

**PARTNERSHIP DISSOLUTION
AND ASSET TAX LIQUIDATION AGREEMENT**

This Partnership Dissolution and Asset Tax Liquidation Agreement (the "Agreement") is entered into on this _____ day of _____, 20_____, by and between the following partners:

Partner A: _____
Address: _____

Partner B: _____
Address: _____

RECITALS

Whereas, the Partners have operated a partnership under the name of _____ (the "Partnership"), pursuant to a Partnership Agreement dated _____, 20_____; and

Whereas, the Partners have mutually agreed to dissolve the Partnership, liquidate its assets, and resolve all outstanding tax liabilities associated with the Partnership and its liquidation; and

Whereas, the Partners intend to define their respective rights, duties, and obligations regarding the dissolution and tax liquidation process through this Agreement.

Now, therefore, in consideration of the mutual covenants contained herein, the Partners agree as follows:

1. DISSOLUTION OF PARTNERSHIP

- A. The Partnership is hereby dissolved effective as of _____, 20_____ (the "Dissolution Date").
- B. As of the Dissolution Date, the Partnership shall cease carrying on its regular business, except as necessary for the winding up of its affairs, the liquidation of its assets, and the distribution of remaining proceeds.

2. ASSET LIQUIDATION AND VALUATION

- A. All physical and intellectual assets, properties, and accounts of the Partnership shall be inventoried and valued.
- B. Assets shall be liquidated or distributed in kind as agreed upon by the Partners. The valuation of assets for tax and distribution purposes shall be determined as of the Dissolution Date.
- C. All proceeds from the sale of assets shall first be applied to the payment of outstanding debts, creditors, and liabilities of the Partnership, excluding tax liabilities, which are governed by Section 3 below.

3. TAX LIQUIDATION AND LIABILITY ALLOCATIONS

- A. The Partners agree that a final tax return for the Partnership shall be prepared by _____.
- B. All tax liabilities, including federal, state, and local income taxes, capital gains taxes arising from the liquidation of assets, and outstanding employment or sales taxes, shall be allocated as follows:
 - Partner A Allocation Percentage: _____ %
 - Partner B Allocation Percentage: _____ %
- C. Each Partner shall be individually responsible for reporting their distributive share of the Partnership's income, gain, loss, deduction, or credit on their respective personal tax returns.
- D. Any tax audits or assessments initiated by relevant tax authorities post-dissolution shall be defended jointly, and any associated costs and penalties shall be borne in proportion to the allocation percentages specified herein.

4. RELEASE AND INDEMNIFICATION

Upon the completion of the distribution of remaining assets and the settlement of all known liabilities (including tax liabilities), each Partner releases and forever discharges the other Partner from any and all claims, demands, and liabilities arising out of or in connection with the Partnership, except for obligations expressly created by this Agreement.

5. 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.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the Partners regarding the dissolution and tax liquidation of the Partnership and supersedes all prior agreements, oral or written, concerning this matter.

In witness whereof, the Partners have executed this Agreement on the date first written above.

Partner A:

Partner B:

Signature

Signature

Printed Name

Printed Name

Date

Date