



## Project Joint Venture Agreement

### JV AGREEMENT OF LARSENG CONTRACTORS & DEVELOPERS

This Agreement, dated and effective as of ----- by and between LARSENG CONTRACTORS & DEVELOPERS, and ABC (COMPANY MANE). (ABC and LCD) 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, 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 Advocates of Larseng Group.

(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 the 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 ("COMPANY NAME,") 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 Larseng Group 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

### 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 ABC shall contribute to the capital of the



Partnership all of the issued and outstanding capital stock of Larseng Group.

(iv) ABC shall, in addition, contribute to the capital of the Partnership cash aggregating \$<sup>^</sup> in <sup>^</sup> 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 -----.

**(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.

(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.

**ARTICLE III**

**PARTNERSHIP INTERESTS**

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



Each Partner's Interest in the Partnership (its "**Partnership Interest**") shall be DISCUSSED ON CASE TO CASE BASIS.

(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 IV

##### **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.

(c) **Employees.** The Partnership shall employ and pay such persons, and provide such employees with such fringe benefits as the Operating Committee shall from time to time authorize.



## ARTICLE V

### **ACCOUNTING MATTERS; BOOKS AND RECORDS; TAX RETURNS**

(a) **Fiscal Year.** The fiscal year of the Partnership shall be the calendar year.

(b) **Books, Records and Accounts.**

(i) The books and records of the Partnership shall be maintained on an accrual basis so as to reflect accurately, among other things:

- (A) contributions by each Partner,
- (B) the capital account of each Partner,
- (C) distributions to each Partner,
- (D) assets and liabilities,
- (E) receivables from and payables to each Partner,
- (F) income of the Partnership, and

(G) adequate records to permit the filing of Partners' and Partnership tax returns showing gross receipts, cost of goods sold, gross income, other income, deductions, losses, allowances, credits and net profits or losses.

The Operating Committee shall review the foregoing from time to time and may revise them if it so determines.

(c) **Financial Reports; Independent Audits.** Promptly after the end of each month, the Partnership shall prepare and deliver to each Partner financial statements and related reports reflecting the financial position of the Partnership at the close of the month and the results of operations of the Partnership for the month. The Partnership shall have an audit of its books made as soon as practicable after the close of each fiscal year by ^ or such other nationally recognized firm of public accountants as the Partners shall designate, and shall furnish each Partner copies of such financial statements and related reports reflecting the financial position of the Partnership at the close of the fiscal year and the results of operations of the Partnership for the fiscal year, together with the certificate of the public accountants covering the results of such audit.

(d) **Taxes and Tax Returns.** The Partnership shall prepare and file all tax returns required to be filed by the Partnership pursuant to the Internal Revenue Code, or any successor statutes, and all state and local tax returns required to be filed by the Partnership. The tax books



of the Partnership shall be kept on an accrual basis. For tax purposes each item of gross income, profit, gain, loss, cost, deduction, credit or allowance shall be allocated to each partner in proportion to its Partnership Interest. No changes in the accounting methods for the purpose of preparation of tax returns of the Partnership shall be made without the consent of each Partner.

## ARTICLE VI

### DISTRIBUTIONS

Except as otherwise specifically provided in this Agreement, all distributions and withdrawals of any Partnership assets shall be made only as and when determined by unanimous agreement of both Partners and all distributions of any Partnership assets, including those on termination and dissolution of the Partnership, shall be shared equally by the Partners; provided that if either Partner shall have made a contribution pursuant to Section 3(b)(iii) hereof, the property contributed shall be distributed by the Partnership to the contributing Partner upon its request by written notice to the Partnership.

## ARTICLE VII

### FAILURE TO PAY

(a) **Failure of a Partner to Pay.** If a Partner fails in its obligation to pay or contribute promptly any amount required hereunder to the Partnership, such obligation shall constitute indebtedness due from such Partner to the Partnership and shall bear interest at the monthly rate of (^%.) In addition to the right of the Partnership to recover such indebtedness and interest:

(i) the other Partner may, but shall not be required to, make such payment contribution (together with interest thereon) to the Partnership on behalf of such defaulting Partner, which if made shall constitute indebtedness due from such defaulting Partner to such other Partner and shall bear interest at the monthly rate of (%), and

(ii) such other Partner may at any time recover from the defaulting Partner the amount of such debt and interest and may recover any other damages suffered as a result of such failure to make such a payment or contribution. If such other Partner elects to apply the provision of section (b) of this Article VIII with respect to such failure, the provisions of this section (a) shall no longer be applicable with respect to such obligation.

(b) **Certain Consequences and Remedies.** If the amount referred to in section (a)



of this Article VII that a Partner shall have failed to pay or contribute shall at any time exceed \$^ in the aggregate, and such failure (hereinafter in this Section (b) called a "**default**") continues for a period of 120 days after notice thereof to the Defaulting Partner from the other Partner (hereinafter in this Section (b) called the "**Non-Defaulting Partner**"), which notice shall state that the Non-Defaulting Partner elects to have the provisions of this Section (b) apply, then:

## ARTICLE VIII

### **RESTRICTIONS ON TRANSFER OF PARTNERSHIP INTERESTS**

(a) **Permitted Transfers.** Neither Partner may transfer, sell, alienate, assign or otherwise dispose of all or any part of its interest in the Partnership, whether voluntarily, involuntarily or by operation of law, or at a judicial sale or otherwise; provided that nothing herein contained shall be construed to prohibit either

(i) the transfer of ^ABC's entire interest in the Partnership to any corporation 100% of the capital stock of each class of which is owned directly or indirectly by ^ABC, or

(ii) the transfer of Larseng Group entire interest in the Partnership to any corporation 100% of the capital stock of each class of which is owned directly or indirectly by Larseng Group.

provided, however, that such transferee shall, immediately upon such transfer, become a Partner and expressly assume in writing the due and punctual performance of all the obligations of the transferring Partner under this Agreement and consent and undertake in writing to assume and perform all the obligations hereunder not theretofore performed and discharged by such Partner and to execute this Agreement and to be bound by all the terms and provisions hereof; provided further, however, that no such transfer shall be permitted without the express written consent of the non-transferring Partner if such transfer would, in the reasonable opinion of the non-transferring Partner, result in adverse tax consequences to the non-transferring Partner.

(b) **Condition of Permitted Transfer.** Whenever pursuant to this Article VIII any transferee is entitled to become a Partner, the other Partner shall execute an appropriate instrument admitting such transferee as a Partner.

(c) **Release under Certain Circumstances.**

No transfer or other occurrence referred to above in this Article VIII shall release the transferring party of any obligations under this Agreement (and such transferring party shall remain jointly and severally liable hereunder with such transferee corporation) unless the other Partner shall consent thereto, which consent may not be unreasonably withheld.





## ARTICLE IX

### **TERM; DISSOLUTION; TERMINATION**

(a) **Term.** The Partnership shall continue until terminated in accordance with the provisions of this Article X. No Partner shall have the right to and each Partner agrees not to dissolve, terminate or liquidate, or to petition a court for the dissolution, termination or liquidation of the Partnership, except as provided in this Agreement.

(b) **Events of Dissolution.**

(i) The Partnership shall dissolve:

(A) upon the unanimous written agreement of the Partners to dissolve the Partnership,

(B) upon the ninety-ninth anniversary of this Agreement,

(C) upon the dissolution of a Partner,

(D) upon the occurrence of the events described in Article VIII and the giving of the notice provided for in Section (b) thereof, or

(E) upon the occurrence of any of the following: a Partner becomes insolvent or generally fails to pay, or admits in writing its inability to pay, debts as they become due; or a Partner applies for, consents to, or acquiesces in the appointment of, a trustee, receiver or other custodian for such Partner or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for a Partner or for a substantial part of its property and is not discharged within thirty days; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is commenced in respect of a Partner and if such case or proceeding is not commenced by such Partner, it is consented to or acquiesced in by such Partner or remains for thirty days dismissed.

(ii) Upon the dissolution of the Partnership pursuant to either of Subsections (i)(A) or (i)(B) of this Article X, the Partnership and its business shall promptly be wound up and terminated. Upon the dissolution of the Partnership caused by any other event set forth in Section (b) of this Article X:

(A) the Partner as to whom the event described in such sections has occurred (the "**Withdrawing Partner**") shall immediately cease to be a Partner, and





(B) the business of the Partnership shall not be wound up and terminated unless the remaining Partner shall so elect.

(iii) Subject to the provisions of Section (c) of this Article X, in the event of the occurrence of an event set forth in Section (i)(C), (i)(D) or (i)(E) of this Article X:

(A) the remaining Partner may send such notices of the dissolution to such persons and entities as the remaining Partner may deem appropriate and necessary under the circumstances,

(B) the remaining Partner shall continue or promptly settle the business of the Partnership and account for the interest of the Partners selected by the remaining Partner or a public sale of all or any part of the assets of the Partnership,

(C) the goodwill of the Partnership (including the name, records and files) shall belong to and remain solely vested in the remaining Partner; and the remaining Partner shall have the right at all times to continue the business and affairs of the Partnership,

(D) the prior written consent of the remaining Partner shall be required prior to either (1) any disposition of the partnership interest of the Withdrawing Partner, or (2) any act by any judge, trustee or court of bankruptcy which may adversely affect the property or the business of the Partnership, and

**(c) Continuing Conduct of the Partnership.** During the pendency of any arbitration or request for arbitration or of the enforcement of any claim against a Partner for a breach of or for default under the terms of this Agreement, the business and affairs of the Partnership shall be conducted so as to maintain and preserve the value of the Partnership as a going concern. During any period of winding up, the business and affairs of the Partnership shall be conducted so as to maintain and preserve the assets of the Partnership in a manner consistent with the winding up of the affairs thereof. 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 10(c).

**(d) Liquidation and Distribution Procedure.** In the event of any liquidation and distribution as a result of the termination of the Partnership, the assets of the Partnership shall be distributed in accordance with the provisions of the Illinois Uniform Partnership Act except as otherwise provided herein.

## ARTICLE X

### ARBITRATION



Either Partner may cause to be submitted to arbitration all disputes, controversies or questions of interpretation arising out of this Agreement or any breach or default hereunder by giving to the other Partner notice to that effect. Within twenty days after receipt of such notice the Partner receiving notice shall, by written notice to the Partner desiring arbitration, name the arbitrator chosen by it and within twenty days after the appointment of the second arbitrator an additional arbitrator shall be selected by the two arbitrators theretofore appointed; provided, however, if one of the Partners shall have failed to appoint an arbitrator as hereinabove provided, the sole arbitrator appointed by the other Partner shall arbitrate the matter alone. If the two arbitrators shall have failed to select an additional arbitrator within the above stated time, the additional arbitrator shall be appointed by the Advocates of Larseng Group. Each Partner shall pay the cost and expenses of the arbitrator appointed by it and shall share equally the other costs and expenses of the arbitration, including the costs and expenses of the additional arbitrator. The right of either Partner to seek or obtain any remedy pursuant to this Article X shall be in addition to the remedies provided for in Article X hereof and shall survive the dissolution of the Partnership or the sale and purchase of a Partner's Interest in the Partnership pursuant to Article VIII hereof.

**ARTICLE XI**

**GENERAL**

(a) **Notices.** All notices, demands or requests required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States Mail, postage prepaid, by registered or certified mail, with return receipt requested, addressed as follows:

If to ^ABC, to:

^

or at such other address as ^ABC may have furnished LARSENG GROUP by notice;

If to ABC, to:

^

or at such other address as LARSENG GROUP may have furnished ^ABC by notice.

(b) **Amendment.** This Agreement may not be amended except by a written instrument executed by both Partners.

(c) **Applicable Law.** This Agreement and the performance of the Partners hereunder shall be interpreted, construed and enforced in accordance with the laws of the KENYA and no presumption shall be deemed to exist in favor of or against either Partner as a result of the preparation and/or negotiation of hereof.

(d) **Entire Agreement.** This Agreement constitutes the entire agreement between the



parties hereto relating to the subject matter hereof and there are no other understandings, representations or warranties, oral or written, relating to the subject matter of this Agreement, which shall be deemed to exist or to bind any of the parties hereto, their respective successors or assigns except as referred to herein.

(e) **Further Assurances.** Each Partner shall execute such deeds, assignments, endorsements and other instruments and evidences of transfer, give such further assurances and perform such acts as are or may become necessary or appropriate to effectuate and to carry out the provisions of this Agreement. All such deeds, assignments, endorsements and other instruments and evidences of transfer and all other acts of any kind which are to be as of the date of this Agreement shall be delivered or taken as soon as possible following the date of this Agreement.

(f) **Third Parties.** No person not a party to this Agreement (including any employee of either Partner or its Parent or the Partnership) shall have or acquire any rights by reason of this Agreement nor shall any party hereto have any obligations or liabilities to such other person by reason of this Agreement.

(g) **Admission of Additional Partners.** Except as provided in Article VIII hereof, no additional Partners may be admitted to the Partnership except upon the unanimous consent of the Partners and upon such terms and conditions as the Partners may agree upon.

(h) **Severability.** If any provisions of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of the Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(i) **Binding Agreement.** Subject to the restrictions on transfers and other dispositions set forth herein, this Agreement shall inure to the benefit of and be binding upon the undersigned Partners and their respective successors and assigns.

(j) **Headings.** The headings of Sections in this Agreement are for convenience only and are not a part of this Agreement.



IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement in the State of Illinois by their duly authorized officers, effective as of the date and year first above written.

LARSENG GROUP

By: \_\_\_\_\_

^ABC.

By: \_\_\_\_\_

LARSENG CONTRACTORS



**EXHIBIT A**

^[Describe the Initial Properties and the Project Area.]

LARSENG CONTRACTORS



**EXHIBIT B**

^[Identify the liabilities relating to the Initial Properties that the Partnership assumes.]

LARSENG CONTRACTORS