
RUDRA LEGAL CORPORATION PTY LTD TRADING AS LAWBANK

AND

JOINT VENTURE AGREEMENT

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- (h) Obligations under this agreement affecting more than one party bind them jointly and each of them severally;
 - (i) The company means the company incorporated to carry on the joint venture described in this agreement, in which each of the joint venturers holds a parcel of shares; and
 - (j) Confidential information means information, plans, specifications, and data concerning the planning, financing, cost, operations and marketing of the joint venture project; designs registered or not, patents, customer lists, supplier lists, source and destination codes which become available to a joint venturer, the managing director, the finance manager or the employees of any of them as a result of the joint venture.

2. Associated parties

- (a) The bankers of the joint venture are .
 - (i) Each party must nominate a person to sign all cheques on their behalf.
 - (ii) Joint venture cheques are to be signed by one nominated person on behalf of each party.
- (b) The solicitors of the joint venture are .
- (c) The accountants of the joint venture are .

3. Representative

Each corporate party must appoint in writing a representative to manage the affairs of the joint venture on its behalf and agrees that its representative has authority to bind the company on all matters relating to the joint venture.

4. Overview of the purpose of the joint venture

The joint venturers propose:

- (a) To acquire a greenfield site;
- (b) To design and construct a complex of strata title factories and offices and to sell either the subdivided lots or the developed buildings; and
- (c) To divide the expected profits from the sale of strata title lots or buildings amongst the venturers.

5. Term of the joint venture

The joint venture starts on the date of this agreement and ends:

- (a) When determined as this agreement provides; or

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- (b) On a day agreed in writing by the parties; or
 - (c) When the project has been completed and all of the joint venture property and undertaking has been disposed of.

6. Contribution of capital and share of profits and losses

- (a) The parties must contribute the capital required to complete the project in the following proportions and will share in the profits and losses of the venture in the same proportions.
 - (i) Party 1 %
 - (ii) Party 2 %
- (b) If a venturer pays money on behalf of the joint venture, the other venturers must make a contribution as soon as practicable after being informed of the payment, to restore equality of contribution between them.

7. Program

The parties will prepare a budget and business plan setting out in detail all expenditure for planning, approval, consultancy, construction, finance, marketing and all other usual outlays in such an undertaking and will prepare a program and time line for the project from start to end with appropriate conservative allowances of time for the completion of each stage of the project.

8. Joint venture parties

- (a) The parties must follow the program, and in doing so must:
 - (i) Do everything possible to ensure that decisions are made promptly and full cooperation given so that the joint venture successfully completes the project on time;
 - (ii) Not use or disclose confidential information of the joint venture or any other party and each venturer promises to ensure compliance by its employees with this obligation;
 - (iii) At all times act in the best interests of the joint venture and in good faith; and
 - (iv) Not be involved in any undertaking which may compete with that of the joint venture nor obtain goods or services at a discounted price due to the supply of similar goods or services to the joint venture, nor seek or obtain commissions or discounts in relation to goods or services which are not also offered to the other joint venturers.
- (b) The rights and obligations of the parties under this agreement are individual and nothing in this agreement constitutes the parties as partners of one another nor do they have any other relationship except that of joint venturers.

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- (c) Each venturer owes the others a duty of trust, and must immediately inform the others of any conflict of interest, must not profit separately from the joint venture and must account to the other venturers for all benefits received as a result of a breach of this duty.
 - (d) No party may incur debts or commit another party to liabilities. Every undertaking of responsibility must be made jointly with the other venturers for the purpose of this joint venture.

9. Management of the joint venture project

- (a) All decisions relating to the joint venture must be made by unanimous resolution of the parties or their representatives.
- (b) The venturers will appoint a finance manager to keep accurate records and books of account in which all dealings concerning the business and the joint venture's affairs, using Australian standards of accounting principles.
- (c) The finance manager will:
 - (i) Control expenditures on the project;
 - (ii) Report weekly on expenditure versus budget and on variations and projected changes to the project cost;
 - (iii) Be responsible for the day-to-day management of the financial affairs of the joint venture;
 - (iv) Report to the venturers on changes in time and cost from the business plan;
 - (v) Prepare and present monthly profit and loss accounts both on a cash and on an accruals basis;
 - (vi) Check all invoices for correctness as against quotes; and
 - (vii) Ensure that payments are only made for goods actually delivered and services satisfactorily completed.
- (d) All parties may at any time inspect the project and any property of the joint venture and may take copies of any documents and discuss the project with any builder, or consultant or anyone at all who is employed on the project, to the intent that all information is openly and readily available to all of the parties.
- (e) The parties must ensure that the joint venture:
 - (i) Keeps its assets in good repair, working order and condition, reasonable fair wear and tear excepted, and that it carries out proper repairs, renewals and replacements;
 - (ii) Complies with its obligations under the contracts, arrangements and property and equipment leases to which it is a party;

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- (iii) Keeps its tangible insurable assets insured by a financially sound and reputable insurer against loss or damage by fire, explosion and other risks customarily insured against by companies conducting businesses similar to the joint venture business in amounts not less than the full insurable value of those assets;
 - (iv) Maintains insurance with a financially sound and reputable insurer against other hazards and risks and liability to persons and property to an amount and in the way customarily insured against by companies conducting businesses similar to the business including public risk insurance for not less than \$20 million; and
 - (v) Complies with all applicable laws relating to the business and its assets.

10. Dispute resolution

- (a) If a dispute arises between the venturers, then before any court proceeding may begin, the partner raising the dispute (the complainant) must give 14 days notice to the others setting out the dispute and seeking discussion and compromise with a view to resolving the dispute.
- (b) If after 14 days the dispute is not resolved then it must be referred to mediation before commencing proceedings, and before the joint venture is ended in accordance with the following provisions. The costs of mediation must be borne by the venturers in proportion to their interests in the joint venture.

11. Mediation

- (a) The parties expressly agree to endeavour to settle any dispute arising in relation to any matter under this agreement by mediation administered by the Australian Disputes Centre (ADC) before having recourse to arbitration or litigation.
- (b) The mediation must be conducted in accordance with the ADC guidelines for commercial mediation operating at the time the dispute is referred to ADC.
- (c) The guidelines set out the procedures to be adopted, the process of selection of the mediator and the costs involved.
- (d) The terms of the guidelines are deemed incorporated into this agreement.
- (e) This clause survives termination of this agreement.

12. Determination of the joint venture

- (a) If the parties cannot resolve a dispute between them after following the dispute resolution procedures set out in the mediation clause, then any of them (the offeror) may by written notice to the others offer to sell its interest in the joint venture at the price and on the terms, including settlement within no less than 30 days, in the offer.

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- (b) The other parties must within 14 days of receiving the notice either accept the offer, pro rata to their interests under this joint venture agreement, or reject it, and offer their interests to the offeror at the price and on the terms in the counter-offer, which may be accepted no later than 14 days after receipt by the other parties.
 - (c) If the counter-offer is accepted, the transaction must be completed within 30 days of acceptance.
 - (d) If no party wishes to acquire the balance of the joint venture interest, then the whole undertaking of the joint venture must be sold by public auction within a reasonable time and any of the venturers may bid at the auction.
 - (e) If a party wishes to acquire the interest of another party under these provisions, apart from the public auction authorised by this clause, but does not agree that the offered price reflects the proper market price, then:
 - (i) The accepting party must sign an unconditional agreement to buy the other's interest at a price to be determined as set out below;
 - (ii) The price must be determined by taking the mean of two valuations by two independent, experienced and qualified valuers, one to be obtained by each party, with the cost shared equally; and
 - (iii) The agreement must be completed within 30 days after the valuations have been made and the mean taken.

13. Sale of joint venture interest to a third party

- (a) If a venturer (seller) wishes to accept an offer from an outside party (third party) to buy the whole of its interest in the joint venture, then it must immediately notify the other venturers (continuing venturers) in writing, and must give them 14 days to agree to buy its interest on the same terms and conditions as offered by the third party, with completion to take place within a further 30 days from acceptance.
- (b) If the continuing venturers do not wish to acquire the seller's interest, then they may either accept the sale to the third party, conditionally upon the third party signing an identical joint venture agreement to this document, or may counter-offer their interests for sale upon terms and at a price they nominate. If none of these courses of action is acceptable, then the undertaking of the joint venture must be sold by auction within a reasonable time and all parties are entitled to bid at such auction.
- (c) Each venturer must inform the others of any proposed change in their effective control, which means a change of ownership of 50% or more of their shareholding or a change in 50% or more of their directors, or any other change that changes the balance of the persons who have effective control of the company and make the decisions for the company. A change in effective control of a venturer acts as if it were a proposed sale to an outside party.

14. Joint venture's funding

The parties must ensure that the joint venture has sufficient working capital to conduct the project from their own funds to the intent that the project is at all times unencumbered. If the venturers cannot agree on the amount of funding required at any time, the venturers must seek the advice of the accountant of the joint venture, who must determine the amount of capital required for the present and ongoing funding of the joint venture. The decision of the accountant binds the venturers and they must contribute capital as determined. Each determination has effect until the next date fixed by the accountant to review the capital position. If there is no accountant at the time, any venturer may submit the matter to an accountant nominated by the proper officer of CPA Australia.

15. Employment of joint venture parties

The joint venture must employ any joint venturer who is qualified to render services or provide goods to the joint venture but strictly on an arms-length competitive basis within normal trading terms.

16. Default

- (a) A venturer defaults under this agreement if:
- (i) It transfers any of its interest in the joint venture in breach of this agreement; or
 - (ii) It does not make a payment due to the joint venture; or
 - (iii) It continues to breach any obligation under this agreement after receiving 14 days notice to remedy the breach; or
 - (iv) It commits an act of bankruptcy, or an order is made appointing a receiver, provisional or general liquidator, for its winding up or it assigns its estate for the benefit of creditors; or
 - (v) It ceases to carry on business so that it can no longer contribute capital to the joint venture; or
 - (vi) It breaches any of its fiduciary duties to the other venturers, or is convicted of a criminal offence involving dishonesty; or
 - (vii) It becomes incapable, or is subject to an order appointing an administrator or guardian.
- (b) If a default occurs, the other venturers may within 30 days give written notice of the default to the defaulting party by which they determine to acquire its interest in the joint venture at a price determined by the mean of two valuations by experienced and qualified valuers, one obtained by each party and with the cost shared equally. Settlement is to be effected within 30 days of delivery of the later of the valuations.
- (c) If the non-defaulting parties do not wish to acquire the interest of the defaulting party then the undertaking of the joint venture must be sold by

public auction within a reasonable time and any venturer may bid at the auction.

17. Costs

The costs of preparation and completion of this agreement must be shared by the parties in the same proportions as their interest in the joint venture.

18. Notices

A notice or other communication to a party must be in writing and delivered to that party or that party's practitioner in one of the following ways:

- (a) Delivered personally; or
- (b) Posted to their address when it will be treated as having been received on the second business day after posting; or
- (c) Faxed to their facsimile number when it will be treated as received when it is transmitted; or
- (d) Sent by email to their email address, when it will be treated as received when it enters the recipient's information system.

19. Counterparts

If this agreement is executed in a number of counterparts, when executed and taken together they constitute this agreement and the date of the agreement will be the date on which it is executed by the last party.

Execution page

SIGNED AS AN AGREEMENT

SIGNED BY RUDRA LEGAL CORPORATION PTY LTD ACN 163 240 319 TRADING AS LAWBANK in the presence of:)) Signature
..... Signature of witness		
..... Print name of witness		

SIGNED BY in the presence of:)) Signature
..... Signature of witness		
..... Print name of witness		

SCHEDULE 1 – Business plan and budget