

# BUSINESS SEPARATION AGREEMENT

Location: \_\_\_\_\_ Effective Date: \_\_\_\_\_

## Party A Information:

Full Legal Name: \_\_\_\_\_

Type of Entity / Individual: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Information: \_\_\_\_\_

## Party B Information:

Full Legal Name: \_\_\_\_\_

Type of Entity / Individual: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Information: \_\_\_\_\_

## Recitals:

WHEREAS, Party A and Party B have formerly conducted business together under certain arrangements; and  
WHEREAS, the Parties desire to separate their business interests and obligations as set forth in this Agreement; NOW,  
THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

## Section 1 – Definitions

For purposes of this Agreement, capitalized terms shall have the meanings ascribed to them herein. Definitions include but are not limited to 'Effective Date', 'Confidential Information', and 'Dispute'.

## Section 2 – Separation of Business Activities

The Parties agree to separate all joint business activities, including assets, liabilities, contracts, and obligations, effective as of the Effective Date. The details of asset and liability division shall be set forth in attached schedules or exhibits.

## Section 3 – Transfer of Assets and Liabilities

Each Party shall transfer and assign to the other such assets and liabilities as detailed in the attached schedules. Each Party warrants clear title and ability to transfer said assets and liabilities free from encumbrances.

## Section 4 – Confidentiality

The Parties shall maintain the confidentiality of all proprietary and confidential information obtained during the course of their previous business relationship, except as required by law or as mutually agreed in writing.

## Section 5 – Non-Competition and Non-Solicitation

For a period of two (2) years following the Effective Date, neither Party shall engage in business activities that directly compete with the other Party involving former joint customers, nor solicit employees or clients of the other Party, unless otherwise agreed in writing.

## Section 6 – Release and Waiver

Each Party hereby releases, discharges, and waives any claims, demands, or causes of action against the other arising out of or related to their former business relationship, except as specifically reserved in this Agreement.

### **Section 7 – Indemnification**

Each Party agrees to indemnify, defend, and hold harmless the other Party from and against any claims, liabilities, damages, or expenses arising from breaches of this Agreement or related to liabilities retained by each Party.

### **Section 8 – Representations and Warranties**

Each Party represents and warrants that it has full authority to enter into this Agreement, that this Agreement constitutes a valid and binding obligation, and that entering into this Agreement does not violate any other agreement.

### **Section 9 – Dispute Resolution**

Any dispute arising under or in connection with this Agreement shall first be resolved by good faith negotiation. If unresolved, disputes shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association in the agreed jurisdiction.

### **Section 10 – Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_ without regard to conflict of law principles.

### **Section 11 – Notices**

All notices required or permitted hereunder shall be in writing and shall be deemed given upon delivery if delivered personally, or upon receipt if sent by certified mail or recognized overnight courier to the addresses set forth above or as updated by notice.

### **Section 12 – Entire Agreement**

This Agreement constitutes the entire understanding between the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings, and negotiations, whether oral or written.

### **Section 13 – Amendments**

No amendment, modification, or waiver of this Agreement shall be effective unless in writing and signed by both Parties.

### **Section 14 – Severability**

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect and the invalid provision shall be replaced by a valid provision that most closely reflects the Parties' original intent.

### **Section 15 – Counterparts; Electronic Signatures**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Electronic signatures shall have the same force and effect as original signatures.

### **Section 16 – Further Assurances**

The Parties agree to execute and deliver such further documents and take such further actions as may be reasonably necessary to carry out the intent and purposes of this Agreement.

### **Section 17 – No Admission of Liability**

Nothing in this Agreement shall be construed as an admission of liability or wrongdoing by either Party.

### **Section 18 – Survival**

The provisions relating to confidentiality, indemnification, dispute resolution, and governing law shall survive termination or expiration of this Agreement.

**Section 19 – Relationship of Parties**

The Parties are independent contractors and nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or employment relationship.

**Section 20 – Headings**

Headings used in this Agreement are for convenience only and shall not affect the interpretation of any provision.

**PARTY A SIGNATURE**

**PARTY B SIGNATURE**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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