

## CLOSING AGREEMENT WITH RESPECT TO SPECIFIC MATTERS

1. This Closing Agreement ("Agreement") is made pursuant to California Revenue and Taxation Code (CRTC) section 19441, subdivision (a), between the California Franchise Tax Board (the "Board") and [Taxpayer's name] (the "Taxpayer"). The Board and the Taxpayer are collectively referred to hereafter as the "Parties." [Taxpayer represents and warrants that its signatory has the authority to execute this Agreement on behalf of all the entities set forth in Attachment A.]
2. This Agreement applies to the taxable years ended [insert text], [insert text], through, [insert text], inclusive. These years are hereafter sometimes referred to as "the taxable years at issue."
3. The facts, as represented by Taxpayer and upon which this Agreement is conditioned, are as follows:
  - (a) [Insert text]
  - (b) [Insert text]
  - (c) [Insert text]
4. The Parties desire to effect a binding determination of [describe the issue(s) to be resolved]. The Board and Taxpayer believe that it is in the best interest of each of them to effect a binding determination with respect to [list the issue(s) being resolved here], which is sometimes hereafter referred to as "the subject matter of this Agreement."
5. Taxpayer and the Board have agreed to a binding resolution of [the matter or issue] for the taxable years ended (insert text) through (insert text), inclusive, as follows:
  - (a) [Insert text]
  - (b) [Insert text]
  - (c) [Insert text]
  - (d) [Insert text]
6. This Agreement shall not limit the Board's right to make further adjustments to Taxpayer's tax liability (or the tax liability of another Taxpayer Member of the Taxpayer's combined reporting group) for any taxable year open under the statute of limitations, including any taxable year affected by this Agreement with respect to any matter other than the subject matter of this Agreement, nor shall it limit the ability of Taxpayer and said Members to contest such adjustments. This Agreement also shall not limit the right of Taxpayer or other Taxpayer Members of its combined reporting group to file claims for refund with the Board for any taxable year open under the statute of limitations, including any year affected by this Agreement with respect to

any matter other than the subject matter of this Agreement, nor shall it limit the Board's right to contest such claims for refund.

Similarly, nothing in this Agreement shall prevent the Board from adjusting Taxpayer's tax liability or the tax liability of another Taxpayer Member of Taxpayer's combined reporting group (or the ability of such Members to contest those adjustments), or Taxpayer or other Taxpayer Members of its combined reporting group from filing claims for refund (or the Board's ability to contest such claims for refund), in accordance with applicable CRTC provisions pertaining to final federal determinations, in order to conform to or to adopt any final federal determination (concerning any matter other than the subject matter of this Agreement for the taxable years affected by this Agreement) for any taxable year, including any taxable years affected by this Agreement.

7. This Agreement is binding and conclusive with respect to the subject matter of this Agreement for the taxable years at issue, except that:
  - (a) The Agreement may be reopened by the Board in the event of fraud, malfeasance, or misrepresentation of a material fact;
  - (b) The Agreement is subject to the CRTC sections that expressly provide that effect be given to their provisions (including any stated exceptions for section 19441, subdivision (b)) notwithstanding any other law or rule of law;
  - (c) If this Agreement relates to a taxable year ending after the date of this Agreement, it is subject to any law that is, or becomes, operative with respect to that taxable year; and
  - (d) If Taxpayer [or any member of its combined reporting group affected by this Agreement] requests a ruling from the Board regarding any matter arising with respect to the taxable years covered by this Agreement, [either] the Taxpayer [or a member of its combined reporting group] shall, in the request for a ruling, disclose the existence of this Agreement and that such ruling may affect a matter covered by this Agreement.
8. This Agreement shall be construed and interpreted in accordance with the laws of the State of California. The Parties, and each of them, hereby agree to submit to the jurisdiction of the California courts in any action relating to this Agreement or to the enforcement or interpretation of the terms hereof.
9. This Agreement constitutes the entire agreement and understanding of the Parties concerning the specific matters covered under this Agreement, and is expressly intended by the Parties to supersede all prior agreements, negotiations, representations, and/or understandings, whether written or oral, of the Parties pertaining to the matters covered under this Agreement.

10. This Agreement is binding upon the Parties and their subsidiaries, affiliates, officers, directors, agents, personal or other representatives, successors in interest, transferees and assigns, and each of them.
11. Each party, on its own behalf, represents and warrants that the signatories to this agreement have the authority to execute it on behalf of that party.
12. By signing, the Parties certify that they have read and agreed to the terms of this Agreement.
13. This Agreement shall be effective upon its execution by or on behalf of Taxpayer and the Executive Officer of the Board.

[Taxpayer Name]

Date: [Insert date] \_\_\_\_\_

Signature: \_\_\_\_\_

By: [Print name]  
[Print title]

**FRANCHISE TAX BOARD**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

By: Selvi Stanislaus  
Executive Officer