

Joint Ventures

This Agreement entered into this _____ day of _____, by and between _____ (“_____”) [First Joint Adventurer’s last name] and _____ (“_____”) [Second Joint Adventurer’s last name], and hereinafter sometimes collectively referred to as the Joint Adventurers and sometimes as the Parties, all of whom are of legal age and competent mental capacity, as of this date, time, and place.

Whereas _____ and _____ desire to associate together for the purpose of raising funds and creating a theatrical limited partnership for which they will act as the general partners, in order to jointly produce the play presently entitled _____ (the “Play”), written by _____, upon the terms hereinafter described.

It is hereby agreed as follows:

1. The undersigned do hereby create and form a Joint Venture, to do business under the name of _____ (the “Joint Venture”), for the purposes stated in introductory paragraph two above. The business address of the Joint Venture, for notices and all other purposes, shall be _____.
2. The parties intend to present the play in the following geographic environs _____ . The Joint Adventurers contemplate presenting the play at the following level(s) of production _____.
3. (a) For the purpose thereof, the parties intend to raise money to create a Limited Partnership, which shall be known as the _____ Limited Partnership, and which shall be formed under the laws of the State of _____. The parties agree to form the Limited Partnership as soon as possible after sufficient funds (as defined in 3 (b) below) are raised therefore.
(b) The minimum capital necessary to constitute “sufficient funds” to form the Limited Partnership is _____ dollars (\$ _____), while the maximum capital necessary is _____ dollars (\$ _____).
(c) In the event less than the minimum capital (as stated above) shall be raised, the parties may agree to either terminate this venture, or create the Limited Partnership nevertheless based upon the actual capital raised.
4. The Joint Adventurers shall act as general partners of the Limited Partnership and shall assume all management responsibility and liability therefore, while the parties investing capital in the Limited Partnership shall be the limited partners, whose liability shall be limited, as provided by law. None of the Joint Adventurers may also contribute capital as a limited partner.
5. The Joint Adventurers shall use their best efforts, individually and collectively, to raise the funding described in paragraph 3 (b) above.
6. The undersigned _____ presently owns the option to present the play at the aforesaid level of production and in the geographic environs so stated.

_____ hereby agrees to convey, at its original cost, said option to the Limited Partnership as soon as possible after its formation, as well as all other rights, interest, and agreements _____ may own which are necessary to, and appropriate for, the contemplated production.

7. In the event the parties are unable to raise all of the funds necessary to capitalize the limited partnership, the parties may agree to engage another party (the "fundraiser") to raise any part or all of the balance of the remaining funds. In such event, all fees and costs paid to said fundraiser, including any shares of the Producers' net profits, shall be borne equally by all of the Joint Adventurers and shall first be deducted from any sums owed to the undersigned by the Limited Partnership.

8. Before any net profits are computed and distributed between the Limited Partners and General Partners, it will first be necessary to deduct any sums owed to gross and/or royalty participants in the play. Thereafter, net profits shall be computed and divided as follows:

(A) All limited partners shall first be repaid to the extent of their investments in the Limited Partnership, pro rata.

(B) Net profits remaining thereafter shall be divided fifty percent (50%) to the limited partners and fifty percent (50%) to the Joint Adventurers/General Partners.

(C) Net losses remaining thereafter shall be divided fifty percent (50%) to the limited partners and fifty percent (50%) to the Joint Adventurers/General Partners.

9. Upon formation of the Limited Partnership, the Joint Adventurers shall be entitled to recover from the capital thereof, all expenses and costs, as permitted by law, advanced by them on behalf of the Limited Partnership. Said costs shall be divided as were advanced by each Joint Adventurer.

10. (A) The Joint Adventurers shall divide the Producer's share of the net profits, or net losses, as the case may be, according to the following formula:

_____ % to the undersigned _____

_____ % to the undersigned _____

(B) The Joint Adventurers shall divide the Producer's fee (as described in paragraph 11 below) according to the following formula:

_____ % to the undersigned _____

_____ % to the undersigned _____

(C) The Joint Adventurers shall divide the weekly cash office charge (as described in paragraph 11 below) according to the following formula:

_____ % to the undersigned _____

_____ % to the undersigned _____

11. In their capacity as producers, the Joint Adventurers shall be entitled to the following fees (in addition to net profits or net losses as described in paragraph nine above), payable by the Limited Partnership in the following amounts:

(A) Producer's fee shall be _____ % of the gross weekly box office receipts of each company under the management of the Joint Adventurers until the Limited Partnership recoups the production budget. Thereafter the Producer's fee shall be _____ % of the gross weekly box office receipts of each company under the management of the Joint Adventurers.

(B) The cash office charge shall be _____ dollars (\$) for each company of the show under the Joint Adventurers' management. Said fee shall begin

_____ weeks prior to the first rehearsal of the particular company and shall end _____ weeks after each company plays its final performance.

(C) The Producer's fee and the cash office charge are payable by the Limited Partnership and are considered earned by the Joint Adventurers, regardless of whether the production earns net profits or losses.

12. The Joint Adventurers shall share responsibilities as follows:

(A) All Joint Adventurers must consent to all contracts, debts, or other obligations entered into on behalf of either the Joint Venture, the Limited Partnership, or both.

(B) Subject to the provisions of 12 (A) above, any of the Joint Adventurers shall have full power and authority to sign all contracts and checks on behalf of the Joint Venture and the Limited Partners and the same shall be binding thereon.

13. The Joint Adventurers hereby select the following _____ [persons] [entities] to fulfill the following capacities on behalf of the Joint Venture and the Limited Partnership:

_____ Accountant

_____ Attorney

14. Whenever and wherever producer credits are given, credits shall be given in the following order and size and style of typeface:

_____ (Name) _____ (Typeface)

_____ (Name) _____ (Typeface)

Whenever and wherever billing credit is given to one producer, it shall also be given to the other producer.

15. It is agreed and understood that this arrangement between the parties shall be on a nonexclusive basis. Each party shall be free, during the duration hereof, to engage in other business ventures, either solely, or with other Joint Adventurers, whether or not in competition with the subject enterprise and/or Limited Partnership. Notwithstanding the foregoing, however, each of the parties agrees to commit as much of his time as is appropriate and necessary to the management and operations of the Joint Venture, the Limited Partnership, and the production of the play.

16. All of the Joint Adventurers shall contribute equally to the "front" or "preproduction" monies necessary and appropriate to fund the Joint Venture and undertake to create the Limited Partnership. Upon agreement of the parties, one party may advance funds to pay for budgeted expenses. Immediately upon creation of the Limited Partnership, all front monies so advanced shall be reimbursed to the appropriate parties out of the capitalization of the Limited Partnership.

It is agreed and understood that it may become necessary or desirable to obtain some or all of any "front money" from a third party. In exchange therefore, the Adventurers may have to assign a percentage of the producer's profits to said third party. In such event, the undersigned Joint Adventurers hereby agree to share such assignment equally.

17. The parties shall make artistic, business, and all other decisions jointly. Each Joint Adventurer shall have one vote in all such matters. In the event, however, it becomes apparent the parties cannot agree on a particular issue, they hereby appoint the following third parties to make decisions and they further agree to be bound by said third party's judgment:

Artistic Decisions: by _____ (Third Party)

Business Decisions by _____ (Third Party)

The Joint Adventurers agree to share any fees or costs charged by said third parties equally.

The Joint Adventurers agree to submit all other disputes and/or breaches of this agreement to arbitration conducted by a member of the American Association of Arbitrators in _____ (city), whose decision shall be final and binding. The arbitrator shall require the losing party to pay the reasonable costs and attorney's fees of the prevailing party. Any court of competent jurisdiction may enter judgment upon the award so rendered.

18. In the event the parties cannot agree when it is appropriate to close the run of the play, the party wishing to continue production (the "Persisting Party") shall have the right to assume total control and responsibility therefore. He shall give due written notice of his intentions to the other party, who shall then withdraw from the play, and all responsibility and control therefore (the "Withdrawing Party"). Transfer of control and responsibility shall be immediate. From that day forward the Persisting Party shall:

- (A) Bear all expenses and liabilities of the production;
- (B) Assume full management and decision-making authority;
- (C) Hold the Withdrawing Party harmless and indemnify him for all debts, obligations, and other liabilities occurring to the production beginning from the date of transfer of control;
- (D) Be entitled to all net profits and earnings of the play commencing on the date of transfer of ownership (except as provided otherwise below in paragraph "G").

The Withdrawing Party shall:

- (E) Relinquish all rights to management and decision-making authority;
- (F) Forfeit all rights, title, and other interest in the play (except as otherwise provided in paragraph "G" below), including profits earned thereon;
- (G) Be entitled to his share of all of the producer's proceeds, profits, and losses of the play accrued or otherwise earned prior to transfer of control, even though same have not yet been distributed. This specifically includes producer's proceeds from the commercial exploitation of subsidiary rights.
- (H) Remain liable for all debts and obligations of the Joint Venture and/or Limited Partnership incurred prior to his withdrawal from the production.

19. All of the terms, provisions, and conditions herein shall survive once the Joint Venture, for any reason, shall terminate.

20. No party shall assign this agreement without the consent of the other, and no such purported assignment shall be valid unless accompanied by said consent.

21. The parties enter into this agreement on behalf of themselves, their heirs, and assigns (subject to paragraph 20 above), and same shall be binding thereon, now and forever.

22. This instrument contains the whole of the agreement between the parties. No purported amendment thereto shall be effective unless set forth in a written instrument signed by all of the parties.

23. The laws of the State of _____ shall govern this agreement.

24. Unless otherwise provided herein, the Joint Venture terminates upon the happening of one of the following:

- A.) The death, disability, incompetency, or bankruptcy of one of the parties;
- B.) Creation of the Limited Partnership, which is the purpose hereof;
- C.) Agreement of the parties;

D.) Withdrawal of one of the parties.

25. Notices required hereunder to one of the Joint Adventurers shall be mailed by certified mail, return receipt requested, to the address following the Joint Adventurer's signature below and shall be effective upon the mailing thereof.

IN WITNESS WHEREOF, the parties have entered into this Agreement on this date hereinabove written by their hands and seals.

_____(SEAL) _____
Name Address

_____(SEAL) _____
Name Address

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Attorney, producer, and playwright Charles Grippo is the author of *Business and Legal Forms for Theater* and *The Stage Producer's Business and Legal Guide*.