

GENERAL PARTNERSHIP DISSOLUTION AND TAX LIQUIDATION AGREEMENT

This General Partnership Dissolution and Tax Liquidation Agreement (the "Agreement") is entered into and made effective as of _____, 20_____, by and among the following partners (collectively referred to as the "Partners"):

1. Partner Name: _____, residing at _____
2. Partner Name: _____, residing at _____
3. Partner Name: _____, residing at _____
4. Partner Name: _____, residing at _____

RECITALS

WHEREAS, the Partners entered into a General Partnership Agreement dated _____, 19_____/20_____, under the partnership name of _____ (the "Partnership"), with its principal place of business at _____;

WHEREAS, the Partners have mutually agreed to dissolve the Partnership and wind up its business affairs, including the final liquidation of its assets and the settlement of its tax liabilities; and

WHEREAS, the Partners desire to define their rights, duties, and obligations regarding the dissolution, tax liquidation, and distribution of the remaining assets of the Partnership.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Partners agree as follows:

1. DISSOLUTION OF PARTNERSHIP

The Partnership is hereby dissolved effective as of _____, 20_____ (the "Dissolution Date"). As of the Dissolution Date, the Partnership shall cease carrying on its regular business, except so far as may be necessary for the winding up and liquidation of the Partnership's affairs.

2. APPOINTMENT OF LIQUIDATOR

The Partners hereby appoint _____ to act as the Liquidating Partner (the "Liquidator"). The Liquidator shall have the authority to wind up the affairs of the Partnership, sell and liquidate the Partnership properties and assets, and pay and settle all Partnership debts, liabilities, and obligations, subject to the terms of this Agreement.

3. TAX LIQUIDATION AND FINANCIAL AUDIT

1. **Tax Returns:** The Liquidator shall cause to be prepared and filed all final federal, state, and local tax returns required for the Partnership, including but not limited to IRS Form 1065 and any corresponding state filings for the final tax year ending _____, 20_____.
2. **Tax Liabilities:** Prior to any distribution of assets to the Partners, the Liquidator shall establish a cash reserve in the amount of \$ _____ for the sole purpose of paying any assessed or potential tax liabilities, audits, interest, or penalties of the Partnership.
3. **Capital Accounts:** The capital accounts of each Partner shall be adjusted to reflect the gain or loss realized upon the sale or

valuation of Partnership assets during the liquidation process, in accordance with applicable Treasury Regulations under Internal Revenue Code Section 704(b).

4. DISTRIBUTION OF ASSETS AND PAYMENT OF LIABILITIES

The assets of the Partnership shall be applied and distributed in the following order of priority:

1. To the payment of all outstanding debts, liabilities, and obligations of the Partnership to creditors other than Partners, and to the payment of liquidating expenses;
2. To the payment of any loans or advances made by any Partner to the Partnership;
3. To the establishment of any reserves deemed necessary by the Liquidator for contingent or unforeseen liabilities or taxes;
4. To the Partners in accordance with their positive capital account balances, after making all allocations and adjustments as required by law.

5. CLOSING OF ACCOUNTS AND BOOKS

The books of account of the Partnership shall be kept open during the liquidation period. Upon the final distribution of all assets and the settlement of all tax liabilities, the Liquidator shall provide a final accounting statement to each Partner and permanently close the Partnership books.

6. RELEASE OF LIABILITY

Subject to the faithful performance of the terms of this Agreement, each Partner, for themselves, their heirs, executors, and assigns, hereby releases and discharges every other Partner from all claims, demands, and actions arising out of or relating to the Partnership, save and except for obligations created by or remaining under this Agreement.

7. GOVERNING LAW

This Agreement shall be construed, interpreted, and governed by the laws of the State of _____, without regard to its conflict of law principles.

8. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement among the Partners regarding the dissolution and liquidation of the Partnership and supersedes all prior oral or written agreements or understandings.

IN WITNESS WHEREOF, the Partners have executed this General Partnership Dissolution and Tax Liquidation Agreement as of the date first written above.

Partner Signature

Print Name: _____

Date: _____

Partner Signature

Print Name: _____

Date: _____

Partner Signature

Print Name: _____

Date: _____

Partner Signature

Print Name: _____

Date: _____