# **JOINT VENTURE AGREEMENT**

THIS JOINT VENTURE AGREEMENT (the "Agreement") is executed and entered into this \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_ (the "Execution Date"), BETWEEN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (individually the "Member" and collectively the "Members")

**BACKGROUND**

A.      This Agreement represents the contractual terms laid out herein for the benefit of members of the joint venture.

CONSIDERING: The members of this agreement have expressed an interest to engage in a mutually beneficial Joint venture based on mutual agreement and wish to pool their investments, the Members agree as follows:

**Formation**

1.      By signing this Agreement the Members agree to engage in a contractual joint venture (the "Venture") in compliance with all applicable laws of the State of [STATE].

**Name**

2. The business title of the Venture will be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Purpose**

2.  The sole purpose of the Venture (the "Purpose") will be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Term**

4. This Venture remains in course for the duration (the “Term”), is executed as of by [DATE] and remains in full force until the following conditions occur: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. The duration of the venture can be extended only after unanimous consent has been obtained from all members.

**Place of Business**

6. The business operations and office will be located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Or any other place as decided and agreed upon by the members time to time.

**Business Management**

7. A management committee will be appointed by the members to govern, maintain and direct the joint venture formed herein. The members have granted the management committee full authority to act in full force and bind all the members to the matters pertaining to the management, maintenance and direction of the venture. Only the Management Authority or its successor or delegates retains the right to combine any third party or business contract with the Joint Venture formed.

8. A representative will be appointed for the benefit of each member of the joint venture by the Management Committee, this arrangement may be amended on the consensus of the Members. These appointed representatives will be granted the right to assist their respective members in the decision-making process of the Venture. Every member has the right to replace the previously appointed representative on their discretion given that a formal notice has been provided to the other Members.

9. The appointment of an accounting firm for the reasonable operations of the Venture will be derived from the decision and opinions of the Management Committee and will only be approved upon consensus of the majority.

10. The management committee has been granted the right to appoint any managers as deemed necessary by it. What the manager’s roles and responsibilities will be is to be decided at the Management Committee’s discretion.

**Management Duties**

11. Unless detailed otherwise herein, the roles and responsibilities of the Management Committee will include the following:

a. monitoring and managing the daily operations;

b. monitoring, controlling and directing the operational, business and financial aspects of the Venture;

c. keeping of books of accounting and other financial documentation as per reasonable accounting practices;

d. analyzing and responding to all concerns and issues taking place under the aspects it has been provided authority over, either through expression or implication;

e. Undertaking the recruitment and selection process for prospective employees including activities such as labor negotiations, designing contracts for individual contractors.

**Member Duties**

12. Each member will be obligated to fulfill the following duties:

13. Respective duties and obligations of each member may be amended or adjusted as required and with the agreement from all the Members, only if any member’s pertaining business interests are not adversely affected by it except in the case a unanimous consent has been obtained for the amendments.

**Capital Contributions**

14. All members have contributed a capital injection of equal value as agreed upon herein, and stated below:

**Member Contribution Description**

Agreed Value $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ USD $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ USD

15. All members are obligated to fulfill their payment responsibilities regarding capital contributions adequately and in a timely manner.

**Withdrawal of Capital**

16. In case a member wishes to withdraw any amount from their respective capital contributions they are obligated to ask for a written consent and may only proceed after consent of all members is received in written form.

17. The members are not under any liability to refund the capital contributions of any member either in its entirety or partially from their personal resources, unless stated otherwise herein.

**Additional Capital**

18. The capital contribution amounts may be adjusted once in a while to align with the requirements of the venture, only with the consensus of the members and as recommended by the Management Committee. No excessive capital contributions (the "Additional Capital Contributions") are to be made without the consensus of all members in case other member’s pertaining interests in the venture may be affected due to it.

19. An excessive amount of money brought in by a particular member of the venture is only to be considered as a debt due from the Joint Venture and not to be retained as a form of capital contribution. This amount of money will be considered a liability and the venture will be under the obligation to repay that loan with the frequency and interest rates decided under the discretion of the majority of the members. No member will be granted a higher voting or decision-making power solely for the purpose of bringing in an excessive amount of money. The majority of the members are to decide if they want to prioritize this debt over other liabilities.

**Capital Accounts**

20. Every member will be required to maintain a separate capital account for their Capital contributions and any contributions made whether initially or from time to time will be credited to the member’s individual Capital Account.

**Interest on Capital**

21. There will be no charges for borrowing or interest rates on loan for any Capital Contributions made by the members irrespective of inequalities in the amount contributed by each Member.

**Books of Account**

22. Complete financial records pertaining to the Venture will be kept in compliance with the GAAP and members are granted the right to request the records at reasonable business timings for investigation or examination. All the transactions related to the Venture will be adequate for the reasonable purpose of business conducted and are to be recorded in the books of account in their entirety.

**Banking and Venture Funds**

23. What type of investment or banking accounts are to be used to retain the financial resources of the Joint Venture are to be decided at the discretion of the Members. The funds will be retained under the business title given to the Joint venture and will not be retained under the legal name of any individual or third-party entity.

**Member Meetings**

24. Members can hold regular meetings according to their requirements and convenience. All the minutes of the meetings are to be recorded and documented.

25. All members have been granted the right to request a special meeting in case they want to resolve issues that they regard with urgency but it is necessary to obtain a vote immediately and cannot wait for a future scheduled meeting. In case of a special meeting, all members are to be issued a reasonable and clear notice. Moreover, when the special meeting takes place, the meeting agenda will be limited to the specific issue it was initially called for only.

26. Meetings should be arranged at convenient, reasonable and practical locations to be suitable for all the members.

27. In case a need for voting arises, all members have been granted one vote carrying equal weightage.

**Amendments**

28. To make modifications or amendments within this Agreement unanimous consent is needed of all Members.

**Admitting a new Member**

29. In case of entry of a new member to the joint venture all members are required to vote with equal weightage granted and should only be approved if their unanimous consent has been provided by all the members. The new member is to abide by all the contractual agreements set out herein, including all the current and future modifications. Moreover, reasonable paperwork will be undertaken and executed by the new member as applicable to the entry requirements. What type of business interest the new member receives will be under the sole discretion of the members?

**Dissociation of a Member**

30. In case a member has committed a violation of any term or terms set out herein and has not corrected their violation following reasonable notices issued by the venture and after a certain period of time as deemed reasonable then the Members are granted the right to release that particular member from this joint venture and the right to shield the venture from any threats and damages.

31. In case the Joint Venture has sustained any losses or damages due to the default or irresponsibility of a member or due to their failure to act, then the guilty member will be under the obligation to compensate the joint venture for the losses and damages incurred. If damages have been incurred due to actions of two or more members then they will all be accountable and liable for its compensation.

32. All members are under the obligation to protect their counterparts from any damage or loss claims, expenses incurred or other forms of harm in the case the Venture is terminated due to their violation of the Contractual agreements mentioned herein.

33. In case a member has filed for bankruptcy or has released himself from the Joint Venture Agreement, the other Members are granted the right to continue with their processes and regard that particular Member as a violator of this agreement.

34. To make disbursements to a dissociated member pertaining to his interest in the venture, are to be made on the basis of his ownership percentage as described in the Valuation of Interest or as agreed by members otherwise.

**Dissolution of the Joint Venture**

35. The venture will be terminated and liquidated if one of the following conditions comes true:

a. the initial Term decided herein expires and the members do not act to renew it;

b. All members have voted for its termination;

c. All the assets of the venture whether tangible or intangible have been lost or damaged significantly; or

d. All members have voluntarily or involuntarily left the venture and there is only one member left.

**Liquidation**

36. The venture will be liquidated immediately in a reasonable period of time upon its termination.

37. Following the liquidation of assets, the resulting monetary amounts are to be shared according to the capital contributions made by each member unless stated otherwise herein or agreed by all members through a written consent.

**Valuation of Interest**

38. In case the members have not given unanimous consent on what the venture should be valued at, it will be appraised on the basis of market value of all its owned assets and a final value will be obtained after deductions of any liabilities have been made, this will be done in compliance with the GAAP and conducted through a third-party accounting firm as appointed after the consensus of all Members. An appraiser will also be appointed promptly following the date of dissolution. All the members will accept the outcomes reached from this appraisal. In case a member chooses to release them self from this venture agreement, their interest will be derived from the portion of capital contributed by them and after deducting any liabilities owed by the member to the Venture. This section of the Agreement serves to benefit the survival of this venture in case a member chooses to release them self from it.

39. No capital allowances are to be made for the business title, trademarks, goodwill or any or all patents and other proprietary assets unless the aforementioned intangible assets were reflected and realized before the valuation.

**Transfer of Member Interest**

40. A member may release himself from the Joint venture and assign the assets and rights in interest pertaining to the joint Venture under their possession. Such transfer of interest will only represent the financial interest and economic rights of the member and will not be accompanied with a transfer of other pertinent rights of the member such as his membership title, entry into the venture, voting rights or any involvement in the decision-making or management of the venture. After the member transfers his rights to a third-party, he will be released from this agreement and not considered a member of the venture. Furthermore, this assignment and transfer of rights is to not take place without a written consent of all members.

**Management Voting**

41. In case a need for voting arises all representatives will be granted one vote holding equal weightage unless formally agreed upon otherwise by all Members.

**Force Majeure**

42. A Member will not be held accountable or liable to the Venture if the member’s capacity to fulfill their obligations pertaining to this agreement is affected due to a force majeure provided that the member had notified the other members about his situation through reasonable means and made all necessary efforts to alleviate the event. Force majeure may include but not restricted to earthquakes, floods, war, typhoons or fire and any other natural disaster or event that cannot be controlled.

**Duty of Loyalty**

43. Members are granted the right to engage in operations and affairs of different businesses and hold interests in any businesses other than this Venture provided that all the members are aware of this and have provided consent to the Member. Any revenue, profits or assets from the outside business interests will be the sole property of the involved member only and neither the Joint Venture or other Members are entitled the revenue, profits or assets pertaining to any business interests held outside this venture. In case the outside business interests or any transactions are suspected to pose a threat to the well-being of the joint venture and interfering with or compromising the interests of this Joint venture it should be disclosed. In case the member has delayed the disclosure or did not disclose this information in its entirety the member will be released from this Agreement and the remaining members will proceed after an “Involuntary withdrawal” of that member.

**Confidentiality**

44. All the information, materials and documentation pertaining to this Agreement are to be considered confidential and protected according. Members will ensure that they will not engage in any disclosure of confidential information pertaining to the venture to any third-party unless a written consent of all members has been received beforehand.

45. This clause will remain valid and enforceable for one year following the expiration or termination of this Agreement or after the venture has been dissolved.

**Language**

46. All members have deliberately agreed to employ English language as a preferable language for this agreement and any other notifications and contractual agreements to be obtained by the venture.

**Insurance**

47. Venture is under the obligation to obtain insurance for all the reasonable and standard damage and losses for all of its assets as deemed reasonable in the industry.

**Indemnification**

48. The venture is responsible for the indemnification and protection of every member from any loss or damage pertaining to the reasonable participation of the members in operations of the Venture unless the loss or damage is incurred due to gross misconduct and deliberate misbehavior by that member.

**Liability**

49. Members will not be held accountable or liable to the venture in case any damage or loss arises due to lack of judgement or reasonable speculation. However, the members are to be held accountable in case damages or loss are incurred due to their gross misconduct and deliberate misbehavior.

**Liability Insurance**

50. To provide indemnification to a member, agent, staff or any other third-party individual involved in the business interests of the Venture against any loss or damage claims or other liabilities imposed on them or incurred due to their reasonable speculation regarding the Venture, the venture may acquire a liability insurance on their behalf.

**Covenant of Good Faith**

51. All members have accepted to use their capabilities and make efforts to benefit the Venture and make it successful.

**Joint Venture Property**

52. In case allowed by a competent and applicable law, all business titles pertaining to the Venture assets which includes but not limited to intellectual property of the venture will be under the ownership of the Venture. However, in case the venture does not hold a separate legal entity the assets will be held under the legal names of one or more members of the venture.  The members are under the obligation to only utilize and exploit the Venture Assets for the sole purpose and benefit of the Venture and not combine them with other purposes or benefits.

**Jurisdiction**

53. These contractual agreements put forth herein are under the governance of the Judicial System of [State.Name]. And All members are obligated to resolve any legal proceedings or disputes through the filing with a competent court in the state of [State.Name].

**Warranties**

All members have provided representation and warranties that:

54. They possess the power, authority and permits to enter into this agreement and maintain their responsibilities of obligations mentioned herein and that their representatives are fully capable and permitted to enter into this Agreement.

55. This agreement will not prove problematic for or violate any previous agreements and constitutional documents of each member of the Venture.

**Definitions**

56. In the context of this Agreement, the following terms are defined as follows:

a. "Capital Contributions" refer to the capitals provided to the Venture by its Members, in any form including but not limited to property, land and money etc.

b. "Majority Vote" A Majority Vote refers to the vote of the 51% or higher.

c. "Operation of Law" refers to any rights or obligations imposed on an individual by a jurisdiction without direct action or agreement from the said individual such impositions include but not limited to a bankruptcy, divorce or assignment for the benefit of creditors.

**Miscellaneous**

57. This Joint Venture is deemed to be a contractual Joint Venture and not a General partnership Joint Venture. The members of this joint venture are under no obligation to be pressured into responsibilities they may collaborate and assist the other members as per their convenience. The members will not pool their profits and losses. Every member is to be held accountable for their own performances and behavior and no other member represents the other member. The damages or losses due to any one member’s default will not be imposed onto the other Members.

58. This Agreement may be executed in two or more separate counterparts and all the parts are equally enforceable and valid. Facsimile or any other electronic signatures will be deemed valid and legally binding.

59. Headings used herein are only for the purpose of reference and do not constitute an essential part of this Agreement or hold any specific interpretations. Words in singular forms also refer to the plural forms and vice versa. Pronouns of the masculine gender also refer to the feminine gender and vice versa. Words with neutral pronouns refer to both the masculine and feminine gender and vice versa.

60. If a competent jurisdiction has considered any terms or conditions stated herein as invalid, ineligible or unenforceable then only those particular terms or conditions will be rendered ineffective while all the other contractual agreements remain in full force and completely valid.

61. This Joint Venture agreement represents the deliberate agreements made by and between all the members. Any investigations, negotiations and interrogations conducted have been considered in this Agreement. Warranties or statements given by any member during prior discussions and investigations may not align with the warranties and statements provided in this agreement. However, this agreement is to hold privilege over any type of other less formal agreements and such agreements are void of any enforceability. The contractual agreements made herein are the only legally binding source.

 62. The covenants, terms and conditions mentioned in this Agreement are applicable and binding upon the Member's successors, beneficiaries, future replacements, representatives, and administrators.

63. In case a need for notification or communication arises all notices are to be made either in person, via an agent, through postage to the mailing addresses of all members to be considered valid and enforceable.

 UNDER WITNESS, the Members have agreed to enter into and remain bounded by this Agreement on:  \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Member).

Signature (Party 1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

Signature (Party 2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_