

# PARTNERSHIP DISSOLUTION AGREEMENT

This Partnership Dissolution Agreement ("Agreement") is made and entered into on this \_\_\_\_\_ [Date] by and between:

\_\_\_\_\_ [Partner Name 1], residing at \_\_\_\_\_ [Partner Address 1] ("Partner 1"), and

\_\_\_\_\_ [Partner Name 2], residing at \_\_\_\_\_ [Partner Address 2] ("Partner 2")

(collectively, the "Partners").

**WHEREAS**, the Partners entered into a partnership agreement (the "Partnership Agreement") dated \_\_\_\_\_ [Date of Partnership Agreement] to operate a business known as \_\_\_\_\_ [Business Name] ("Partnership").

**WHEREAS**, the Partners have decided to dissolve the Partnership,

**NOW, THEREFORE**, considering everything discussed before and the agreements we make below, the Partners agree as follows:

## 1. Dissolution.

The dissolution of this Partnership shall be made effective as of \_\_\_\_\_ [Dissolution Date] ("Dissolution Date").

## 2. Asset and Liability Distribution.

The Partners shall shut down the business responsibly, which makes good business sense. The Partners will also pay off all the business's debts using the following order:

(a) Creditors (excluding Partners)

(b) Partners (following the profit-sharing ratio outlined in the Partnership Agreement, or as otherwise agreed upon by the Partners)

Once all the business's debts are paid off, the remaining assets of the Partnership shall be distributed to the Partners following the profit-sharing ratio outlined in the Partnership Agreement, or as otherwise agreed upon by the Partners.

### **3. Accounts and Records.**

The Partners shall cooperate to finalize the business's financial records. This includes sharing all the information needed for tax and accounting purposes.

### **4. Non-Compete (Optional).**

[If applicable, include a non-compete clause outlining restrictions on the Partners' ability to compete with the business post-dissolution]

### **5. Governing Law.**

This Agreement shall be governed by and construed in conformity with the laws of the state of [State], without taking into account its conflict of laws principles.

### **6. Counterparts.**

This Agreement may be signed in counterparts, each of which will be considered an original, and when taken together, they will constitute one unified instrument.

### **7. Severability.**

Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable, or illegal under any existing or future law, such invalidity, unenforceability, or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

**8. Entire Agreement.**

This Agreement constitutes the entire agreement of the Partners with respect to the subject matter hereof.

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

PARTNER 1 NAME

PARTNER 2 NAME

By \_\_\_\_\_

By \_\_\_\_\_

Name:

Name: