**Joint Venture Agreement**

This Joint Venture Agreement (this “Agreement”) is entered into as of the \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_ (the “Effective Date”) by and between \_\_\_\_\_\_\_\_\_\_ [name of entity 1], a \_\_\_\_\_\_\_\_\_\_ [state of entity 1 formation] \_\_\_\_\_\_\_\_\_\_ [type of entity 1: corporation/limited liability company/partnership/limited partnership/limited liability partnership] (“\_\_\_\_\_\_\_\_\_\_”) [abbreviated name of entity 1] located at \_\_\_\_\_\_\_\_ [address of entity 1] and \_\_\_\_\_\_\_\_\_\_ [name of entity 2], a \_\_\_\_\_\_\_\_\_\_ [state of entity 2 formation] \_\_\_\_\_\_\_\_\_\_ [type of entity 2: corporation/limited liability company/partnership/limited partnership/limited liability partnership] (“\_\_\_\_\_\_\_\_\_\_”) [abbreviated name of entity 2] located at \_\_\_\_\_\_\_\_ [address of entity 2].

**1. Formation.** The parties have indicated an interest in forming and establishing a joint venture for the exclusive purpose of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [purpose of joint venture] (the “Joint Venture”). The Joint Venture shall do business under the name \_\_\_\_\_\_\_\_\_\_ [joint venture name], and shall have its principal office and place of business at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [legal address] or such other place(s) as shall be designated from time to time.

**2. No Partnership.** The Joint Venture shall not be construed to create a partnership or any other fiduciary obligations between the parties.

**3. Contributions.** For the purpose of the Joint Venture, [name of entity 1] shall make an initial capital contribution of \_\_\_\_\_\_\_\_\_\_ [dollar amount/property/other value] and [name of entity 2] shall make an initial capital contribution of \_\_\_\_\_\_\_\_\_\_\_ [dollar amount/property/other value].

If the Joint Venture requires additional funds, the parties shall make additional contributions in the following proportion: [entity 1] will contribute \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [additional contributions from entity 1] and [entity 2] will contribute \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [additional contributions from entity 2]

The parties own the following percentage interest in the Joint Venture: [entity 1] will own \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [ownership percentage from entity 1] and [entity 2] will own \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [ownership percentage from entity 2]

**4. Distribution of Profits.** Net profits and net losses accruing to the Joint Venture shall be held and distributed to the Parties in the following proportion: [entity 1] will receive \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [proportion of profits entity 1 will each receive] and [entity 2] will receive \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [proportion of profits entity 2 will each receive]

**5. Management.** The Manager, Management Committee, or \_\_\_\_\_\_\_\_\_ will be responsible for the following duties and obligations of the Joint Venture: (a) managing day to day business affairs; (b) monitoring, controlling and directing the financial, business and operational affairs; (c) properly maintaining account books and financial records according to standard accounting practices; (d) using express or implied authority granted by this Agreement to handling all other issues; and (e) hiring production and administration staff and third party contractors as needed, including any required labor negotiations.

**Disagreements.** If the parties disagree on a material issue and cannot agree on a mutually satisfactory decision or solution, then a deadlock shall be deemed to have occurred. If a deadlock occurs, the parties accept and understand that they will engage in [a buy-out/mediation/arbitration/state other remedy].

In a buy-out, one party (the “Offeror”) may offer to purchase the Joint Venture interest of the other party (the “Offeree”) by notifying the Offeree in writing of an irrevocable offer to purchase. The Offeree shall then have the right to either buy the interest of the Offeror at the designated price and terms or sale its own interest at the designated price and terms for \_\_\_\_\_\_ (#) days.

**6. No Exclusivity.** This Agreement does not obligate either party to conduct business exclusively with the other party.

7. **Confidentiality.**

a. **Confidential and Proprietary Information.** In the course of the Joint Venture, the parties will be exposed to confidential and proprietary information. Confidential and proprietary information shall mean any data or information that is competitively sensitive material and not generally known to the public, including, but not limited to, information relating to development and plans, marketing strategies, finance, operations, systems, proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, data, databases, inventions, know-how, trade secrets, customer lists, customer relationships, customer profiles, supplier lists, supplier relationships, supplier profiles, pricing, sales estimates, business plans and internal performance results relating to the past, present or future business activities, technical information, design, process, procedure, formula, or improvement, which the the parties consider confidential and proprietary. The parties acknowledge and agree that the confidential and proprietary information is valuable property, developed over a long period of time at substantial expense and that it is worthy of protection.

b. **Confidentiality Obligations**. Except as otherwise expressly permitted in this Agreement, the parties shall not disclose or use in any manner, directly or indirectly, any confidential and proprietary information either during the term of this Agreement or at any time thereafter, except as required to perform their duties and responsibilities or with the other party’s prior written consent. Both parties agree that all confidential and proprietary information disclosed and received shall not remain secret and confidential during the Term of this Agreement and continue thereafter for \_\_[written number of years]\_\_\_\_\_ ([#]) years after the Agreement is terminated or expires.

c. **Rights in Confidential and Proprietary Information**. All ideas, concepts, work product, information, written material or other confidential and proprietary information disclosed to either party (i) are and shall remain the sole and exclusive property of the disclosing party, and (ii) are disclosed or permitted to be acquired by the receiving party solely in reliance on this Agreement to maintain them in confidence and not to use or disclose them to any other person except in furtherance of the Joint Venture. Except as expressly provided herein, this Agreement does not confer any right, license, ownership or other interest or title in, to or under the confidential and proprietary information to the receiving party.

d. **Irreparable Harm.** Employee acknowledges that use or disclosure of any confidential and proprietary information in a manner inconsistent with this Agreement will give rise to irreparable injury for which damages would not be an adequate remedy. Accordingly, in addition to any other legal remedies which may be available at law or in equity, the Company shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of confidential and proprietary information. The Company shall be entitled to pursue any other legally permissible remedy available as a result of such breach, including but not limited to damages, both direct and consequential. In any action brought by the Company under this Section, the Company shall be entitled to recover its attorney’s fees and costs from Employee.

8. **Notices.** All notices given under this Agreement must be in writing. A notice is effective upon receipt and shall be sent via one of the following methods: delivery in person, overnight courier service, certified or registered mail, postage prepaid, return receipt requested, addressed to the party to be notified at the below address or by facsimile at the below facsimile number or in the case of either party, to such other party, address or facsimile number as such party may designate upon reasonable notice to the other party.

[Name of Entity/Individual 1]

[Name of Contact Person and Title, if Entity]

[Street Address]

[City, State, Zip Code]

[Telephone Number]

[Facsimile Number]

[Name of Entity/Individual 2]

[Name of Contact Person and Title, if Entity]

[Street Address]

[City, State, Zip Code]

[Telephone Number]

[Facsimile Number]

9. **Termination.** This Agreement will terminate on the earlier of: (a) the written agreement of the parties to terminate this Agreement; (b) the consummation of the Joint Venture; (c) \_\_\_\_\_\_\_\_\_\_ [period of time: e.g. six months, one year, two years] from the date hereof; or (d) the completion of the following objective: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [describe dissolution event, completion of a project, goal, or change in market conditions].

10. **Amendment.** This Agreement may be amended or modified only by a written agreement signed by both of the parties.

11. **Jurisdiction.** This Agreement will be governed by and construed in accordance with the laws of the State of \_\_\_\_\_\_\_\_\_\_, without regard to the principles of conflict of laws. Each party consents to the exclusive jurisdiction of the courts located in the State of \_\_\_\_\_\_\_\_\_\_ for any legal action, suit or proceeding arising out of or in connection with this Agreement. Each party further waives any objection to the laying of venue for any such suit, action or proceeding in such courts.

12. **Miscellaneous.** This Agreement will inure to the benefit of and be binding on the respective successors and permitted assigns of the parties. Neither party may assign its rights or delegate its duties under this Agreement without the other party’s prior written consent. No consent shall be required if the assignment or transfer is pursuant to a sale of all or substantially all of a party’s assets or business, but written consent must be given within \_\_\_\_\_\_ days of such assignment or transfer. In the event that any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement. Neither party will be charged with any waiver of any provision of this Agreement, unless such waiver is evidenced by a writing signed by the party and any such waiver will be limited to the terms of such writing.

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

[Name of Entity/Individual 1]

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

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Name of Entity/Individual 2]

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

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_