

## JOINT VENTURE AGREEMENT

This Joint Venture Agreement (the “**Agreement**”) is entered into \_\_\_\_\_ (the “**Effective Date**”), by and between \_\_\_\_\_, with an address of \_\_\_\_\_ (“**Party A**”) and \_\_\_\_\_, with an address of \_\_\_\_\_, (“**Party B**”), (collectively the “**Parties.**”)

### RECITALS

- A. Party A is a \_\_\_\_\_ organized and existing under the laws of [State] and engaged in the business of \_\_\_\_\_.
- B. Party B is a \_\_\_\_\_ organized and existing under the laws of [State] and engaged in the business of \_\_\_\_\_.
- C. The Parties intend to combine their strengths by establishing and investing in a joint venture company (the “**Company**”) in order to engage in the business of \_\_\_\_\_.
- D. The Parties wish to provide for certain matters relating to the management and operation of the Company and its business activity

NOW, THEREFORE, in consideration of the recitals and of the representations, warranties, covenants and agreements contained, and intending to be legally bound, the parties agree as follows:

1. Establishment of the Company. The Parties agree to form a [Corporation/ LLC/ Partnership] for the purposes of conducting the proposed business activity. The name of the Company shall be \_\_\_\_\_. The Company shall be governed in accordance with the [By-Laws/ Operating Agreement/ Partnership Agreement].

2. Scope of Business. The Parties shall ensure that the Company will conduct only the business activity and conduct such business solely and strictly in accordance with this Agreement.

3. Contribution. Party A shall make a capital contribution of \$\_\_\_\_\_ to the Company in exchange for a \_\_\_\_% share of the proceeds, value and net worth of the Company. Party B shall make a capital contribution of \$\_\_\_\_\_ to the Company in exchange for a \_\_\_\_% share of the proceeds, value and net worth of the Company.

4. Restriction on Transfer. No Party shall Transfer any Shares or any right, title or interest therein or thereto to any third party unless (a) the Transferee has agreed in writing to be bound by the terms and conditions of this Agreement, (b) the Transfer complies in all respects with the other applicable provisions of this Agreement and (c) the Transfer may be made to a Competitor of the Non-Transferring Party.

5. Confidential Information. The Parties shall hold in complete confidence and shall not reveal any Confidential Information without the express prior written consent of the Discloser.

6. Duties.

- a. Responsibilities of Party A. Party A shall have the following responsibility and duties  
\_\_\_\_\_.
- b. Responsibilities of Party B. Party B shall have the following responsibility and duties  
\_\_\_\_\_.

7. Financial Accounting. The Financial Accounting method shall be formulated and adopted by the Management of the Company and implemented upon a majority vote of all Parties.

8. Distribution. The Company shall distribute to the Parties by way of a dividend at least 50% of the profits of the Company in respect of each Financial Year.

9. Business Plan. The business activities of the Company shall conform to a [YEARS] Business Plan established and approved by a majority vote of all Parties.

10. Term. The term of the operations Company shall initially be for [YEARS] years commencing on the date of formation of the Company, unless otherwise terminated by written agreement of all Parties. The Company may extend the term upon a majority vote of the Parties.

11. Default. The occurrence of any of the following shall constitute a material default under this Contract:

- a. The insolvency or bankruptcy of either party.
- b. The subjection of any of either party's property to any levy, seizure, general assignment for the benefit of creditors, application or sale for or by any creditor or government agency.
- c. Any violation or contradictory action of this Agreement.
- d. [ADD ANY OTHER VIOLATIONS TO THE BUSINESS]

12. Remedies. In addition to any and all other rights a party may have available according to law, if a party defaults by failing to substantially perform any provision, term or condition of this Contract (including without limitation the failure to make a monetary payment when due), the other party may terminate the Contract by providing written notice to the defaulting party. This notice shall describe with sufficient detail the nature of the default. The party receiving such notice shall have 14 days from the effective date of such notice to cure the default(s). Unless waived by a party providing notice, the failure to cure the default(s) within such time period shall result in the automatic termination of this Contract.

13. Arbitration. Any controversies or disputes arising out of or relating to this Contract shall be resolved by binding arbitration in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association. The parties shall select a mutually acceptable arbitrator knowledgeable about issues relating to the subject matter of this Contract. In the event the parties are unable to agree to such a selection, each party will select an arbitrator and the two arbitrators in turn shall select a third arbitrator, all three of whom shall preside jointly over the matter. The arbitration shall take place at a location that is reasonably centrally located between the parties, or otherwise mutually agreed upon by the parties. All documents, materials, and information in the possession of each party that are in any way relevant to the dispute shall be made available to the other party for review and copying no later than 30 days after the notice of arbitration is served. The arbitrator(s) shall not have the authority to modify any provision of this Contract or to award punitive damages. The arbitrator(s) shall have the power to issue mandatory orders and restraint orders in connection with the arbitration. The decision rendered by the arbitrator(s) shall be final and binding on the parties, and judgment may be entered in conformity with the

decision in any court having jurisdiction. The agreement to arbitration shall be specifically enforceable under the prevailing arbitration law. During the continuance of any arbitration proceeding, the parties shall continue to perform their respective obligations under this Contract.

14. Entire Agreement. This Contract contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Contract. This Contract supersedes any prior written or oral agreements between the parties.

15. Severability. If any provision of this Contract will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

16. Amendment. This Contract may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

17. Governing Law. This Contract shall be construed in accordance with the laws of the State of \_\_\_\_\_.

18. Waiver of Contractual Right. The failure of either party to enforce any provision of this Contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Contract.

19. Entire Agreement. This Agreement constitutes the entire agreement between the Parties to its subject matter and supersedes all prior contemporaneous agreements, representations, and understandings of the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all Parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date first written above.

**[Party A]**

**[Party B]**

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
By:  
Its: