

PARTNERSHIP REPRESENTATIVE DESIGNATION AGREEMENT

This Partnership Representative Designation Agreement (the "Agreement") is entered into effective as of _____, 20_____, by and among _____ (the "Partnership") and the undersigned partners of the Partnership (the "Partners"), and _____ (the "Partnership Representative").

RECITALS

WHEREAS, the Partnership is subject to the partnership audit procedures established by the Bipartisan Budget Act of 2015, as codified in Sections 6221 through 6241 of the Internal Revenue Code of 1986, as amended (the "Centralized Partnership Audit Regime"); and

WHEREAS, pursuant to Internal Revenue Code Section 6223, the Partnership is required to designate a "Partnership Representative" who shall have the sole authority to act on behalf of the Partnership in connection with any administrative or judicial proceedings under the Centralized Partnership Audit Regime; and

WHEREAS, the Partners desire to designate _____ to serve as the Partnership Representative of the Partnership for the tax year ending _____ and subsequent tax years, subject to the terms and conditions set forth herein.

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. DESIGNATION OF PARTNERSHIP REPRESENTATIVE

The Partnership and the Partners hereby designate _____ as the "Partnership Representative" of the Partnership within the meaning of Section 6223 of the Internal Revenue Code. The Partnership Representative hereby accepts such designation and agrees to perform the duties required of a partnership representative under the Internal Revenue Code and Treasury Regulations.

2. AUTHORITY AND SCOPE OF POWER

Subject to any limitations set forth in this Agreement or the Partnership's operating agreement, the Partnership Representative shall have the sole authority to act on behalf of the Partnership under the Centralized Partnership Audit Regime. All actions taken by the Partnership Representative in connection with any audit, administrative adjustment, or judicial review shall be binding on the Partnership and all partners. The Partnership Representative's authority includes, but is not limited to, the power to:

- a. Extend any applicable statute of limitations under Internal Revenue Code Section 6235;
- b. Settle, compromise, or defend any partnership-level administrative or judicial proceeding;
- c. Make an election under Internal Revenue Code Section 6226 (the "push-out" election) to pass adjustments to the partners; and
- d. File a petition for readjustment in any court of competent jurisdiction.

3. DUTIES AND RESTRICTIONS

The Partnership Representative shall exercise their authority in good faith and in the best interests of the Partnership. The Partnership Representative shall:

- a. Provide prompt written notice to all Partners within _____ days of receiving any notice from the Internal Revenue Service concerning the commencement of an audit or administrative proceeding;
- b. Keep the Partners fully informed of all material developments and progress regarding any tax audits or proceedings; and
- c. Obtain the prior written consent of the Partners holding at least _____ % of the partnership interest before agreeing to any

settlement, compromise, or election that would materially affect the tax liabilities of the Partners.

4. RESIGNATION, REMOVAL, AND DESIGNATION OF SUCCESSOR

The Partnership Representative may resign at any time by providing _____ days' prior written notice to the Partnership. The Partnership Representative may be removed at any time with or without cause by a majority vote of the Partners. In the event of resignation, removal, or incapacity of the Partnership Representative, a successor Partnership Representative shall be designated by _____.

5. INDEMNIFICATION

The Partnership shall indemnify, defend, and hold harmless the Partnership Representative from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) incurred by the Partnership Representative in connection with the performance of their duties under this Agreement, except in cases of gross negligence, willful misconduct, or material breach of this Agreement.

6. 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.

7. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes all prior agreements, discussions, or understandings, whether oral or written, relating to the designation of the Partnership Representative.

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

THE PARTNERSHIP:

By: _____

Title: _____

Date: _____

PARTNERSHIP REPRESENTATIVE:

Signature

Name: _____

Date: _____

PARTNER:

Signature

Name: _____

Date: _____

PARTNER:

Signature

Name: _____

Date: _____