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## PARTNERSHIP DISSOLUTION AGREEMENT

*State of Alabama*

This Partnership Dissolution Agreement (the "Dissolution Agreement") is made and entered into on \_\_\_\_\_ (the "Execution Date") by and between the following Parties:

\_\_\_\_\_, located at the following address:

\_\_\_\_\_

and

\_\_\_\_\_, located at the following address:

\_\_\_\_\_

### BACKGROUND:

A. \_\_\_\_\_ is a Partnership with the following business address:

\_\_\_\_\_

B. The Partners have operated \_\_\_\_\_ with the following purpose:

\_\_\_\_\_

C. The Partners entered into the Partnership and have continued in business together

under the provisions of a written agreement dated \_\_\_\_\_, a copy of which is attached herewith as Exhibit A and incorporated by reference into this Agreement.

D. The Partners now intend to dissolve the Partnership and liquidate its affairs pursuant to a plan by which the Partners liquidate the assets of the Partnership and distribute to the Partners any proceeds remaining after the payment of all liabilities of the Partnership.

**IN CONSIDERATION OF** and as a condition of the Partners entering into this Agreement and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the Parties to this Agreement agree to the following:

#### **ARTICLE I. Dissolution.**

1. The Partners to dissolve their Partnership, effective at the close of business on \_\_\_\_\_, and shall thereafter promptly liquidate and wind-up the affairs of the Partnership.
2. Except for the purpose of carrying out the winding-up and liquidation of the business of the Partnership, no Partner shall transact any further business nor incur any further obligations on behalf of the Partnership after the date of this Agreement.
3. The Partners agree to file a Statement of Dissolution with the office of the judge of probate in the county in which the Partnership has its chief executive office.
4. The Partners agree to publish notice of dissolution at least once in a newspaper of general circulation in all counties in Alabama where the Partnership has regularly conducted business.

#### **ARTICLE II. Liquidation.**

5. \_\_\_\_\_ is appointed as the liquidating Partner to carry out the terms and conditions of this Agreement.
6. \_\_\_\_\_ will be responsible for determining or causing to be determined the extent and whereabouts of all Partnership assets and inventory. \_\_\_\_\_ has the ability and right to sell or otherwise distribute any inventory or assets, particularly if doing so will help the Partnership diminish its liabilities and/or debts.
7. \_\_\_\_\_ shall determine, or cause to be determined, the tax obligations of the

Partnership. \_\_\_\_\_ shall then prepare and file, or cause to be prepared and filed, any and all necessary tax forms and/or returns.

8. As compensation for fulfilling their duties as the liquidating Partner, \_\_\_\_\_ shall receive the following compensation: \$2 (two US dollars)

9. Immediately following the dissolution of the Partnership, the Partners shall cause an accounting to be made by the following Partner: \_\_\_\_\_ of all the assets, liabilities, and net worth of the Partnership as of the effective date of the dissolution.

10. \_\_\_\_\_ will provide all Partners with a Statement of Account for the Partnership. Said Statement will include a complete list of inventory, as well as any assets, liabilities, and/or other debts belonging to the Partnership. Statement of Account will become a matter of record in the Partnership's books, and all Partners may access said books when necessary or desired.

11. Except as disclosed in the books and records of the Partnership, each of the Partners represents and warrants that no Partner has previously contracted any liability that can or may be charged to the Partnership or any other Partner, nor has any Partner received or discharged any of the credits, moneys, or effects of the Partnership.

12. On completion of the accounting, the Partners shall pay all of the liabilities of the Partnership, including those owed to the Partners other than for capital or profits, in accordance with the Uniform Partnership Act.

13. All amounts remaining after payment of the above liabilities shall be distributed equally between the Partners (the "Dissolution Distribution").

14. All other Partners shall have the right, directly or through a representative, at all reasonable times, to examine the books and pertinent records of the Partnership to establish and enforce their rights under this Agreement.

### **ARTICLE III. Release and Indemnification.**

15. Each Partner releases all other Partners from any and all known claims, actions, and demands arising as a result of the Partnership. This release does not prevent a Partner from bringing suit under this Dissolution Agreement, should this Agreement not be fulfilled according to the rules set forth.

16. Partners agree to indemnify and hold harmless \_\_\_\_\_, the liquidating

Partner, from claims, damages, or obligations of any kind with regard to their duties in liquidating this Partnership, unless the claims or losses come as a result of the liquidating Partner's breach of contract, unethical behavior, and/or grossly negligent actions.

#### **ARTICLE IV. Miscellaneous Provisions.**

17. This Agreement shall be governed by and construed in accordance with the laws of Alabama.

18. Any and all changes to this Agreement must be in writing and signed by all Partners.

19. The Partners covenant and agree that they will execute any other instruments and documents that are or may become necessary or convenient to carry out this Agreement.

20. The headings used in this Agreement are used for administrative and organization purposes only and are not to be considered in construing the terms of this Agreement.

21. This Agreement shall be binding on, and inure to the benefit of, the Partners and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

22. This Agreement shall not be strictly construed against either Partner.

23. If any provision in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in this Agreement.

24. This Agreement may be executed in any number of counterparts and each of the counterparts shall for all purposes be deemed to be an original.

25.

26.

**IN WITNESS WHEREOF**, this Agreement has been executed and delivered in the manner prescribed by law as of the Effective Date first written above.

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**Signature :**

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**Date :**

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**Signature :**

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**Date :**

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