



SIMPLE PARTNERSHIP AGREEMENT

THE SMITH FAMILY STRUCTURES PROPERTY
DEVELOPMENT JOINT VENTURE

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THE SMITH FAMILY STRUCTURES PROPERTY DEVELOPMENT JOINT VENTURE

This Partnership Agreement (the “Agreement”) was made on 1 November 2020, between the “Partners”:

1. FIRST PARTNER: SMITH NOMINEES PTY LTD, ACN 123 234 374 OF 5 SMITH STREET, SYDNEY, NSW 2000 ATF THE SMITH FAMILY TRUST.
2. SECOND PARTNER: SMITH SUPER NOMINEES PTY LTD, ACN 676 543 425 OF 5 SMITH STREET, SYDNEY, QLD 2000 ATF THE SMITH FAMILY SUPER FUND.

RECITALS

- a) The Partners desire to conduct the Partnership which may include a Tenants in Common Partnership.
- b) The Partners wish to reduce the terms of their Partnership agreement into writing as follows.

1. Name and Purpose

The Partners hereby form a Partnership under the name of The Smith Family Structures Property Development Joint Venture (referred as the “Partnership”). The Partnership is formed for the following purpose/s:

- To Develop Property Within Australia Between Related Entities Of The Smith Family

2. Place of Operations

The principal place of operations shall be at 5 SMITH STREET, SYDNEY, NSW 2000 and any other place as mutually agreed by the Partners.

3. Term

The Partnership shall commence on 1 October 2020 and shall continue until terminated.

4. Capital

4.1 The capital contribution of the Partnership shall be contributed by the Partners as follows:

- FIRST PARTNER: THE SMITH FAMILY TRUST \$1,000,000
- SECOND PARTNER: THE SMITH FAMILY SUPER FUND \$1,000,000

Any real money spent prior to the ratification and execution of this agreement by any of the "Partners" shall be reimbursed from the capital contributions.

4.2 No Partner may make any voluntary contribution of capital to the Partnership without the consent of all the Partners.

4.3 Partners accept that:

a) Capital account for each partner shall be separate.

b) Neither Partner shall withdraw the capital amount.

4.4 Capital Contributions:

If Partners holding majority in capital decide that the capital is/will be insufficient to continue the Partnership, they may by written notice call for additional capital contribution from all the Partners in proportion to their existing capital contribution. These contributions shall be payable in cash no later than the date specified in the note, or no sooner than 30 days after the notice is given.

4.5 No Partner may withdraw capital from the Partnership without the consent of all the Partners.

4.6 No interest shall be paid on the initial capital contribution or any subsequent contribution of the Partnership.

4.7 No Partner shall lend or advance money to or for the Partnership's benefit without the approval of all the Partners.

4.8 If any Partner, apart from his capital contribution, lends money to the Partnership, it will be treated as a loan from the Partner to the Partnership and not as his capital contribution. The same shall be repaid by the Partnership with interest at the RBA variable home loan interest rate at the time of and during the term of the loan.

5. Partnership Bank

The Partnership bank account shall be maintained at the Partnership Bank or at such other bank as the Partners may from time to time agree. All cheques and other negotiable instruments on behalf of the Partnership shall be signed in the manner as may be agreed upon by the Partners from time to time and without any such agreement shall require the signatories of both Partners.

6. Profit and Loss

Net profit or loss of the Partnership shall be divided and borne in the same proportions as the capital contributions made between the Partners. Separate income account

shall be maintained for each Partner. If credit balance is nil in income account, losses shall be taken from their capital account.

7. Income Year

The income year of the Partnership starts each year on 1 July and finishes on the following 30 June.

8. Partnership Book

There shall be accurate books of account maintained at the principal place of operations on an income year basis. All transactions relating to Partnership, including all of its income and expenditure shall be entered into the books of account. All Partners shall have access to the Partnership books. The accounting records shall be maintained in accordance with generally accepted bookkeeping practices for this type of business. The books shall be examined by a public accountant at least annually.

9. Obligations of the Partners

9.1 Subject to and including any additional provisions (if any) set out in this Agreement:

- a) All the Partners shall during the continuation of the Partnership devote their time and attention to the Partnership as agreed to, if required. Where the Partnership is a Tenant in Common Partnership the Partners will also devote such time as is necessary to ensure the success of the Tenants in Common Partnership;
- b) A Partner must not without the consent of the other Partners introduce any person into the operations of the Partnership unless agreed upon by the Partners;
- c) A Partner must not lend any money or deliver on credit or charge any goods or property belonging to the Partnership to any person whom the other Partners by notice in writing have forbidden them to trust and a Partner so lending money or delivering goods must advise the other Partners of their intention prior to making such loan or delivery and must make good to the Partnership of the loss arising thereby if the same had not been made with the consent of the other Partners;
- d) A Partner must not release or compound any debt owing to or claimed by the Partnership without the consent of the other Partners;
- e) A Partner must not without the consent of the other Partners guarantee the payment or discharge of any sum or claim whether by way of suretyship, mortgage, loan charge, lien or otherwise;
- f) A Partner must not without the consent of the other Partners do any act or thing whereby the Partnership assets or their interest therein shall become liable for any private debt or obligation unassociated with or connected to the operations of the Partnership;

- g) A Partner must not except as herein expressly provided without the consent of the other Partners in writing dispose of his or her interest in the Partnership by way of sale or agreement or otherwise;
- h) The Partners must be just and faithful to one another and must furnish each other with full accounts and information with regard to all matters and transactions relating to Partnership operations. A Partner must not do any act or thing whereby the Partnership or its property may be prejudicially affected and in particular a Partner must not divulge any information, secret invention or process in which the Partnership or the other Partners may have an interest.

Note: Actions under Sub-sections (b) to (h) require majority consent of the Partners.

- 9.2 Each Partner must at all times duly and punctually pay and discharge his separate and private debts and engagements whether present or future and must keep the Partnership property and the other Partners indemnified there from and from all actions, proceedings, costs, claims and demands in Respect thereof.

10. Withdrawal/Death of the Partner

- 10.1 In the event a Partner withdraws or retires for any reason, including death, incapacity, separation or divorce, the remaining Partner may continue to operate the Partnership using the same name. A Partner may withdraw from the Partnership by giving a prior notice of 30 days to the other Partner/s.
- 10.2 In the case of the Partner's death, permanent physical or mental disability, retirement from the Partnership, or voluntary withdrawal from the Partnership, the Partnership shall not dissolve or terminate but its operations shall continue without interruption and without any break in continuity. On the death, disability, or withdrawal of any Partner, the others shall not liquidate or wind up the affairs of the Partnership, except as otherwise provided in this agreement, but shall continue to conduct a Partnership under the terms of this agreement with any successor or transferee of the deceased or withdrawn Partner.
- 10.3 In the event of death of the Partner, if the surviving Partner elects to purchase the deceased Partner's interest, the surviving Partner shall serve notice in writing within three months after the death, upon the executor or administrator, or the legal heirs of the deceased Partner. The purchase price must be equal to deceased's capital account as at the date of his/her death plus the deceased's income account as at the end of the prior fiscal year, increased by his/her share of Partnership profits or declined by his/her share of losses, for period from beginning of the fiscal year in which death occurred, until the last day of calendar month in which death occurred, and declined by withdrawals charged to income account during such period. If the Partner is the deceased Partner's spouse and the deceased Partner provides that their spouse is to receive the deceased Partner's interest in the Partnership property as part

of their Will, no purchase of the deceased Partner's interest is required unless the Will or the Executor of the deceased Partner's estate requires otherwise.

- 10.4 If any Partner receives an offer, whether or not solicited by them, from a person not then a Partner to purchase all or any portion of his interest in the Partnership, and if the Partner receiving the offer is willing to accept it, he shall give written notice of the amount and terms of the offer, the identity of the proposed transferee, and his willingness to accept the offer to each of the other Partners. The other Partners shall have the option, within 45 days after that notice is given, to purchase the designated interest or designated portion of the interest of the Partner giving notice on the same terms as those contained in the offer. If such Partners choose to exercise their option, then they shall each contribute equal share of the consideration and shall each individually acquire equal share of the selling Partner's interest. If only one Partner exercises the option individually, then there is no right to receive any share of the interest transferred by the other Partner by any remaining Partner.

11. Modifications

Any alterations to this Agreement shall not be made unless written and signed by all Partners.

12. Notice

Any notice required to be given under this agreement shall be in writing and sent through certified mail or delivered in hand, acknowledged in writing by the recipient. Notice shall be sent to the Partners in above mentioned address.

13. Termination

The Partnership may be dissolved by joint agreement of the Partners or as required by any Government entity or Court. In such event the Partners shall co-operate to liquidate the Partnership operations. The Partnership's assets shall be used to pay all liabilities and liquidating expenses, with the remaining assets to be distributed to the partners according to their proportionate share.

14. Indemnification

Each Partner shall indemnify and hold harmless the Partnership and the other Partners from any and all expense and liability resulting from or arising out of any negligence or misconduct on his part to the extent that the amount exceeds the applicable insurance carried by the Partnership.

15. Severability

If any provision in this Agreement shall be unenforceable, then the remaining provisions shall not in any way be affected and shall remain in force.

16. Entire Agreement

The Partners agree that this is the only Agreement between them with respect to the subject matter hereof.

17. Applicable Law and Binding Effect

This Agreement shall be binding upon the Partners and their respective heirs. The provisions of the Agreement shall be construed in accordance with the laws of New South Wales

18. Arbitration

If there is dispute relating to this Agreement or breach of any provision of this Agreement then, it shall be settled by arbitration in accordance with the Australian Arbitration Act.

This Agreement is entered into by all Parties at 1 November 2020

First Partner

SMITH NOMINEES ***SignComLEMC*** - ACN: 123 234 374 ATF THE SMITH FAMILY TRUST by being signed by the persons authorised to sign for the company pursuant to section 127 of the Corporations Act 2001:

.....

John Smith

Corporate Trustee Director Of Trust

.....

Date

.....

Sally Smith

Corporate Trustee Director Of Trust

.....

Date

Second Partner

SMITH SUPER NOMINEES ***SignComLEMC*** - ACN: 676 543 425 ATF THE SMITH FAMILY SUPER FUND by being signed by the persons authorised to sign for the company pursuant to section 127 of the Corporations Act 2001:

.....

John Smith

Corporate Trustee Director/Secretary Of
Fund

.....

Date