

JOINT VENTURE AGREEMENT

PREAMBLE

This agreement is made and entered into between

.....
(herein after referred to as the first venturer) of the first part; and

.....
(herein after referred to as the second venturer) of the second part; (herein after jointly referred to as the parties)

Whereas the foregoing parties have resolved to form a joint venture in terms of which a certain piece of agricultural land will be utilised for the production of one or more agricultural commodities for the parties' mutual benefit.

Now therefore the parties hereby agree as follows:

1. INTERPRETATION

1.1 In this agreement:

“the agricultural land” means a certain piece of land called.....situated in the district of..... measuring hectares in extent and held by the second venture in terms of a 99 year lease agreement with the Government of Zimbabwe.

“agricultural production” means the production of crops and livestock..

“effective date” means the date indicated hereunder as the date of the signature of the parties hereto;

“improvements”, in relation to the agricultural land, include permanent buildings and other attachments and, in the case of a plantation, include the trees or other perennial crop growing on the plantation;

“Capital Development” has the same meaning as improvements;

“irrigation scheme” means any and all pipe, including drip pipes used for the purposes of irrigation of crops or pastures, water pumps motors, sprinklers, centre pivot systems and anything ancillary thereto.

“relevant local authority” means the local authority within whose jurisdiction the agricultural land is located.

- 1.2 The captions appearing at the head of the clauses of this agreement shall not affect or be taken into account in interpreting the Clause to which they refer or to any other part of this agreement.

2. JOINT VENTURE GENERAL

2.1. Object

The joint venture established by the parties hereto in terms of this agreement is an unincorporated association with the exclusive purpose of engaging in production of various agricultural commodities for the mutual benefit of each co-venturer.

2.2. Contribution Role and Involvement of the co-venturers

2.2.1. Obligations of the First Venturer

The first venturer hereby agrees that he will use his expertise to produce crops and livestock on the agricultural land and will otherwise use his best endeavours to ensure the success of the joint venture.

2.2.2. Obligations of the Second Venturer

The second venturer hereby agrees to make available the agricultural land, improvements thereon and irrigation scheme in its entirety to the joint venture, and further agrees where possible to assist in ensuring the success of the joint venture.

2.2.3. Management of the Joint Venture

The parties hereby agree that Management of the Joint Venture and any decisions relating to agricultural production shall be the sole responsibility of the first venturer. This shall include but not be limited to the keeping of proper records and books of account, the planning of cropping and livestock programmes, entering into contracts of employment on behalf of the joint venture and all matters ancillary thereto.

3. DIVISION OF PROFITS AND COSTS

- 3.1. The Joint venture will raise the capital necessary for agricultural production.
- 3.2. The parties hereby agree that the second venturer shall be entitled to an annual share of the proceeds of the agricultural production which shall equate to *per centum* share of the gross turnover of any agricultural production made by the first venturer.
- 3.3. In addition the second venture shall be entitled to monthly payments out of the Joint Venture of US \$ per month which amount shall be deducted from the amount payable in terms of clause 3.2 hereof.
- 3.4. The first venture shall be entitled to all profits after deduction of costs and the payments to the second venture as envisaged in clauses 3.2 and 3.3. In addition, the first venture shall be entitled to claim a reasonable salary in consideration of the Management of the Joint Venture.
- 3.5. The parties further agree that the cost of any capital development made on the agricultural land shall be offset against the amount owed to the second venturer in favour of the first venturer. The First venture shall not make any capital developments without the express written consent of the second venturer.
- 3.6. The Joint Venture shall be responsible for any fees payable to a local authority or payable in respect of electricity and water consumed on the land which is the subject of this joint venture.

4. DURATION OF THE JOINT VENTURE

This Joint Venture shall commence on the effective date, and shall be valid for a period of 10 (ten) years.

5. TERMINATION OF THE JOINT VENTURE AGREEMENT

The parties agree that this agreement shall be terminated in the following circumstances:

5.1. On expiration of this agreement in terms of clause 4.

5.2. By at least 12 months written notice by either party to the other. Where the first venturer has invested in improvements to the agricultural land and the first venturer has not recouped the value of those improvements in terms of clause 3.5 the second venturer in the event that he gives notice shall within the 12 month period of notice pay to the first venturer the total cost of the improvements to the agricultural land.

6. WAIVER

No waiver, express or implied, by any of the parties to this agreement of any breach of any terms or conditions of this Agreement by the other party, shall constitute a waiver of any subsequent breach of the same or any other terms or conditions, and the acceptance by a party of a breach shall not constitute a waiver of any other such breach except in respect of the breach as accepted.

7. ENTIRE AGREEMENT

This agreement constitutes the entire agreement. No variation addition or amendment is valid unless reduced to writing and signed by the parties hereto.

8. JOINT VENTURE

That for the avoidance of doubt this agreement shall constitute a joint venture agreement and shall not be construed as being a partnership or agency agreement.

9. ARBITRATION

In the event of any dispute or difference arising between the parties hereto relating to or arising out of this Agreement, including the implementation, execution, interpretation, rectification, validity, enforceability, termination or cancellation of this Agreement, the Parties will forthwith meet and use their best endeavours to attempt to settle such dispute or difference. Failing such settlement within a period of 7 (seven) days, prior to the institution of any other form of proceedings, the said dispute or difference shall be dealt with by mediation, as follows:

9.1 The parties hereby appoint David E B Long as mediator and acknowledge him as an Independent person possessing the qualifications and experience necessary to perform the functions of a mediator,

9.1.1 The functions of the mediator shall be to deal quickly and economically with the matter(s) brought before him, to hear each party, and then to recommend to the parties such settlement or resolution of the dispute or difference as may be fair and equitable;

9.1.2 The dispute or difference shall be deemed to have been fully resolved if the settlement or resolution thereof is reduced to writing and signed by the parties;

9.1.3 For the sake of economy and expediency, any mediation proceedings will take place in Harare, unless the parties should make contrary arrangements confirmed by them in writing;

9.2 Should the mediation proceedings fail, then such dispute or difference shall be submitted to arbitration by D E B Long acting as a qualified and independent arbitrator in order to resolve such dispute in accordance with the provisions set out below;

9.3 Arbitration proceedings referred to in clause 12.2, including any hearings, will be held:-

9.3.1 In Harare;

9.3.2 Informally but in accordance with the provisions of the Arbitration Act No. 6 of 1996, as amended; and with the UNCITRAL rules of arbitration;

9.3.3 With a view to it being completed within 30 (thirty) business days after it is demanded having particular regard to any urgency regarding the matter in issue;

9.4 The arbitrator:-

9.4.1 Will have regard to the desire of the parties to dispose of such dispute expeditiously, economically and confidentially;

9.4.2 Need not observe or take into account the strict rules of law relating to evidence in arriving at his decision and shall be entitled to rely upon equity, sound business practice and fair play;

9.4.3 Will determine the party liable for his costs and costs of any expert he consults and such party will pay his costs together with the costs of any legal representation;

9.4.4 Will be entitled to consult with attorneys, counsel or any other expert with regard to any matter or issue as he may deem fit;

9.5 The parties irrevocably agree that the Arbitrator’s written decision in any proceedings hereunder:-

9.5.1 Will be final and binding on all of them and incapable of appeal;

9.5.2 Will forthwith be carried into effect;

9.5.3 May be made an order of any court of competent jurisdiction;

9.6 The provisions of this clause will continue to be binding on the parties notwithstanding any termination or cancellation of the Agreement.

9.7 Failing acceptance by Mr D.E.B. Long of the above appointments the President of the Law Society shall nominate a mediator or arbitrator which nomination shall be binding on the parties.

THUS DONE AND SIGNED at this day of

....., 2015

.....

FOR AND ON BEHALF OF THE FIRST VENTURER

AS WITNESS

1. 2.

(In addition to his/her signature, provide in the spaces below the full names of each witness, together with his/her identification number obtained from an identity document issued to him/her in terms of the national Registration Act [Cap 10:17], or from a passport or drivers licence issued by or on behalf of the Government of Zimbabwe).

1. 2.
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FOR AND ON BEHALF OF THE SECOND VENTURER

AS WITNESS

1.

2.

(In addition to his/her signature, provide in the spaces below the full names of each witness, the designation of each witness if s/he acts in an official capacity, together with his/her identification number obtained from an identity document issued to him/her in terms of the National Registration Act [Cap. 10:17], or from a passport or drivers licence issued by or on behalf of the Government of Zimbabwe)

1.

2.

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