Dear Partner/Shareholder,

Pursuant to IRS requirements, [INSERT NAME OF ENTITY] does not intend to file Schedules K-2 and K-3 with its income tax returns if it meets an exception to filing these schedules. Schedules K-2 and K-3 are lengthy foreign information reporting forms that can significantly increase the entity's income tax preparation costs and may delay the delivery of your K-1. Schedules K-2 and K-3 are filed with the IRS by the entity, and Schedule K-3 is also attached to your K-1 to assist you in filing your Form 1040/1041.

The entity can only meet a Schedule K-2/K-3 filing exception if it has no or limited foreign activity. As such, if a filing exception is met, we do not believe that filing these schedules will have a material impact on the income tax returns of the partners/shareholders.

The entity is required to prepare Schedules K-2 and K-3 with its income tax return and provide Schedule K-3 to any partner/shareholder who submits a request that it be prepared, but only if the request is received by replying to this email by February 15, 2023.