

# **PARTNERSHIP DISSOLUTION AGREEMENT**

This Partnership Dissolution Agreement (the "Agreement") is made and effective this [DATE],

**BETWEEN: [SELLING PARTNER NAME]** (the "Selling Partner"), a corporation organized and existing under the laws of the [STATE/PROVINCE], with its head office located at:

**AND: [PURCHASING PARTNER NAME]** (the "Purchasing Partner"), a corporation organized and existing under the laws of the [STATE/PROVINCE], with its head office located at:

## **RECITALS**

A. The parties are partners in the firm of [NAME], of [ADDRESS], [CITY], [STATE], established for the purpose of [SPECIFY], under an agreement dated [DATE].

B. Pursuant to the terms of the partnership agreement, a buy or sell notice was given by Selling Partner to Purchasing Partner.

C. The Purchasing Partner has exercised its option to purchase the interest of Selling Partner in and to the partnership business.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

## **1. SALE OF INTEREST; PURCHASE PRICE**

Selling Partner shall sell its [%] interest in the partnership business, including its [%] interest in all of the furniture, equipment, and furnishings of the business, stock of merchandise, accounts receivable, moneys, and all of [SELLING PARTNER NAME'S] right, title, and interest in and to any and all of the assets of the partnership, to Purchasing Partner for [AMOUNT], to be paid in [NUMBER] equal monthly installments, due on the [SPECIFY] day of each month, commencing on [DATE].

## **2. ASSUMPTION OF OBLIGATIONS**

The Purchasing Partner shall and do assume and agrees to pay all of the outstanding debts and obligations of the partnership business and to perform all of the covenants of the leases on the premises, and to perform all of the outstanding contracts and agreements required to be performed by the partnership and agrees to save and hold harmless Selling Partner against any claim or claims that may arise by reason of such debts, obligations, or covenants, or any other claims except those specifically mentioned in this agreement.

### **3. INDEMNIFICATION**

The Selling Partner warrants and represents that it has incurred no debts, nor contracted any obligations, nor incurred any liability in the name of the partnership or for which the partnership would be liable, other than those debts, obligations, or liabilities as are disclosed in the partnership books of which Selling Partner has advised the Purchasing Partner. The Selling Partner agrees to indemnify and save and hold harmless the Purchasing Partner on account of any claims that may be made against the partnership because of any debt, obligation, or liability which the Selling Partner incurred in the partnership name or for which the partnership became liable on account of any of [SELLING PARTNER NAME'S] actions and of which Selling Partner failed to inform the Purchasing Partner.

### **4. TAX RETURNS AND PAYMENTS**

The Purchasing Partner agrees to prepare federal and state partnership income tax returns for the partnership business from [DATE] to [DATE], and to supply Selling Partner with copies. Each of the parties shall pay their individual income taxes, both federal and state, on the income received from such partnership business.

### **5. ASSUMPTION OF TAX OBLIGATIONS**

The general taxes and all other tax obligations shall be considered an obligation of the partnership and are now assumed by the Purchasing Partner.

### **6. DISSOLUTION**

The partnership existing between the parties under the name of [PARTNERSHIP NAME] is dissolved and this agreement constitutes a full and complete accounting and liquidation of the partnership business. Except as otherwise reserved in this agreement, Selling Partner acknowledges that it has no claim or demand of any kind or nature against Purchasing Partner. Also except as otherwise reserved in this agreement, Purchasing Partner acknowledges that it has no claim or demand of any kind against Selling Partner.

### **7. GOVERNING LAW**

This Agreement shall be construed and enforced in accordance with the laws of the State of [STATE/PROVINCE OF GOVERNING LAW].

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

SELLING PARTNER PURCHASING PARTNER

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title

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