

TAX ALLOCATION AND COMPLIANCE AGREEMENT

FOR _____

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

RECITALS

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

WHEREAS, the Partners desire to establish specific rules and procedures regarding the allocation of partnership income, gain, loss, deduction, and credit, and to ensure compliance with federal, state, and local tax laws; and

WHEREAS, the Partners intend for this Agreement to govern all tax-related matters of the Partnership in conjunction with the primary Partnership Agreement.

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: CAPITAL ACCOUNTS AND TAX ALLOCATIONS

- Maintenance of Capital Accounts:** The Partnership shall establish and maintain for each Partner a separate Capital Account in accordance with Internal Revenue Code (IRC) Section 704(b) and the Treasury Regulations promulgated thereunder.
- Allocation of Net Income and Net Loss:** Except as otherwise provided by tax law or this Agreement, Net Income and Net Loss of the Partnership for each fiscal year shall be allocated to the Partners in accordance with their respective partnership interests:

_____	:	_____	%
_____	:	_____	%
_____	:	_____	%
- Section 704(c) Allocations:** In accordance with IRC Section 704(c), 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 into account any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial fair market value.

SECTION 2: PARTNERSHIP REPRESENTATIVE

- Designation:** _____ is hereby designated as the "Partnership Representative" of the Partnership as defined in IRC Section 6223(a) (or any similar capacity under state or local law).
- Authority and Duties:** The Partnership Representative is authorized and required to represent the Partnership in connection with all examinations of the Partnership's affairs by tax authorities, including administrative and judicial proceedings. The Partnership Representative shall keep all Partners informed of all significant tax proceedings and developments.
- Tax Elections:** The Partnership Representative shall have the authority to make, or cause the Partnership to make, any tax elections permitted or required under the IRC or state and local tax laws, subject to the approval of _____ % of the partnership interests.

SECTION 3: TAX COMPLIANCE AND RETURNS

- Preparation and Filing:** The Partnership Representative shall cause to be prepared and timely filed all federal, state, and local tax returns required to be filed by the Partnership.
- Schedule K-1:** The Partnership shall endeavor to deliver to each Partner, within _____ days after the end of each fiscal year, all tax information necessary for the preparation of such Partner's federal, state, and local income tax returns, including a

Schedule K-1.

3. **Retention of Records:** The Partnership shall maintain all books and records relevant to the tax status and obligations of the Partnership for a period of no less than _____ years.

SECTION 4: MISCELLANEOUS PROVISIONS

1. **Governing Law:** This Agreement shall be construed, interpreted, and governed by the laws of the State of _____.
2. **Amendments:** This Agreement may be amended or modified only by a written instrument executed by all Partners.
3. **Binding Effect:** This Agreement shall be binding upon and inure to the benefit of the Partners, their respective heirs, legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the Partners have executed this 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: _____

Partnership Representative Signature

Print Name: _____

Date: _____