

## JOINT VENTURE AGREEMENT

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This Joint Venture Agreement (this "Agreement") is entered into as of the 19 day of January, 2018 (the "Effective Date") by and between ANNETTE J LUNA located at 3960 Kelly Street, Charlotte, NC 28211 and NICHOLAS D ENTREKIN located at 4985 Nicholas Street, Chester, KS 68327.

**1. Formation.** The parties have indicated an interest in forming and establishing a joint venture for the exclusive purpose of developing and running a chain of ice cream stores (the "Joint Venture"). The Joint Venture shall do business under the name ABC VENTURE, and shall have its principal office and place of business at 3327 Reeves Street, Brillion, WI 54110 or such other place(s) as shall be designated from time to time.

**2. Contributions.** For the purpose of the Joint Venture, the parties shall make capital contributions, in cash or property, in the following amounts or values:

Annette J Luna: cash in the amount of \$10,000.00 USD

Nicholas D Entrekina: cash in the amount of \$20,000.00 USD

If the Joint Venture requires additional funds, the parties shall make additional contributions as mutually agreed upon by the parties.

**3. Ownership.** The parties shall own interest in the Joint Venture in the following percentages:

Annette J Luna: 40%

Nicholas D Entrekina: 60%

**4. Distribution of Profits.** Net profits and net losses accruing to the Joint Venture shall be distributed to the parties in accordance with each party's respective ownership interests.

**5. Management.** The manager, Alfredo E Mayberry, 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.

**6. Duties of Parties.** The parties will be responsible for the following duties under the Joint Venture:

Annette J Luna: provide financing and investment for the venture

Nicholas D Entrekina: provide financing and investment for the venture

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

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

**9. Confidentiality.**

**a. Confidential and Proprietary Information.** In the course of the Joint Venture, the parties will be exposed to confidential and proprietary information. "Confidential 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, designs, processes, procedures, formulas, improvements, and other information which the parties consider confidential and proprietary. The parties acknowledge and agree that each parties' Confidential 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 Information either during the term of this Agreement or at any time thereafter, except as required to perform their respective duties and responsibilities or with the other party's prior written consent. Both parties agree that all Confidential Information disclosed and received shall remain secret and confidential during the term of this Agreement and continue thereafter for one (1) year after this Agreement is terminated or expires.

**c. Rights in Confidential and Proprietary Information.** All ideas, concepts, work product, information, written material or other Confidential 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 Information to the receiving party.

**d. Irreparable Harm.** Each party acknowledges that the use or disclosure of any Confidential 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 disclosing party shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of Confidential Information. The disclosing party 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 disclosing party under this Section, the disclosing party shall be entitled to recover its attorney's fees and costs from receiving party.

**10. 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

address first stated above, or to such other address as such party may designate upon reasonable notice to the other party.

**11. Termination.** This Agreement will terminate when the Joint Venture has been completed or terminated, unless terminated earlier by a written agreement of the parties.

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

**13. Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to the principles of conflict of laws.

**14. Disputes.** 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 mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association. The written decision of the arbitrator(s), as applicable, shall be final and binding on the parties.

**15. Assignment.** 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 notice to the other party must be given within five (5) days of such assignment or transfer.

**16. Miscellaneous.** This Agreement will inure to the benefit of and be binding on the respective successors and permitted assigns of the parties. 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. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, understandings and agreements.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

ANNETTE J LUNA

\_\_\_\_\_  
Name of Party

\_\_\_\_\_  
Representative Signature

\_\_\_\_\_  
Representative Name and Title

NICHOLAS D ENTREKIN

Name of Party

**Representative** Signature

**Representative** Name and Title

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# GENERAL INSTRUCTIONS

## WHAT IS A JOINT VENTURE AGREEMENT?

A Joint Venture Agreement is a contract between two or more parties who want to do business together for a period of time. Instead of creating a formal partnership or new legal entity, a contractual joint venture ("JV") allows the parties to continue filing their own tax returns yet reap the financial benefits of sharing resources and risks.

## WHAT SHOULD BE INCLUDED?

A Joint Venture Agreement will identify the following basic elements:

- **Parties or Co-Venturers:** the two entities that have agreed to work together
- **Contributions:** how much money, property, or time each of the co-venturers will invest
- **Management:** person responsible for the day-to-day operations of the joint venture
- **Purpose:** scope of JV activities and reason to join resources and collaborate
- **Profits:** how profits will be distributed, either based on contributions or another formula
- **Term:** whether the joint venture is for a limited time or indefinite period

A joint venture has a limited life and purpose, requiring less commitment than a more permanent partnership that imposes more responsibilities and obligations on each partner.

## WHEN IS IT NEEDED?

If your business could benefit from sharing resources with another company, a joint venture for a limited period of time and limited purpose may increase your chances of succeeding. Companies often enter into Joint Venture Agreements in the following circumstances:

- Create strategic alliances to

gain access to wider markets

- Develop new technologies, products, or services
- Expand business development through new networks
- Leverage one company's brand and reputation to increase sales
- Lower research and development costs through collaboration
- Share expertise or relationships to penetrate new markets

## WHEN IS IT DISSOLVED?

Unlike a formally organized partnership, joint ventures are not permanent and are often dissolved in these kinds of situations:

- One company buys the other business
- Market conditions change
- New goals developed
- Purpose has been fulfilled or not
- Shared goals no longer apply
- Time period for joint venture has lapsed

## WHY IS IT NEEDED?

Without a Joint Venture Agreement, the law may assume your collaboration is actually a legally recognized partnership and apply the state default laws for tax and liability purposes.

Characteristics of Joint Venture vs. Partnership:

- Temporary basis vs. permanent or indefinite period
- Contractual relationship vs. new legal entity
- Limited scope and purpose vs. broad scope
- Individual tax returns vs. "pass through" tax entity
- Individual liability of each co-venturer vs. jointly and severally liable for debts
- Limited fiduciary duty to the JV vs. broad fiduciary duty to the partnership
- Both co-venturers must sign contracts vs. partners can sign contracts as agents
- Custom ownership percentages vs. default 50/50 ownership