adjustments and their effect on depreciation, depletion, amortization, and gain or loss on its Schedule K-1s (and any equivalent state and local tax forms) issued to the partners. All partners agree to report their distributive shares of Partnership income, gain, loss, deduction, or credit on their respective individual tax returns in a manner consistent with the Schedule K-1s and the basis adjustments calculated pursuant to this Agreement.

5. INDEMNIFICATION

If any partner fails to provide the information required under Section 3 of this Agreement, or provides inaccurate information that results in penalties, interest, or additional tax liabilities to the Partnership or the other partners, such defaulting partner shall indemnify and hold harmless the Partnership and the non-defaulting partners from any and all damages, losses, or expenses incurred as a result thereof.

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 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs, and legal representatives.

6.3 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.

6.4 Entire Agreement. This Agreement constitutes the entire agreement among the parties regarding the subject matter hereof and supersedes all prior agreements, understandings, or representations, whether oral or written.

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

PARTNERSHIP:

By: _____

Name: _____

Title: _____

TRANSFeree / PARTNER:

By: _____

Name: _____

Title: _____

TRANSFEROR / PARTNER:

By: _____

Name: _____

Title: _____

PARTNER:

By: _____

Name: _____

Title: _____