

AGREEMENT FOR DISSOLUTION OF PARTNERSHIP AND TAX LIQUIDATION

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

Partner 1: _____, residing at _____

Partner 2: _____, residing at _____

Partner 3: _____, residing at _____

Collectively referred to as the "Partners," and individually as a "Partner."

RECITALS

WHEREAS, the Partners entered into a partnership agreement dated _____ under the partnership name of _____ (the "Partnership"); and

WHEREAS, the Partners have mutually agreed to dissolve and terminate the Partnership, wind up its business affairs, and liquidate its assets and tax liabilities;

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

1. DISSOLUTION OF PARTNERSHIP

The Partnership is hereby dissolved effective as of _____ (the "Dissolution Date"). From and after the Dissolution Date, the Partnership shall conduct no business except that which is necessary to wind up its affairs, realize its assets, and satisfy its creditors.

2. WINDING UP AND LIQUIDATION OF ASSETS

The Partners shall proceed diligently to wind up the affairs of the Partnership. All assets of the Partnership, including but not limited to accounts receivable, inventory, and physical property, shall be liquidated in the following order of priority:

- (a) To pay all debts, liabilities, and obligations of the Partnership to third-party creditors;
- (b) To establish reserves for any contingent or unforeseen liabilities;
- (c) To repay any loans or advances made by any Partner to the Partnership;
- (d) To distribute any remaining assets to the Partners in accordance with their respective capital account balances and partnership interests as follows:

Partner 1 Distribution Share: _____%

Partner 2 Distribution Share: _____%

Partner 3 Distribution Share: _____%

3. SETTLEMENT OF TAX LIABILITIES

The Partners designate _____ to oversee the preparation and filing of all final local, state, and federal tax returns for the Partnership. The costs of preparing such tax filings shall be borne by the Partnership as a liquidation expense.

Any and all outstanding tax liabilities, assessments, or deficiencies incurred by the Partnership up to and including the Dissolution Date shall be allocated among and paid by the Partners in proportion to their respective partnership shares as follows:

Partner 1 Tax Responsibility: _____%

Partner 2 Tax Responsibility: _____%

Partner 3 Tax Responsibility: _____%

Each Partner agrees to indemnify, defend, and hold harmless the other Partners from any claims, losses, or damages arising from a failure to pay their designated share of the tax liabilities specified under this Section.

4. RELEASE OF CLAIMS

Except as otherwise provided in this Agreement, each Partner hereby releases and forever discharges the other Partners, their heirs, executors, administrators, and assigns, from all actions, claims, demands, and liabilities whatsoever which they ever had, now have, or may have against the other Partners arising out of or in connection with the Partnership.

5. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of _____.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding and agreement among the Partners regarding the dissolution of the Partnership and tax liquidation, and supersedes any prior oral or written agreements concerning the same.

IN WITNESS WHEREOF, the Partners have executed this Agreement on the date first written above.

Partner 1 Signature

Print Name: _____

Partner 2 Signature

Print Name: _____

Partner 3 Signature

Print Name: _____