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Project Joint Venture Agreement

**VENTURE AGREEMENT
OF
^LMN COMPANY**

This Agreement, dated and effective as of ^, 200X, by and between ^ABC Inc., an _____ corporation ("^ABC"), and ^XYZ Inc., an _____ corporation ("^XYZ") (^ABC and ^XYZ being hereinafter sometimes collectively called "**Partners**" and individually called a "**Partner**"),

WITNESSETH

WHEREAS, the Partners wish to engage together in the ^ business and, to further that objective, to form a partnership and adopt this Agreement as the articles of partnership of such partnership;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and benefits herein set forth and contemplated, the Partners agree as follows:

ARTICLE I

ORGANIZATION OF THE PARTNERSHIP

(a) Establishment.

(i) The Partners hereby form and establish a general partnership (the "**Partnership**") under the Illinois Uniform Partnership Act for the limited purposes and scope set forth herein, and hereby adopt this Agreement as the Articles of Partnership of the Partnership.

(ii) Except to the extent otherwise provided herein, the rights and liabilities of the Partners and the conduct and termination of the Partnership shall be governed by the Illinois Uniform Partnership Act.

(iii) The Partners will promptly execute all certificates and other documents, and make all such filings and recordings and perform such other acts as may now or hereafter be necessary or desirable, to comply with the requirements of Illinois law for the organization and formation of the Partnership and the carrying on of its business.

(iv) Each Partner shall be a general partner.

(v) All real and other property including permits and licenses owned by or granted to or held by the Partnership shall be deemed to be owned by or granted to or held by the Partnership as an entity, and no Partner, individually, shall have any ownership of or right to use any such property.

(b) **Name.** The name of the Partnership is "LMN COMPANY," and the Partnership's business and affairs shall be conducted only under that name.

(c) **Effective Date and Term.** The Partnership shall commence on the date hereof (hereinafter called the "Effective Date") and shall continue in effect until terminated as provided in Article X hereof.

(d) **Principal Office.** The principal office and place of business of the Partnership shall be ^, ^, Illinois ^ or such other location as the Partners may designate.

(e) **Purpose and Scope.** The sole purpose of the Partnership shall be to engage in the business of ^[describe briefly the contemplated business of the partnership] and in other activities incidental to such business, which activities may from time to time include: ^[list and briefly describe specific related activities that the partnership is expected, and will have authority to engage in, such as property acquisition, construction of facilities, selling of its products and entering into stated type of contracts]; and performing all other activities, including the borrowing of money and the mortgaging of real or personal property of the Partnership in connection therewith, as are necessary or incidental to conducting such business.

The Partnership shall have the power to do any act and thing and to enter into any contract incidental to, or necessary, proper or advisable for, the accomplishment or attainment of the purpose of the Partnership specified in this Agreement.

(f) **Partners' Authority.**

Except as otherwise provided in this Agreement, no Partner acting alone shall have any authority to act for, or to assume any obligations or responsibilities on behalf of, the other Partner or the Partnership. Each Partner will indemnify the Partnership and the other Partner against any claim, loss or damage to the Partnership or such other Partner which may result from the Partner's breach of this Section (f).

ARTICLE II

OTHER AND/OR COMPETING BUSINESSES

Except as otherwise provided herein, nothing contained in this Agreement shall be deemed to restrict in any way the freedom of either Partner or of any Affiliate of either Partner to conduct, independently of the Partnership, and whether or not in competition with the Partnership, any business or activity whatever (other than the business contemplated to be performed by the Partnership under and in accordance with this Agreement) without any accountability to the Partnership or to the other Partner. For purposes of this Agreement "Affiliate" means, as to any entity, a corporation, company, trust, firm or other entity which directly or indirectly controls, or is controlled by, or is under common control with, such entity.

ARTICLE III

CONTRIBUTIONS TO THE PARTNERSHIP

(a) **Initial Contributions.**

(i) On the date of this Agreement ^ABC shall contribute to the capital of the Partnership, and convey, transfer and assign into the name of the Partnership, all of its right, title and interest in and to the properties, real, personal and mixed, identified on Exhibit A (the "**Initial Properties**").

(ii) The Partnership hereby assumes the obligations and liabilities relating to the Initial Properties described on Exhibit B.

(iii) On the date of this Agreement ^XYZ shall contribute to the capital of the Partnership all of the issued and outstanding capital stock of ^, Inc., a ^ corporation.

(iv) ^XYZ shall, in addition, contribute to the capital of the Partnership cash aggregating \$^ in ^ monthly installments, the first such installment to be paid on the date of this Agreement and the remaining installments to be paid on or before the first calendar day of each month thereafter beginning ^, 19^.

(b) **Additional Contributions.**

(i) From time to time when required for Partnership purposes as determined by the Partners each Partner shall contribute cash to the capital of the Partnership in proportion to its Partnership Interest in the amount of

(A) the cash costs of the Partnership for the construction, acquisition or development (whether in the form of acquisition or construction costs or lease payments) of any plant, property and equipment, and

(B) all other cash costs of Partnership operations after taking into account all income available to the Partnership for Partnership purposes.

(ii) In the event a Partner acquires any interest in any real property within the area described on Exhibit A in which the Initial Properties are located (the "**Project Area**"), such Partner shall give the other Partner and the Partnership notice of such acquisition and the terms thereof, together with an option agreement in recordable form granting the Partnership the option for a period of two years to acquire such interest at the price and on the same terms and conditions as such Partner acquired such interest (plus interest on any cash payments theretofore made at the monthly rate of 1% from the date of such payment). The Partnership shall exercise such option in the event such other Partner elects that the Partnership acquire such interest.

(iii) Either Partner may contribute to the capital of the Partnership such additional cash as it may deem appropriate in connection with the business of the Partnership and, with the consent of the other Partner, such additional other assets as it

may deem advisable. Contributions under this Section 3(b)(iii) shall be so designated by the contributing Partner and shall not be applied to satisfy such Partner's obligations to make any other contributions required by this Agreement. Any income, profits or earnings from such contributions and any taxes and other costs attributable thereto shall be for the account of the Partner making such contributions.

(iv) No interest shall be paid by the Partnership on any capital contributed to the Partnership.

ARTICLE IV

PARTNERSHIP INTERESTS

(a) **The Partners' Percentage Partnership Interests.**

Each Partner's Interest in the Partnership (its "**Partnership Interest**") shall be 50%, subject to adjustment as provided in Article VIII.

(b) **Allocations to Be According to Partnership Interests.** Each Partner shall be entitled to each item of the Partnership's income, profit, gain, loss, cost, deduction, credit or allowance in proportion to its Partnership Interest.

ARTICLE V

MANAGEMENT OF THE PARTNERSHIP

(a) **The Operating Committee and the Manager.**

The general conduct of the business of the Partnership shall be vested in an Operating Committee, which shall be empowered to set policy for and issue instructions to the Manager and to make all decisions in respect of the business and operations of the Partnership, except as otherwise set forth in this Agreement. The Manager shall have the responsibility for the day to day management of the operations and activities of the Partnership and shall be subject to the overall supervision of the Operating Committee.

(b) **Operating Committee Members, Voting and Meetings.** The Operating Committee shall be composed of four representatives of each Partner who shall not be employees of the Partnership. Each Partner may from time to time and for any reason replace any member of the Operating Committee appointed by it or designate an alternate to act for any member, which alternate shall be deemed a member of the Operating Committee while so acting. Each appointment made by a Partner to the Operating Committee shall remain in effect until the Partner making such appointment shall notify the Partnership and the other Partner of a change in such appointment. The members of the Operating Committee representing each Partner shall have one vote, and at all meetings of the Operating Committee a member shall be acting solely as the representative of the Partner which appointed him. All actions of the Operating Committee shall be taken by unanimous vote; provided, however, that if a Partner's Partnership Interest shall have been reduced below 45%, actions of the Operating Committee shall be taken by majority vote with the representatives of each Partner being entitled to vote in proportion to such Partner's Partnership Interest. An annual meeting of the Operating