

50 50 PARTNERSHIP AGREEMENT

Partnership Name: [PARTNERSHIP NAME] **Governing State:** [STATE] **Effective Date:**

This General Partnership Agreement (this "Agreement") is entered into and made effective as of (the "Effective Date"), by and among the partners identified in Section 2 below (each a "Partner" and together the "Partners"), to form and govern [PARTNERSHIP NAME] (the "Partnership") as a general partnership under the laws of the State of [STATE].

1. Formation and Purpose

Name. The Partners hereby form a general partnership under the name [PARTNERSHIP NAME] pursuant to the Revised Uniform Partnership Act (or the analogous partnership statute) of the State of [STATE].

Governing law. The Partnership is governed by the laws of the State of [STATE].

Principal office. The principal office of the Partnership is located at [PRINCIPAL OFFICE ADDRESS], and may be relocated by vote of the Partners.

Purpose. The Partnership is formed for the following purpose (the "Purpose"): [BUSINESS PURPOSE]. The Partnership may engage in any lawful activity reasonably related to or in furtherance of the Purpose.

Term. The Partnership commences on the Effective Date and shall continue at-will until dissolved in accordance with this Agreement or applicable law.

EIN. The Partners shall cause the Partnership to obtain a Federal Employer Identification Number by timely filing IRS Form SS-4.

2. Partners, Capital Contributions, and Profit Shares

The Partners of the Partnership, their classifications, and their capital contributions are:

Partner	Address	Class	Initial Contribution	Profit/Loss Share
[PARTNER 1 FULL LEGAL NAME]	[PARTNER 1 ADDRESS]	General Partner	\$0.00	50%
[PARTNER 2 FULL LEGAL NAME]	[PARTNER 2 ADDRESS]	General Partner	\$0.00	50%

Description of contributed property or services.

- [PARTNER 1 FULL LEGAL NAME]: Cash contribution only.
- [PARTNER 2 FULL LEGAL NAME]: Cash contribution only.

Capital accounts. A capital account shall be maintained for each Partner in accordance with Treasury Regulation §1.704-1(b)(2)(iv), increased by contributions and allocable income and decreased by distributions and allocable loss. No Partner shall earn interest on any capital account balance.

Additional contributions. Additional capital contributions may be called only upon **unanimous** consent of the Partners. No Partner is obligated to make additional contributions beyond the amount stated above.

IRC §704(c) property. Built-in gain or loss on contributed property shall be allocated to the contributing Partner as required by IRC §704(c).

3. Management and Decision-Making

Equal management. All Partners shall have equal rights and authority to participate in the management of the Partnership's business.

Ordinary-course decisions. Decisions in the ordinary course shall be made by any General Partner acting alone (RUPA §301).

Reserved matters requiring unanimous consent. The following actions require unanimous consent:

1. Amending this Agreement;
2. Admitting a new Partner;
3. Dissolving the Partnership;
4. Selling, leasing, or encumbering all or substantially all Partnership assets;
5. Incurring indebtedness or contracts in excess of **\$25,000.00**;
6. Settling material litigation;
7. Changing the Partnership's business purpose;
8. Calling additional capital; and
9. Changing the federal tax classification of the Partnership.

4. Profit and Loss Allocations; Distributions

Allocations. Net profits and losses are allocated to the Partners in proportion to their Profit/Loss Share percentages.

Distributions. The Partnership shall distribute available cash from time to time, as the Partners determine, in proportion to Profit/Loss Share percentages after payment of expenses, debt service, and reserves.

Guaranteed payments. Any compensation paid to a Partner for services, determined without regard to income, shall be a guaranteed payment under IRC §707(c).

Substantial economic effect. Special allocations shall have substantial economic effect within Treas. Reg. §1.704-1(b)(2) or reflect the Partners' interests in the Partnership.

⚠ Self-employment tax notice. Each General Partner owes self-employment tax under IRC §1402(a) on the Partner's distributive share of ordinary income plus guaranteed payments (15.3% up to the Social Security wage base, plus 2.9% Medicare above, plus the 0.9% Additional Medicare Tax above applicable thresholds).

5. Banking, Books, and Records

Bank account. The Partnership shall maintain accounts at [PARTNERSHIP BANK FINANCIAL INSTITUTION NAME]. Withdrawals above **\$25,000.00** require the vote in Section 3.

Books and records. The Partnership shall keep complete and accurate books using the **Cash** method. The fiscal year ends on December 31.

Audit rights. Each Partner may inspect and copy all Partnership records at any reasonable time.

Tax returns. The Partnership shall timely file IRS Form 1065 and issue Schedule K-1 to each Partner by March 15 or as soon as practicable thereafter.

6. Partnership Representative (Bipartisan Budget Act)

Designation. Pursuant to IRC §6223(a), the Partnership designates [PARTNERSHIP REPRESENTATIVE BBA IRC 6223] as its Partnership Representative ("PR"), having a substantial presence in the United States.

Authority and accountability. The PR has sole authority to act for the Partnership before the IRS under IRC §§6221–6241, including extending limitations, settling items, and making the push-out election under §6226. The PR shall obtain **unanimous** consent before accepting an imputed underpayment exceeding **\$25,000.00** or making a push-out election unless statutory deadlines make consent impracticable.

Indemnification. The Partnership shall indemnify the PR and any Designated Individual except for gross negligence, willful misconduct, or bad faith.

Annual eligibility review. The PR shall review BBA elect-out eligibility at the beginning of each taxable year and notify the Partners of any change.

7. Partner Withdrawal, Death, and Buy-Out

Voluntary withdrawal. A Partner may voluntarily withdraw upon **60** days' prior written notice. A Partner dissociating in breach of this Agreement is liable under RUPA §602.

Death or incapacity. The remaining Partners may purchase a deceased or permanently incapacitated Partner's interest within ninety (90) days at the valuation below. If not exercised, the estate holds an economic interest only.

Buy-out valuation. The purchase price shall be determined by an independent third-party appraiser jointly selected; failing agreement within 30 days, each side selects an appraiser and those two select a third, with the average of the three controlling.

Payment terms. The Partnership shall pay in equal monthly installments over **36** months with interest at the Applicable Federal Rate, or by lump sum at closing at the Partnership's election.

Right of first refusal. No Partner may transfer any part of the Partner's interest without first offering it to the Partnership and then to the other Partners pro rata on the same terms as a bona fide third-party offer, for 30 days.

8. Admission of New Partners; Dissolution

Admission. New Partners may be admitted only with **unanimous** consent and execution of a joinder.

Dissolution triggers. Dissolution occurs upon the earliest of: (a) unanimous vote; (b) expiration of the term, if any; (c) accomplishment or abandonment of the Purpose; (d) judicial dissolution; or (e) illegality of continuation.

Winding up. On dissolution, the Partnership shall liquidate assets, pay creditors in priority, repay capital accounts, and distribute residual in proportion to positive capital account balances.

9. Restrictive Covenants and Confidentiality

Non-solicitation. During tenure and for **18** months thereafter, no former Partner shall solicit the Partnership's employees, contractors, or material-contact clients.

Confidentiality. Each Partner shall hold all non-public Partnership information in strict confidence during and after tenure.

10. Liability Disclosure

⚠ Unlimited personal liability of General Partners. Each General Partner bears **joint and several unlimited personal liability** for the debts, obligations, and torts of the Partnership — including those incurred by a co-General Partner in the ordinary course. Partners seeking limited liability should consider converting to an LLC, LP, or LLP.

11. Dispute Resolution

Mediation, then arbitration. The Partners shall mediate in [VENUE CITY], [STATE] for 30 days; failing resolution, disputes proceed to binding AAA arbitration there. Injunctive relief may be sought in court.

12. General Provisions

Governing law. State of [STATE], without regard to conflicts rules.

Amendment. Only by written instrument signed by Partners meeting the unanimous threshold.

Entire agreement; severability; binding effect; counterparts; electronic signatures; notices; headings; waiver. Standard — this Agreement is the entire agreement on the subject; invalid provisions are reformed; binds heirs and successors; may be signed in counterparts including under ESIGN (15 U.S.C. §7001); notices in writing to Section 2 addresses; headings are for convenience; waiver only in writing.

Signatures

IN WITNESS WHEREOF, the Partners have executed this Agreement as of the Effective Date.

Partner 1

PRINTED NAME

SIGNATURE

DATE

Partner 2

PRINTED NAME

SIGNATURE

DATE