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JOINT VENTURE OR PARTNERSHIP AGREEMENT

[NOTE: Please replace “COMPANY A” and “COMPANY B” with the appropriate abbreviations for the name of your company and the name of the company you are partnering with. If you are two individuals doing business together, change the word COMPANY to PARTY and insert your individual names.

This AGREEMENT made and entered into by and between _____, having an address of _____ (hereinafter “COMPANY A”), and _____, having an address of _____ (hereinafter “COMPANY B”).

WHEREAS, COMPANY A has special skills or assets as follows:

_____;

WHEREAS, COMPANY B has special skills or assets as follows:

_____;

WHEREAS, COMPANY A and COMPANY B desire to come together for the common purpose of:

_____;

NOW, THEREFORE in consideration of the mutual promises and covenants herein contained, the parties agree to the following:

- 1. **GENERAL DEFINITIONS:** The following comprise the general definitions of terms utilized in this Agreement:

This sample agreement was created by Alexis Neely of LIFT Foundation Systems LLC (<http://www.MyLIFTFoundation.com>) Complete the agreement and then have it reviewed by a lawyer who understands the business you are in and the nature of joint ventures/partnerships in your industry. Find a lawyer who understands the creativity of business at <http://www.CreativeBusinessLawyer.com>

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1.01 Affiliate. An Affiliate of an entity is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control of such entity.

1.02. Profits and Losses. Any profit or loss of the Joint Venture for federal income tax purposes determined by the Joint Venture’s fiscal year, including, without limitation, each item of Joint Venture’s income, gain, loss or deduction.

2. **TERM.** The Joint Venture shall commence on _____ and continue until terminated in writing by one of the parties.

3. **PURPOSE AND DESIRED OUTCOME OF THE JOINT VENTURE:**
The purpose of the Joint Venture is to engage in any legal act or activity for which a joint venture may be formed under the laws of the State of _____ but more specifically the desired outcome of the Joint Venture is as follows:

_____.

4. **SCOPE OF WORK:**

COMPANY A agrees to perform the following in order to achieve the goals and reach the desired outcome of the Joint Venture:

_____.

COMPANY B agrees to perform the following in order to achieve the goals and reach the desired outcome of the Joint Venture:

_____.

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COMPANY A and COMPANY B shall both be independent contractors and shall be solely responsible for their respective payment of all taxes and/or insurance as required by federal and state law.

5. **PERIOD OF PERFORMANCE:** Either party may terminate this agreement upon notice to the other. The duties of confidentiality shall remain in effect after termination as well as any provisions related to payment of income or expenses incurred on behalf of the Joint Venture.

6. **MEASUREMENT OF PROGRESS AND MILESTONES.** The parties will formulate a plan with specific milestones for measuring the progress of the Joint Venture. Reviews and measurement of progress and necessary adjustments to the business plan will take place on six (6) month intervals, commencing six (6) months from the date of this Joint Venture Agreement, in order to ensure the Joint Venture is performing in accordance with the plan and strategy. Specifically, the following milestones and progress are to be included in the plan and strategy:

7. INCOME and EXPENSES.

7a. **INCOME:** All revenue of the Joint Venture shall be divided as follows:

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7b. **EXPENSES:** Expenses of the Joint Venture shall be handled as follows during the term of the Joint Venture and after the termination of the Joint Venture until such time as there are no additional expenses of the venture:

8. **OWNERSHIP OF WORK PRODUCT/INTELLECTUAL PROPERTY:** All patentable and unpatentable inventions, discoveries, ideas, source code, materials, and other intellectual property which are developed by under the terms of this AGREEMENT shall belong equally to COMPANY A and COMPANY B unless otherwise indicated below:

9. **CONFIDENTIAL INFORMATION:** COMPANY A and COMPANY B agree to make available to each other such information as is necessary for the fulfillment of the AGREEMENT. Each party agrees to accept and hold CONFIDENTIAL INFORMATION obtained from the other in confidence at all times during and after the termination of this AGREEMENT. The parties shall not use nor disclose such information, unless, until and to the extent the other party shall consent thereto in writing, or such information, know-how, inventions, discoveries,

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and ideas are or shall become generally available to the public, or such a disclosure is otherwise required by law.

10. **THIRD PARTY OBLIGATIONS:** COMPANY A and COMPANY B hereby represent to the other that there are no express or implied obligations to a third party which in any way conflicts with any of its obligations under this agreement. Where applicable, COMPANY A and COMPANY B also represent to the other that all employees and independent contractors that are utilized to do work are also bound to all of the provisions herein, and such evidence shall be provided upon request.

11. **JURISDICTION AND DISPUTES:** This Agreement shall be governed by the laws of the State of _____. All disputes hereunder shall be resolved in the applicable state or federal courts of the State of _____. The parties consent to the jurisdiction of such courts, agree to accept service of process by mail, and waive any jurisdictional or venue defenses otherwise available.

12. **AGREEMENT BINDING ON SUCCESSORS:** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, administrators, successors and assigns.

13. **WAIVER:** No waiver by either party of any default shall be deemed as a waiver of any prior or subsequent default of the same or other provisions of this Agreement.

14. **SEVERABILITY:** If any provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other provision and such invalid provision shall be deemed to be severed from the Agreement.

15. **INTEGRATION:** This Agreement constitutes the entire understanding of the parties, and revokes and supersedes all prior agreements between the parties and is intended as a final expression of their Agreement. It shall not be modified or amended except in writing signed by the parties hereto and specifically referring to this Agreement. This Agreement shall take precedence over any other documents that may be in conflict therewith.

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16. **ALLOCATIONS: Profits and Losses.** Commencing on the date hereof and ending on the termination of the business of the Joint Venture, all profits, losses and other allocations to the Joint Venture shall be allocated as follows at the conclusion of each fiscal year: _____% _____%. Income, expenses shall be documented and accounted for and profits distributed in accordance with the following procedures and processes:

_____.

17. **RIGHTS AND DUTIES OF THE JOINT VENTURERS:** Business of the Joint Venture. _____ shall have full, exclusive and complete authority and discretion in the management and control of the business of the Joint Venture for the purposes herein stated and shall make all decisions affecting the business of the Joint Venture. At such, any action taken shall constitute the act of, and serve to bind, the Joint Venture. _____ shall manage and control the affairs of the Joint Venture to the best of its ability and shall use its best efforts to carry out the business of the Joint Venture. _____ shall not participate in or have any control over the Joint Venture business nor shall it have any authority or right to act for or bind the Joint Venture.

18. **AGREEMENTS WITH THIRD PARTIES AND WITH AFFILIATES OF THE JOINT VENTURERS:**

18.01 Validity of Transactions. Affiliates of the parties to this Agreement maybe engaged to perform services for the Joint Venture. The validity of any transaction, agreement or payment involving the Joint Venture and any Affiliates of the parties to this Agreement otherwise permitted by the terms of this Agreement shall not be affected by reason of the relationship between them and such Affiliates or the approval of said transactions, agreement or payment.

18.02 Other Business of the Parties to this Agreement. The parties to this Agreement and their respective Affiliates may have interests in businesses other than the Joint Venture business. The Joint Venture shall not have the right to the income or

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proceeds derived from such other business interests and, even if they are competitive with the Joint Venture business, such business interests shall not be deemed wrongful or improper.

19. **INDEMNIFICATION OF THE JOINT VENTURERS:** The parties to this Agreement shall have no liability to the other for any loss suffered which arises out of any action or inaction if, in good faith, it is determined that such course of conduct was in the best interests of the Joint Venture and such course of conduct did not constitute negligence or misconduct. The parties to this Agreement shall each be indemnified by the other against losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with the Joint Venture.

20. **DISSOLUTION:** The Joint Venture shall be dissolved upon the happening of any of the following events: (a) The adjudication of bankruptcy, filing of a petition pursuant to a Chapter of the Federal Bankruptcy Act, withdrawal, removal or insolvency of either of the parties. (b) The sale or other disposition, not including an exchange of all, or substantially all, of the Joint Venture assets. (c) Mutual agreement of the parties. (d) **Voluntary Termination:** The Joint Venture may be dissolved at any time by agreement of the parties, in which event the parties shall proceed with reasonable promptness to liquidate the business of the Joint Venture. The Joint Venture name shall be sold with the other assets of the business. The Voluntary Termination process shall be instituted in the event that either or both parties wish to terminate the Joint Venture or in the event that either party becomes incapacitated and is unable to fulfill its obligations to the Joint Venture under this Agreement. The assets of the Joint Venture business shall be used and distributed in the following order:

- (1) to pay or provide for the payment of all Joint Venture liabilities and liquidating expenses and obligations;
- (2) to equalize the income accounts of the parties;
- (3) to discharge the balance of the income accounts of the parties;
- (4) to equalize the capital accounts of the parties; and
- (5) to discharge the balance of the capital accounts of the parties.

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(e) Death. Upon the death of either party, the surviving party shall have the right either to purchase the interest of the decedent in the Joint Venture or to terminate and liquidate the Joint Venture business. If the surviving party elects to purchase the decedent's interest, he shall serve notice in writing of such election, within three months after the death of the decedent, upon the executor or administrator of the decedent, or, if at the time of such election no legal representative has been appointed, upon any one of the known legal heirs of the decedent at the last-known address of such heir.

(1) If the surviving party elects to purchase the interest of the decedent in the Joint Venture, the purchase price shall be equal to the decedent's capital account as at the date of their death plus the decedent's income account as at the end of the prior fiscal year, increased by their share of Joint Venture profits or decreased by their share of Joint Venture losses for the period from the beginning of the fiscal year in which their death occurred until the end of the calendar month in which their death occurred, and decreased by withdrawals charged to their income account during such period. No allowance shall be made for goodwill, trade name, patents, or other intangible assets, except as those assets have been reflected on the Joint Venture books immediately prior to the decedent's death; but the survivor shall nevertheless be entitled to use the trade name of the Joint Venture.

(2) Except as herein otherwise stated, the procedure as to liquidation and distribution of the assets of the Joint Venture business shall be the same as stated with reference to voluntary termination

21. **ARBITRATION:** Any controversy or claim arising out of or relating to this Agreement, or the breach hereof, shall be settled by arbitration in accordance with the rules, then obtaining, of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

22. MISCELLANEOUS PROVISIONS

22.01 Books and Records. The Joint Venture shall keep adequate books and records at its place of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Joint Venture.

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22.02 Validity. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

22.03 Headings. The headings, titles and subtitles used in this Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof.

22.04 Notices. Except as may be otherwise specifically provided in this Agreement, all notices required or permitted hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the parties at their respective addresses set forth in this Agreement or at such other addresses as may be subsequently specified by written notice.

22.05 Other Instruments. The parties hereto agree that they will execute each such other and further instruments and documents as are or may become reasonably necessary or convenient to effectuate and carry out the purposes of this Agreement.

IN WITNESS WHEREOF, both COMPANY A and COMPANY B have hereunto executed this AGREEMENT as of the date indicated below.

COMPANY A

COMPANY B

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____