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JOINT BUSINESS FORMATION AGREEMENT

THIS AGREEMENT is made this <<CurrentDay>> day of <<CurrentMonth>>, <<CurrentYear>> by and between <<Company>> ("Developers"), <<Agent>> ("Agent") and <<CustCompany>> ("Customer").

General Provisions

- A. Business Purpose: <<Insert the General Summary of this Joint Business Venture.>>
- B. Business Scope: <<Insert the General Scope of Activities covered by the Joint Venture Agreement.>>
- C. Developers desire to enter into this Joint Venture Agreement with Customer pursuant to the terms and conditions set forth in Exhibit B attached hereto (the "Specifications").

Definitions

"Joint Venturers" shall mean all parties ("the parties") listed above who are participating in the Joint Venture Agreement and their respective assignees and agents.

"Business Interest" shall mean the ownership in the business entity created to facilitate the ownership in the Joint Venture under this Agreement.

"Sales Activity" shall mean all gross sales that occur because of, or arising out of Affiliates made on behalf of this Joint Venture Agreement.

"Affiliate" shall mean any person or entity that conducts sales activity on behalf of one of the parties and is paid directly by one of the parties.

"Joint Profits" shall mean income derived out of this Joint Venture Agreement, pursuant to the terms of Exhibit A, that pertains to Federal or State income tax purposes as determined by the fiscal year the income was derived in.

"Joint Loss" shall mean any loss incurred by the Joint Business Venture,

Customer Initials _____ Developers Initials _____ Agent Initials _____

pursuant to the terms of Exhibit A, that pertains to Federal or State income tax purposes as determined by the fiscal year the income was derived in.

“Capital Contribution” shall mean a contribution by one or more of the parties in cash, property or any additional capital contribution made on behalf of this Joint Venture Agreement.

“Bad Faith” shall mean a malicious motive or an action taken on the part of one or more of the parties to this Agreement.

“Final Net Profits” shall mean the remaining cash distribution owed to the parties subject to their respective distribution allotment.

Agreements

In consideration of the mutual covenants set forth in this Agreement, Customer and Developers hereby agree as follows:

1. Purpose of Joint Venture Formation.

The purpose of this Joint Business Formation Agreement is to form a business entity to acquire and hold the business interests of both parties in common and to provide the capital and finances required for its acquisition. Pursuant to the terms and conditions set forth in this Joint Business Formation Agreement, each party listed shall own a portion of the new business entity, as outlined in Sec. 2, Contributions. The Joint Venturers shall appoint an agent, who shall also be a party to this Agreement and will hold each portion of the business interest for the benefit of each of the Joint Venturers, of which the Agent is a part.

2. Contributions.

The Agent certifies that it has received the following contributions from each of the Joint Venturers:

Name of Party	Contribution Amount
<<Company>>	
<<CustCompany>>	
<<Agent>>	

3. Acquisition of Business Interest.

The Agent is authorized to form the following business entity, <<Insert business entity name and type here – e.g. "S" Corporation, "C" Corporation, LLC, etc. >> and to hold in their name, but on behalf of the Joint Venturers, the business interest. Agent shall be authorized by the Joint Venturers to pay a sum of \$<<Insert amount>> for the formation of the business entity.

Customer Initials _____ Developers Initials _____ Agent Initials _____

4. Profits from Business Entity.

The Agent shall hold and distribute any and all net profits, as defined in Sec. 5, from the Joint Venture for the term of this Agreement and as long as the Joint Venturers are the owners in common of the business interest, and for the benefit of the Joint Venturers as follows:

Name of Party	Distribution
<<Company>>	
<<CustCompany>>	
<<Agent>>	

5. Net Profit Calculations and Determination.

All net profit calculations and determination of disbursements shall be subject to the following:

<< Insert how profits shall be calculated and which expenses are legitimate in determining such. >>

Agent shall pay net profits, unless specified otherwise, as cash distributions subject to the distribution percentage allocated in Sec. 4.

6. Liability of Parties.

Developer shall have no ability to specifically act for or to bind Customer individually to a legal obligation, debt or third-party agreement.

Customer shall have no ability to specifically act for or to bind Developers individually to a legal obligation, debt or third-party agreement.

Agent shall be liable for any and all actions taken by Agent that are considered to be taken in "bad faith" or through willful misfeasance. No person, business or entity other than the Joint Venturers shall have rights whatsoever under this

Customer Initials _____ Developers Initials _____ Agent Initials _____

DEMO CONTRACT

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<https://www.proposalkit.com/html/legal-contract-templates/business-contracts/joint-venture-business-entity-agreement.htm>

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Customer Initials _____ Developers Initials _____ Agent Initials _____

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