

JOINT VENTURE AGREEMENT

THIS AGREEMENT made as of the ___ day of _____, _____.

BETWEEN:

VENTURER1, a body corporate, duly incorporated in accordance with the laws of _____ (hereinafter called "Venturer1")

OF THE FIRST PART

- and -

VENTURER2, a body corporate, duly incorporated in accordance with the laws of _____ (hereinafter called "Venturer2")

OF THE SECOND PART

- and -

TRUSTEE, a body corporate duly incorporated in accordance with the laws of _____ (hereinafter called the "Trustee")

OF THE THIRD PART

WHEREAS:

- A. Venturer1 and Venturer2 desire to form a joint venture (the "Joint Venture") upon the terms and conditions hereinafter set forth.
- B. _____ (the "Individuals") entered into a Memorandum of Understanding with FRANCHISOR ("Franchisor") dated _____, (hereinafter the "MOU") , attached hereto as Schedule "A" and forming part of this Agreement.
- C. Pursuant to the MOU, the Individuals agreed to purchase from Franchisor the exclusive rights to _____ franchises (the "Franchises") for _____ in _____, on the terms and conditions set forth in the MOU.
- D. The Individuals have assigned their rights and interests in the aforesaid MOU to the Trustee, as trustee, subject to the terms of the Assignment Agreement attached hereto as Schedule "B".
- E. The Trustee has agreed to act as bare trustee for Venturer1 and Venturer2 and will hold title and interest to the Franchises on their behalf, pursuant to the terms hereof.
- F. Venturer1 and Venturer2 together own all the outstanding shares of the Trustee, in that Venturer1 owns ___% of all the outstanding shares of the Trustee and therefore maintains a ___% interest in the Joint Venture and Venturer2 owns ___% of all the outstanding shares of the Trustee and therefore maintains a ___% interest in the Joint Venture and the parties wish to set out their respective obligations, entitlements and relationships, one to the other.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements herein contained, the parties do hereby agree as follows:

1. FORMATION OF JOINT VENTURE

The parties hereby enter into and form a Joint Venture for the limited purpose and scope set forth in this Agreement pursuant to the laws of _____ and the terms of this Agreement. Venturer1 and Venturer2 are sometimes referred to herein collectively as "Venturers" and individually as a "Venturer". Except as otherwise expressly provided in this Agreement or by other written agreement executed by the Venturers, no Venturer shall have the authority to act for or to assume any obligations or responsibilities on behalf of the other Venturer.

2. PURPOSE

The purpose and scope of the Joint Venture shall be limited to the acquisition from Franchisor of the exclusive rights to the Franchises for _____ in _____, _____ by the Trustee as a bare trustee of the Venturers in order to hold the individual Franchises in trust until such time as each Franchise is to be established and opened.

3. STRUCTURE OF THE JOINT VENTURE

3.1 Subject to the provisions of paragraph 3.3 hereof, the Trustee shall transfer ("Transfer" or "Transfers") to Venturer1 up to and including _____ Franchises at such time as Venturer1 requests such Transfer to be made. All Transfers shall comply with the time provisions ("Due Dates") contained in the MOU. For each Franchise that the Trustee intends to Transfer to Venturer1, Venturer1 may cause to be incorporated a separate operating company which will carry on the operation of the said Franchise. Venturer1 may direct the Trustee to transfer the Franchise to such operating corporation.