

AU-CPptn05

Family partnership agreement

Date: [\[Date\]](#)

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The schedule: Additional provisions applying when a Partner leaves

This agreement is dated: [date]

It is made between [name]

Of [address]

And [name]

Of [address]

And [name]

Of [address]

And [name]

Of [address]

[If more, they may be]

These are the terms of this agreement:

1. Definitions

[illegible]

"Accounting Date" means [date] each year.

[illegible]

"Continuing Partners" means the Partners who continue to be members of the .

"Outgoing Partner" means a Partner who ceases to be a member of ■■■
■■■■■■■■■■■■■■■■■■■■■.

[illegible]

"Partnership" means the Partners, in business, as ■■■■■■■■
■■■■■■■■.

14. Absence

If, in any Accounting Period, a Partner is absent from Partnership business as a result of illness or [56] , , () .

15. Cars

All cars required for the purposes of the Partnership business shall be , , , .

16. Insurance

All buildings, machinery, office equipment and other assets of , , , .

17. Good faith

Each Partner shall at all times:

- 17.1. devote his whole time and attention to the business ;
- 17.2. conduct himself ;
- 17.3. use his .

18. Partnership policies

- 18.1. The Partnership , :

- [illegible]

19. Restrictions on Partners

No Partner shall _____
 _____:

- 19.1. engage directly or indirectly in any business activity that competes with the Partnership; ;
- 19.2. engage or dismiss any employee of the Partnership;
- 19.3. use any of the assets of the Partnership in any manner that would materially harm the Partnership's financial condition or ability to conduct its business; ;
- 19.4. compromise or damage the Partnership's reputation or goodwill; ;
- 19.5. lend money to any person or entity; ;
- 19.6. buy or contract for any goods, services or property on behalf of the Partnership involving a total commitment of more than \$ [0 , 000]; ;

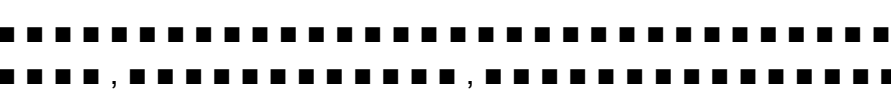
[illegible][illegible][illegible][illegible]

[illegible][illegible][illegible][illegible][illegible]

.....
 , ,

25. Miscellaneous matters

[illegible][illegible]

25.3. 

25.4.

[illegible][illegible]

25.7.

[illegible]

It shall be deemed to have been delivered:

[illegible]

Signature:

Signature:

Signature:

Signed by [name]:

Signature:

Explanatory notes:

Family partnership agreement

General notes

Every State of Australia has its own legislation regarding partnership. You can access ■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■ :

<https://www.business.gov.au/planning/business-structures-and-types/business-structures/partnership>

Paragraph specific notes:

Notes numbering refers to paragraph numbers.

1. Definition

Words with capital initial letters are defined terms. You need to understand the definition in ■■■■■■■■■■■■■■■■■■■■■■.

2. Interpretation

Leave these items in place unless there is a good reason to edit or remove.
Each of these items has been carefully considered in the context of this
agreement and has been included for a purpose.

[REDACTED]

[REDACTED]

3. Business of the Partnership

Unlike a company structure, a partnership agreement is whatever the partners make of it. You may therefore change the terms set out here to reflect the actual agreement between the parties with little risk of legal problems. Members of a family partnership may feel that this agreement is too legalistic. In that case, deletions will be appropriate. Note however, that in the long commercial experience of Net Lawman, partnerships between family and friends produce just as many problems as those between people without any

4. Partnership shares

Remember that partners are personally responsible for the debts of the partnership, and that they are "jointly and severally" responsible. That means that if one partner is unable to pay his share, then so far as any third party is concerned, he can claim just as easily against the remaining partners. If one partner has a business or social position to

5. Partnership property

[illegible]

In many cases properties occupied by the partnership may be owned by one or more partners personally and in such circumstances it is advisable to specify in the partnership agreement that these are specifically excluded from the partnership assets. Arrangements will also need to be made to substantiate the partnership's right to occupy the premises in such circumstances so that the partnership's position is fully protected as against the individual owner/partner and

6. Capital

It is normal practice for the partnership capital to be contributed in the same proportions as profits are shared. If different proportions apply, it may be appropriate for interest to be a first charge on the profits. It should be noted that, although described as interest,

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....

7. Profits and losses

No comments

8. Drawings

Arrange very carefully what money can be drawn by the partners each month.
It is very easy to confuse profit with cash flow in some types of business.
Provision should always be made conservatively for debts and

9. Loans to the Partnership

Basic, sensible provisions. ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ .

10. Banking arrangements

Bank arrangements may as simple or complicated as you wish.

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.....

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11. Records and accounts

12. Meetings and voting

Few partnerships set up a procedure for decision making. We believe it is a very important part for the glue that holds a partnership together. Every partner must feel "safe" insofar as his rights are concerned. Management procedures should therefore be fair and

13. Holidays

[illegible]

14. Absence

As for holidays, above.

15. Cars

As for holidays, above.

16. Insurance

[illegible]

17. Good faith

There is a fundamental common law duty of good faith in a partnership situation. That means no partner may prefer his own immediate financial interest to

18. Partnership policies

[illegible]

19. Restrictions on partners

There are a number of suggestions as

20. Continuation of Partnership

No comments

21. Expulsion

Partnerships often end in tears. It is therefore essential to provide comprehensive and fair provisions to deal with disagreement. We

22. Termination of the Partnership

23. After termination

24. Counterparts

25. Miscellaneous matters

Signatures

This agreement requires no witness to a signature.

The Schedule

[illegible][illegible][illegible]

End of notes