



Friends 1st Business 2nd - Business Agreement

List all parties or entities involved

Date of drafted agreement

Agree on the following:

- The meaning of your business commitment
- A set of rules that govern how you will handle involving family members and friends in the business
- How much of home should be discussed during business and how much business should be discussed during your leisure time as friends
- Agree to be honest and transparent even when it's difficult. (Recommendation: choose a word that you all can use to introduce difficult topics, to ease the anxiety of figuring out how to begin the conversation)
- An individual to serve as your confidant and clear them with all parties
- A process for resolving disputes
- That you will not leave a meeting angry
- On a holiday schedule

Establish the following:

- Each party's responsibilities and job title
- Each party's financial investment
- Percentage of ownership
- Allocation of profit and loss
- A decision-making process
- A buy/sell agreement (in the event someone wants to leave or dies)
- How bank accounts will be set up
- How accounting and tax matters will be handled
- How Partnership Property will/can be used by Individual Partners
- How the sale of the business will be handled (dissolution)

(Note: this is a list of *common* issues that should be addressed and is not meant to serve as an exhaustive list)