TEMPLATE

Joint Venture Agreement

This is a template, not legal advice

This document is a general-purpose template provided for information only. It is not legal advice, it does not create a lawyer–client relationship, and nobody has reviewed it against your situation.

Laws differ by country, state and province, and they change. A clause that is standard in one place can be unenforceable — or illegal — in another. Terms that are ordinary between two businesses can be void in a consumer or employment context.

Read every clause before you use it, fill in every blank, and delete anything that does not apply. For anything high-value, unusual, or that you could not afford to lose a dispute over, have a qualified lawyer in your jurisdiction review it before it is signed.

How to use this template

1. Read it end to end and delete any clause that does not apply to you. Blanks are shown as a grey label on a line.
2. Need the other party to sign too, with an audit trail and a tamper-evident seal? That is what the paid product does.

Joint Venture Agreement

This Joint Venture Agreement (this "Agreement") is made on [Date] between [First Party's full legal name] of [First Party's address] and [Second Party's full legal name] of [Second Party's address] (each a "Party" and together the "Parties").

The Parties agree to combine their resources, skills and efforts on a single defined project (the "Project"), described as follows: [Describe the Project — its objective and the specific deliverable or outcome it exists to produce] .
The Parties form this joint venture (the "Joint Venture") solely to carry out the Project. The Joint Venture is not a general partnership, a limited liability company, or any other continuing business entity, and it does not extend to any activity outside the Project.

1. The Project

The Project's scope, milestones and each Party's role in carrying it out are as follows: [Project scope, milestones and each Party's responsibilities — attach as a schedule if more space is needed] .

Each Party shall carry out its responsibilities under this clause diligently, in good faith, and in a manner consistent with the Project's objective stated above.

2. Term and Completion of the Project

This Agreement takes effect on [Effective date] and the Joint Venture continues only until the earliest of: (a) [Completion event, e.g. delivery of the final product to the client, or achievement of a specified milestone] (the "Completion Event"); (b) [Project end date] (the "End Date"); or (c) earlier termination under clause 12.

Unlike an ongoing partnership or company, the Joint Venture has no existence beyond the Project. Reaching the Completion Event or the End Date ends the Joint Venture automatically, subject only to the winding-up steps in clause 12; the Parties need take no further action to dissolve it, though they may agree in writing to extend the End Date before it passes.

3. Contributions of the Parties

Each Party shall make the following contribution to the Project (a "Contribution"), valued as stated, on or before [Contribution date, e.g. the date this Agreement is signed] . A Contribution may be cash, property, personnel or services:

(a) [First Party's name] : [First Party's Contribution and its value, e.g. $X cash, or a description of personnel, equipment, property or services and its agreed value] ;

(b) [Second Party's name] :

[Second Party's Contribution and its value, e.g. $X cash, or a description of personnel, equipment, property or services and its agreed value] .

4. Additional Contributions and Project Costs

No Party is required to make any contribution to the Project beyond the Contribution stated in clause 3. If the Parties agree in writing that the Project needs an additional contribution, each Party makes it in proportion to the allocation stated in clause 5, unless the Parties agree otherwise in writing.

Costs and expenses incurred in carrying out the Project (the "Project Costs") are paid from Project revenue where available, and otherwise borne by the Parties in the same proportion as the allocation in clause 5. A Party who pays a Project Cost that is not reimbursed from Project revenue within [Reimbursement period, e.g. thirty (30) days] is entitled to be reimbursed by the other Party for that Party's share.

5. Allocation of Profits, Losses and Costs

Profits, losses and Project Costs arising from the Project are allocated between the Parties as follows: [First Party's name] , [First Party's share, e.g. 50%] ; [Second Party's name] , [Second Party's share, e.g. 50%] . [State whether this matches the Contributions in clause 3 or is set separately] .

Distributions of cash from the Project are made [Distribution terms, e.g. within thirty (30) days of receipt, in the proportions stated above, after reasonable reserves for Project Costs] . Neither Party may draw funds generated by the Project outside a distribution made under this clause without the other Party's written consent.

6. No Partnership; No Agency; Independent Parties

Nothing in this Agreement creates a general partnership, joint enterprise for any purpose beyond the Project, or agency relationship between the Parties. Neither Party has authority to act for, represent, or bind the other Party, or to incur any obligation on the other Party's behalf, except as this Agreement expressly authorizes for carrying out the Project.

Each Party remains an independent business, retains ownership of its own assets and personnel outside their Contribution to the Project, and remains free to conduct other business, including business that competes with the Project, except to the extent clause 9 (Confidentiality) restricts use of the other Party's confidential information. Nothing in this clause excuses a Party from the specific obligations it undertakes in clauses 1, 3 and 4.

7. Management Committee and Decision-Making

Each Party shall appoint one representative to a joint management committee (the "Management Committee") to oversee the Project. A Party may replace its representative on written notice to the other Party.

Decisions of the Management Committee within the ordinary course of carrying out the Project are made by unanimous agreement of the representatives. [Day-to-day operating responsibility, e.g. name one Party to handle routine administration, or state that both Parties share it] .

The following decisions require the unanimous written consent of both Parties, not only their Management Committee representatives:

(a) extending the End Date stated in clause 2, or materially changing the Project's scope stated in clause 1;

(b) admitting a third party to the Joint Venture, or assigning either Party's rights under this Agreement;

(c) incurring debt, or committing the Project to a single contract or transaction, above [Major transaction threshold, e.g. $10,000] in value;

(d) changing the allocation in clause 5 or the ownership terms in clause 8; or

(e) any other matter the Parties agree in writing requires unanimous consent.

8. Background IP and Project IP

"Background IP" means intellectual property that a Party owned or developed before this Agreement, or that it develops independently of the Project during this Agreement. Each Party retains ownership of its own Background IP. A Party that makes its Background IP available for the Project grants the other Party a limited, non-exclusive, royalty-free license to use it solely as necessary to carry out the Project, for so long as the Joint Venture continues.

"Project IP" means any intellectual property, deliverable or work product first created by either Party, or jointly, in the course of carrying out the Project — including any work product described in clause 1. Project IP is owned as follows: [Project IP ownership, e.g. jointly owned by the Parties in the proportions stated in clause 5, or owned by one named Party and licensed to the other] .

Neither Party may register a patent, trademark or copyright over Project IP, or over the other Party's Background IP, without the other Party's written consent.

9. Confidentiality

Each Party shall keep confidential any non-public information it receives from the other Party in connection with the Project — including the terms of this Agreement, Project plans, financial information and Background IP disclosed under clause 8 — and shall use it only for the Project. This obligation does not apply to information that is or becomes public through no fault of the receiving Party, that the receiving Party already lawfully knew, or that it is required by law to disclose.

This obligation survives the termination or dissolution of the Joint Venture under clause 12 for [Confidentiality survival period, e.g. three (3) years] from the date of termination or dissolution.

10. IP and Deliverables on Completion or Termination

On the Completion Event, the End Date, or earlier termination of this Agreement under clause 12, whichever happens first: each Party retains ownership of its own Background IP, and the license each Party granted to the other under clause 8 ends, except to the extent both Parties agree in writing to extend it — for example, so a Party holding Project IP under this clause can keep using licensed Background IP embedded in it.

Project IP is owned, from that point on, as stated in clause 8, or as the Parties otherwise agree in writing as part of winding up the Joint Venture under clause 12. Each Party shall deliver to the other, within [Deliverable handover period, e.g. thirty (30) days] , a copy of any Project IP and Project records in its possession that the other Party is entitled to under this clause.

Neither Party may use Project IP to carry out a project that competes with the Project, or license it to a third party for that purpose, without the other Party's written consent — except to the extent clause 8's ownership terms already give that Party sole ownership and unrestricted use of it.

11. Default

A Party is in default if it fails to make a Contribution required under clause 3, fails to perform a material obligation under clause 1, or otherwise materially breaches this Agreement, and does not cure that failure within [Cure period, e.g. fifteen (15) days] of written notice from the other Party describing it.

On an uncured default, the non-defaulting Party may terminate this Agreement under clause 12, pursue any remedy available at law, and recover from the defaulting Party any Project Costs the non-defaulting Party paid on the defaulting Party's behalf under clause 4.

12. Termination and Dissolution of the Joint Venture

In addition to ending automatically under clause 2, the Joint Venture terminates on the first of: the Parties' unanimous written agreement to end it; an uncured default under clause 11; or an event that makes it unlawful or impossible to continue the Project.

On termination or the automatic end of the Joint Venture under clause 2, the Parties shall wind up the Project: collecting any outstanding Project revenue, paying or making reasonable provision for outstanding Project Costs and liabilities, returning any unused Contribution of property that is reasonably identifiable and returnable to the Party that made it, and distributing any remaining Project proceeds in the proportions stated in clause 5.

Because the Joint Venture is not a continuing entity, winding up under this clause completes the Parties' relationship under this Agreement — there is no ongoing business, membership interest or entity for the Parties to maintain once Project assets are distributed and Project IP is allocated under clause 10. If Project assets are insufficient to cover outstanding Project Costs and liabilities in full, the shortfall is shared between the Parties in the same proportions as losses are allocated under clause 5.

13. Dispute Resolution

Before starting arbitration or litigation, the Parties shall attempt in good faith to resolve a dispute arising out of this Agreement or the Project through direct discussion between their Management Committee representatives for at least [Negotiation period, e.g. fourteen (14) days]. If the dispute is not resolved, the Parties shall [Next step, e.g. submit it to mediation, submit it to binding arbitration, or proceed to the courts named in clause 14].

14. Governing Law and Jurisdiction

This Agreement is governed by the laws of [Governing law, e.g. the State of Delaware]. The Parties submit to the exclusive jurisdiction of the courts of [Jurisdiction].

15. General

This Agreement is the entire agreement between the Parties about the Project and the Joint Venture, and replaces any earlier understanding on that subject. It may only be amended in writing signed by both Parties.

Neither Party may assign this Agreement without the other's written consent, except as clause 7 permits. If any provision is held unenforceable, the rest continues in force. A failure to enforce any provision is not a waiver of it.

This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

In agreement with the terms above, the parties have signed below on the dates written beside their signatures.

First Party

Signature: ______________________________

Printed name: ______________________________

Company: ______________________________

Title: ______________________________

Date: ______________________________

Second Party

Signature: ______________________________

Printed name: ______________________________

Company: ______________________________

Title: ______________________________

Date: ______________________________