# PaulHoytLogo 2013-06-26 Final

# Overview

The Joint Venture Template is intended to be a discussion document for potential joint venture relationships.

## Instructions

1. Complete the template step by step, discussing each step along the way.
2. Provide to an attorney for formalization
3. Delete this page and these instructions when you are done.

**We look forward to helping you grow!**

**JOINT VENTURE AGREEMENT**

This JOINT VENTURE AGREEMENT ("Agreement") is made on **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  between **Company1**  and **Company2,** together, the “**Joint Venturers**”.

**RECITALS**

The Joint Venturers have agreed to make contributions for the purpose of developing [and marketing] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

They further agree to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**GENERAL DEFINITIONS**

**Gross Profit.** “Gross Profit” shall be defined as revenues received from the sale of products less common and agreed upon direct expenses such as the cost of manufacturing and shipping, the cost of physical and digital fulfillment, commissions and affiliate fees paid to third parties, and credit card fees.

**Net Profit.** “Net Profit” shall be defined as the Gross Profit less all other reasonable business expenses, including sales and marketing, general and administrative, depreciation and amortization, interest expenses, and taxes. Generally, Net Profit is taxable income less taxes.

**Other Critical Definitions:**

**Term 1:**

**Term 2:**

**AGREEMENT**

It is therefore agreed:

1. **Purpose**. The Joint Venturers form this joint venture to develop and market \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and perhaps other products, to be determined.
2. **Intention**. The intention of the Joint Venturers is to create an agreement
   1. For \_\_\_\_\_\_\_\_ period of time
   2. That is a win-win for all parties
3. **New Entity:** It is the intention of the Venturers to
   1. Form a new legal entity / or
   2. Do business as separate legal entities.
4. **Contributions.** The Venturers will each make initial contributions to the venture as follows:

|  |  |
| --- | --- |
| **Name of Joint Venturer** | **Contributions** |
| Company 1 | 1. The rights to use the brand and database from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2. Internet product development expertise 3. Marketing expertise |
| Company 2 | 1. The creation of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2. Marketing expertise |

1. **In return for these initial contributions**, the parties will receive:

|  |  |
| --- | --- |
| **Name of Joint Venturer** | **Compensation** |
| Company 1 | 1. Cash of \_\_\_\_\_\_ 2. Notes payable of \_\_\_\_\_\_\_\_\_\_\_ 3. Equity of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Company 2 | 1. Cash of \_\_\_\_\_\_ 2. Notes payable of \_\_\_\_\_\_\_\_\_\_\_ 3. Equity of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

1. **Roles and Responsibilities.** The Venturers will perform the following functions on an ongoing basis:

|  |  |
| --- | --- |
| **Name of Joint Venturer** | **Contributions** |
| Company 1 | 1. Responsibility 1 2. Responsibility 2 |
| Company 2 | 1. Responsibility 1 2. Responsibility 2 |

1. **In return for these ongoing contributions**, the parties will receive:

|  |  |
| --- | --- |
| **Name of Joint Venturer** | **Compensation** |
| Company 1 | 1. Cash of \_\_\_\_\_\_ 2. Notes payable of \_\_\_\_\_\_\_\_\_\_\_ 3. Equity of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Company 2 | 1. Cash of \_\_\_\_\_\_ 2. Notes payable of \_\_\_\_\_\_\_\_\_\_\_ 3. Equity of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

1. **Ownership.** The Joint Venturers agree that the initial ownership of the new venture will be as follows:

|  |  |
| --- | --- |
| **Name of Joint Venturer** | **Ownership** |
| Company 1 | **80%** |
| Company 2 | **20%** |

1. **Commissions.** The Joint Venturers agree to pay commissions as follows:

|  |  |
| --- | --- |
| **Name of Joint Venturer** | **Commission** |
| Company 1 | **20%** when \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Company 2 | **20%** when \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

1. **Profits.** The Joint Venturers agree to split profits and revenues as follows:

|  |  |
| --- | --- |
| **Name of Joint Venturer** | **Profit Distribution** |
| Company 1 | **80%** of the distributed profits of the venture |
| Company 2 | **20%** of the distributed profits of the venture |

1. **Payments**. Payments from one Venturer to the other will be made no later than last day of the month following receipt of revenues.
2. **Development Expenses**. Both Venturers will be reimbursed for agreed upon development expenses before profits are shared.
3. **Operational Expenses.** Both Venturers will be reimbursed for agreed upon operational expenses before profits are shared.
4. **Sales and Marketing.** Both Venturers will assume their own sales and marketing expenses for any revenue streams which qualify for the 20% off-the-top commissions. The Venturers may be reimbursed for other agreed upon joint sales and marketing expenses.
5. **Term.** This Joint Venture shall commence on the date first above written and shall continue in existence until terminated, liquidated, or dissolved by law or as hereinafter provided.
6. **Dissolution**. If any of the parties choose to withdraw from this agreement, or passes away, the parties agree to:
   1. Value any equity position as follows: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
   2. Allow the withdrawing party to retain their ownership position (or not), and / or transfer the ownership position to their heirs (in the case of death)
   3. Allow the withdrawing party so sell their position to a third party (or not)
   4. Force the remaining party to pay the withdrawing party as follows: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
   5. Pay (or not pay) any remaining compensation as follows: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. **Arbitration and Attorneys Fees**. The Joint Venturers agree that any dispute, claim, or controversy concerning this Agreement or the termination of this Agreement, or any dispute, claim or controversy arising out of or relating to any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in **an agreed upon location in California,** in accordance with the rules then in effect of the American Arbitration Association. The arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator’s decision in any court having jurisdiction. The Joint Venturers will pay the costs and expenses of such arbitration in such proportions as the arbitrator shall decide, and each Joint Venturer shall separately pay its own counsel fees and expenses.
8. **Governing Law; Consent to Personal Jurisdiction**. THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE OF **CALIFORNIA WITHOUT** REGARD FOR CONFLICTS OF LAWS PRINCIPLES. EACH JOINT VENTURER HEREBY EXPRESSLY CONSENTS TO THE PERSONAL JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF **CALIFORNIA**  FOR ANY LAWSUIT FILED THERE AGAINST ANY PARTY TO THIS AGREEMENT BY ANY OTHER PARTY TO THIS AGREEMENT CONCERNING THE JOINT VENTURE OR ANY MATTER ARISING FROM OR RELATING TO THIS AGREEMENT.

In witness whereof the Agent and the Joint Venturers have signed and sealed this Agreement.

[Signature of Joint Venturer]                                                          [Date]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

[Printed or Typed Name of Joint Venturer]

[Signature of Joint Venturer]                                                          [Date]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

[Printed or Typed Name of Joint Venturer]