

# JOINT VENTURE AND LAND DEVELOPMENT AGREEMENT

THIS AGREEMENT made effective the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BETWEEN:**

a \_\_\_\_\_  
corporation  
(the "Owner")

and

a \_\_\_\_\_  
corporation  
(the "Developer")

**WHEREAS:**

- A. DEVELOPER is engaged in the business of land development and construction;
- B. OWNER presently owns the property comprising \_\_\_\_\_ acres, more or less, and legally described as \_\_\_\_\_ (hereinafter referred to as the "Property");
- C. Both DEVELOPER and OWNER have agreed to participate in the acquisition, development and operation of the Property and wish to formalize their arrangement.

**NOW THEREFORE** in consideration of the premises and mutual covenants herein set forth and provided for, the parties hereto covenant and agree as follows:

## 1. THE PROJECT

- 1.1. DEVELOPER and OWNER hereby agree that the Property will be developed as \_\_\_\_\_ (hereinafter referred to as the "Project").

## 2. FORMATION OF CORPORATION

- 2.1. OWNER and DEVELOPER hereby confirm their formation of a corporation (the "Corporation") for the purposes set forth in paragraph 1.1 hereof whereby the Corporation, as bare trustee on behalf of OWNER and DEVELOPER as co-venturers, is to purchase the Property from OWNER for the price of \$\_\_\_\_\_ payable as follows:

(a) (to be filled in)

Unless otherwise agreed to by both parties in writing the obligations and liabilities of each of the parties hereto as among themselves in connection with the Corporation and with respect to any and all contributions and divisions of profits in connection therewith shall be in the following proportions:

DEVELOPER	___%
OWNER	___%

- 2.2. The principal place of business or registered office of the Corporation shall be at \_\_\_\_\_ or at such other place in \_\_\_\_\_ as DEVELOPER may from time to time determine to be necessary or desirable.

- 2.3. The Purpose of the Corporation will be to acquire, develop, construct and market the Project to the public.

2.4. The fiscal period of the Corporation shall terminate on such date in each year as DEVELOPER may from time to time determine. DEVELOPER shall keep true and accurate books of account and records in accordance with generally accepted Canadian accounting principles applied on a consistent basis on behalf of the Corporation.

2.5. The rights and obligations of the parties to and with the Corporation shall be in every case several and not joint or joint and several. Nothing contained in the Agreement shall be deemed to constitute either party as the partner, agent or legal representative of the other party, or to create any fiduciary relationship between them for any purpose whatsoever. Neither party hereto shall have any authority to act for or to assume any obligation or responsibility on behalf of the other party.

2.6. Each party hereby waives the benefit of all provisions of law now in effect or as hereinafter enacted, relating to actions for partition and/or administration or real and/or personal property, and each party agrees that it will not resort to any action at law or in equity to partition the Project or the Property or seek administration in respect thereof, save as permitted by this Agreement.

2.7. Except as may be otherwise expressly provided in this Agreement and except with respect to its participation, direct or indirect, in the Corporation, nothing herein shall be deemed to restrict in any way the freedom of any party to conduct as it sees fit any business or activity whatsoever, regardless of whether such business or activity is in competition with the Corporation.

### **3. MANAGEMENT OF THE CORPORATION**

3.1. OWNER agrees that DEVELOPER shall have exclusive responsibility for the general operation, management and administration of the Project, and shall determine and implement all matters of policy relating thereto following consultation with OWNER. In particular, DEVELOPER shall cause the terms of this Agreement to be implemented and give such information to, and make such requests of, the parties to this Agreement as may be necessary from time to time. DEVELOPER may, from time to time, delegate any powers and responsibilities to any person as he may see fit.

3.2. DEVELOPER shall cause to be prepared and shall deliver such financial statements and other information concerning the Project as may be reasonably required by OWNER. Not to restrict the generality of the foregoing, DEVELOPER shall provide OWNER with a monthly accounting of sales, sales revenue, receivable and expenses in the form of a job costing report as required by the cost controller employed by any lender within thirty (30) days of each month end.

3.3. The Board of Directors of the Corporation shall consist of three (3) directors, two (2) nominated by DEVELOPER and one (1) nominated by OWNER.

3.4. Whenever the provisions of this Agreement require approval or consent to any action, document or plan by a party hereto, this Agreement shall be deemed to provide that:

- (a) such approval or consent shall not be unreasonably withheld;
- (b) in the event that any notification mentioned in the preceding paragraph is not delivered within the applicable time limit, the parties whose consent or approval is requested shall conclusively be deemed to have given its consent or approval in writing; and
- (c) any dispute as to whether or not such consent or approval has been unreasonably withheld shall be resolved by arbitration as provided in this Agreement.

**THIS IS A 10-PAGE FORM.**