

PARTNERSHIP GUARANTEED PAYMENT AGREEMENT

This Partnership Guaranteed Payment Agreement (the "Agreement") is entered into as of this _____ day of _____, 20_____, by and between the undersigned parties:

Partnership: _____, a partnership organized under the laws of the State of _____ (the "Partnership").

Partner: _____, a partner of the Partnership (the "Partner").

RECITALS

WHEREAS, the Partner is a member of the Partnership and performs significant services for or on behalf of the Partnership; and

WHEREAS, pursuant to the Partnership Agreement and the Internal Revenue Code, the Partnership desires to provide for guaranteed payments to the Partner for services rendered, without regard to the income of the Partnership.

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. GUARANTEED PAYMENT TERMS

- 1. Payment Amount:** The Partnership shall pay to the Partner a guaranteed payment in the amount of \$ _____ per _____ (the "Guaranteed Payment").
- 2. Frequency:** The Guaranteed Payment shall be distributed to the Partner on a _____ basis, commencing on _____, 20_____.
- 3. Performance of Services:** The Partner agrees to perform the following duties and services in exchange for the Guaranteed Payment: _____.

2. TAX TREATMENT AND STATUS

- 1. Internal Revenue Code Section 707(c):** The parties intend that the payments made under this Agreement shall qualify as guaranteed payments under Section 707(c) of the Internal Revenue Code of 1986, as amended.
- 2. Self-Employment Income:** The Partner acknowledges and agrees that the Guaranteed Payments constitute self-employment income to the Partner and are subject to all applicable federal, state, and local self-employment and income taxes. The Partnership will not withhold tax amounts from these payments unless required by applicable law.
- 3. No Effect on Capital Account:** Except as otherwise provided in the Partnership Agreement, the Guaranteed Payments shall be treated as an expense of the Partnership and shall not reduce the Partner's capital account or distributive share of Partnership profits or losses.

3. TERM AND TERMINATION

- 1. Term:** This Agreement shall remain in full force and effect until _____, unless terminated earlier in accordance with this Section.
- 2. Termination:** This Agreement may be terminated or amended at any time by the mutual written consent of both the Partnership and the Partner. This Agreement shall automatically terminate upon the dissociation, withdrawal, or termination of the Partner's status as a partner in the Partnership.

4. MISCELLANEOUS

- 1. Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without giving effect to any choice of law principles.

2. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties regarding guaranteed payments and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter.
3. **Severability:** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

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

For the Partnership:

Partner:

Authorized Signature

Partner Signature

Print Name: _____

Print Name: _____

Title: _____

Date: _____