

PARTNER GUARANTEED PAYMENT PROVISIONS AMENDMENT

This Amendment to the Partnership Agreement is entered into on this _____ day of _____, _____, by and among the partners of _____ (the "Partnership").

1. GUARANTEED PAYMENT TERMS

Pursuant to the authority granted in the Partnership Agreement, and in accordance with Internal Revenue Code Section 707(c), the Partnership shall pay to _____ (the "Recipient Partner") a guaranteed payment for services rendered to or on behalf of the Partnership, or for the use of capital, as specified below:

- a. **Amount:** The Recipient Partner shall receive a guaranteed payment of \$_____ per _____.
- b. **Frequency:** Payments shall be made on the _____ day of each _____, commencing on _____.
- c. **Duration:** These guaranteed payments shall continue until _____, unless terminated earlier in accordance with the provisions of this Amendment or the Partnership Agreement.

2. TAX TREATMENT AND REPORTING

The partners intend and agree that all payments made under this Amendment shall be treated as guaranteed payments within the meaning of Section 707(c) of the Internal Revenue Code of 1986, as amended. As such:

- a. The payments shall be treated as ordinary income to the Recipient Partner.
- b. The payments shall be deductible by the Partnership to the extent permitted by law.
- c. The payments shall be reported by the Partnership on the Recipient Partner's Schedule K-1 (Form 1065) accordingly.
- d. The Recipient Partner shall be solely responsible for any self-employment tax liabilities arising from these payments.

3. EFFECT ON CAPITAL ACCOUNTS AND ALLOCATIONS

Guaranteed payments made pursuant to this Amendment shall not be charged against the Recipient Partner's capital account, nor shall they affect the Recipient Partner's share of the Partnership's profits or losses for allocation purposes, except to the extent that such payments reduce the net income of the Partnership available for distribution to all partners.

4. SOURCE OF PAYMENTS

Guaranteed payments shall be paid to the Recipient Partner without regard to the income or profitability of the Partnership. If the Partnership has insufficient cash flow to make the guaranteed payments when due, the obligation shall accrue and become payable as soon as sufficient funds become available, prior to any distributions of profit to other partners.

5. GOVERNING LAW

This Amendment and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of _____, without giving effect to any choice of law principles.

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

Partnership:

By: _____

Title: _____

Recipient Partner:

Signature: _____

Date: _____

Partner:

Signature: _____

Date: _____

Partner:

Signature: _____

Date: _____