

Joint Venture Agreement

This Joint Venture Agreement ("Agreement") is entered into by _____ and _____ (each a "Venturer"; collectively the "Venturers").

It is agreed as follows:

- 1. Joint Venture Name.** The name of the Joint Venture will be _____.
- 2. Purpose.** The limited purpose of the Joint Venture is to engage in _____. The Joint Venture may engage in other activities related to this purpose as the Venturers unanimously agree are necessary, advisable or convenient.
- 3. Joint Venture Duration.** The Joint Venture's commencement date is _____, and it will continue until ended by the terms of this Agreement.
- 4. Joint Venture Office.** The principle place of business of the Joint Venture will be at the present offices of _____.
- 5. Capital Contributions and Initial Joint Venture Interests.** The Joint Venture's initial contributions and percentage interests will be the following:

- a. Cash Contributions.

Venturer's Name	Amount

- b. Noncash Contributions.

Venturer's Name	Description of Property	Value

- c. Initial Joint Venture Interests.

Venturer's Name	Percentage

- d. Additional Capital Contributions. No Venturer will be required to contribute any additional capital to the Joint Venture, but any Venturer may contribute additional capital as agreed upon unanimously by the Venturers. In the event additional capital is contributed unequally by the Venturers, the percentage interest of each Venturer will be adjusted to reflect the unequal contributions.

6. Ownership of Joint Venture Assets. All tangible and intangible property, including trade secrets, patents, copyrights and trademarks, acquired or developed by the Joint Venture will be owned by the Joint Venture and considered Joint Venture property. In the event of the departure of a Venturer or the dissolution of the Joint Venture, control and ownership will be determined pursuant to this Agreement.

7. Joint Venture Funds. Joint Venture funds will be deposited in the name of the Joint Venture in an account or accounts as determined by the Venturers. All withdrawals from the account may be made by a person authorized by the Venturers to perform financial transactions on behalf of the Joint Venture.

8. Capital Accounts. The Joint Venture will maintain a capital account for each Venturer. The account will consist of the Venturer's capital contribution plus the Venturer's share of profits minus the Venturer's share of losses and minus distributions to the Venturer. A Venturer may not withdraw capital from his or her account without the written consent of all Venturers. No interest will be paid on a Venturer's capital account.

9. Profits, Losses and Distributions.

a. The net profits and losses of the Joint Venture will be credited to or charged against the Venturers' capital accounts in the same proportions as their percentage interests.

b. The Joint Venture will make distributions to the Venturers only with the written consent of all Venturers and in accordance with their Joint Venture percentage interests.

10. Salaries. No Venturer will receive a salary for services to the Joint Venture.

11. Books, Records and Accounting.

a. Books and Records. The Joint Venture's books and records, together with all of the documents and papers pertaining to the Joint Venture's business will be open to the inspection of either Venturer, provided that an inspection is made in good faith.

b. Tax Returns. The Venturers will ensure that federal and state partnership tax returns and Schedule K-1s are prepared and delivered to each Venturer at the expense of the Joint Venture as soon as practicable after the close of each fiscal year, but no later than March 31st.

12. Management. Each Venturer will actively participate in the management of the business and affairs of the Joint Venture. Decisions on routine matters connected with the operation and management of the Joint Venture may be made by an individual Venturer. All major decisions of the Joint Venture business will require the unanimous agreement of all Venturers. For the purposes of this Agreement, major decisions are defined as:



- a. Borrowing or lending money;
- b. Signing a contract to buy or sell real estate;
- c. Assigning, mortgaging or granting a security interest in the Joint Venture or Joint Venture assets;
- d. Purchasing or contracting to purchase, or selling or contracting to sell, or leasing any property for or of the Joint Venture, other than the type or property bought and sold in the regular course of business; and
- e. Any expenditure of \$_____ or more.

13. Outside Business Activities. Any Venturer may engage in other business activities in addition to the business of the Joint Venture but only to the extent that the other business activities do not directly and materially interfere or compete with the business of the Joint Venture.

14. Admission of New Venturers. New Venturers may be admitted to the Joint Venture only by unanimous agreement of all Venturers and upon those terms and conditions agreed to in writing by the existing and new Venturers.

15. Sale, Assignment, or Other Disposition of a Joint Venture Interest. No Venturer may sell, assign or otherwise transfer or encumber his or her interest in the Joint Venture without the prior written approval of all Venturers. Any attempt to transfer or encumber a Joint Venture interest without such prior written approval will be void.

16. Venturer's Withdrawal or Death. In the event that a Venturer withdraws by giving written notice to each of the other Venturers or if a Venturer dies, the remaining Venturer may purchase the interest of a withdrawing or deceased Venturer (a "Buyout"). In the event the remaining Venturer elects this Buyout provision, the remaining Venturer must, within 60 days after a Venturer's notice of withdrawal or a Venturer's death, pay the withdrawing Venturer or the deceased Venturer's estate the value of his or her interest in the Joint Venture. The Value of the Joint Venture will be made by determining the net worth of the Joint Venture as of the date a Venturer withdraws or dies. The net worth of the Joint Venture is defined as the fair market value of all Joint Venture assets minus all Joint Venture liabilities.

17. Dissolution and Termination. No Venturer, acting alone, will have the right to cause a dissolution of the Joint Venture. The Joint Venture will be dissolved upon the occurrence of any of the following events:

- a. Unanimous agreement of the Venturers;
- b. The expiration of the term of the Joint Venture;
- c. The sale or disposition of all or substantially all of the Joint Venture assets; or
- d. The withdrawal or death of a Venturer and the failure of the remaining Venturers to exercise the option to purchase the withdrawing or deceased Venturer's interest.



18. Distribution of Assets on Termination. If the Joint Venture is dissolved pursuant to Section 17, the Joint Venture affairs will be wound up as expeditiously as possible, the assets liquidated to the extent practicable, and the Joint Venture terminated. Any Venturer may be a purchaser of any or all of the assets during liquidation. Upon the termination of the Joint Venture, the assets of the Joint Venture shall be distributed in the following order:

- a. To pay or provide for the payment of all Joint Venture liabilities to creditors other than Venturers;
- b. To repay loans, if any, made by any Venturer to the Joint Venture;
- c. To discharge the balances of the capital accounts of the Venturers; and
- d. To the Venturers in proportion to their respective percentage interests.

19. Miscellaneous.

a. Entire Agreement; Modification. This is the entire Agreement between the parties and supersedes all prior agreements and negotiations between the parties, as well as any prior writings. This Agreement may be modified only by a written agreement signed by all the parties.

b. Severability. Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

c. Waiver. If one party waives any term or provision of this Agreement at any time, that waiver will only be effective for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this Agreement, that party retains the right to enforce that term or provision at a later time.

d. Governing Law. The laws of _____ shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties to this Agreement.

e. Successors and Assignees. This Agreement binds and benefits the heirs, successors, and assignees of the parties.

f. Attorneys' Fees. If a party to this Agreement brings a legal action arising out of a dispute over this Agreement, the losing party will reimburse the prevailing party for all reasonable costs and attorneys' fees incurred by the prevailing party in the lawsuit.



I have read this Agreement and I understand and agree to its terms and conditions.

Dated: _____

Venturer

Name

Venturer

Name

