

## JOINT VENTURES

### Practice

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Joint ventures are becoming more commonly used in all industries as businesses with complementary operations seek to collaborate to develop new projects, pursue joint financing to expand distribution, or realize other strategic business objectives. Haynes and Boone has extensive experience with joint ventures in various industries and practices. We work with clients on all stages of joint venture formation and management. Our Joint Ventures Practice Group focuses on specific industries:

#### **Energy Joint Ventures**

Our attorneys have significant experience in negotiating joint ventures in the energy industry. We have represented publicly traded energy companies, large private equity funds, public and private institutions, foreign investors, university endowments and a variety of taxable and tax-exempt investors in their energy investments and joint ventures. We also have significant experience in representing management teams in their negotiations with private equity fund investors. Our practice group has assembled a team of lawyers and legal professionals with diverse, but complementary, experience so that we may provide assistance in all matters affecting our energy clients and their businesses. Our lawyers have knowledge in oil and gas, power, clean energy, corporate-securities, mergers and acquisitions, partnership, tax, ERISA, international, venture capital, employment, environmental, finance, and litigation issues that affect the energy industry. This multi-disciplinary approach affords our clients efficient access to lawyers possessing the depth of experience necessary to address any need they may have, while creating a team of professionals particularly suited to providing the creativity and flexibility necessary to guide those clients through the rapidly evolving legal and regulatory landscape.

#### **Chinese Joint Ventures**

Forming a joint venture in China can be a lengthy and complicated process and we have the experience to help. There are different types of joint ventures involving Chinese companies. There are offshore joint ventures (typically domiciled in the Cayman Islands or in Hong Kong) between foreign and Chinese companies, one of the more famous ones is the joint venture formed between Huawei and 3Com. These are not fundamentally different from typical U.S.-style joint ventures but obviously with a Chinese twist to it. There are also on-shore foreign Chinese joint ventures, which are actually special entities created and governed by specific Chinese laws and regulations, which are more common in China. Venturers typically use two types of Sino-foreign JVs under the relevant Chinese law: contractual joint ventures and equity joint ventures with similar but different rules applying to each type. Pros and cons attach to each type of joint venture depending on the transaction and counterparty and we can help our clients make the decision and guide them throughout the process.

#### **Projects Joint Ventures**

Haynes and Boone has extensive experience counseling joint ventures and investors in joint ventures, often in cross-border situations. Our lawyers work closely with consortium members or venturers and their in-house counsel, or with an individual investor in a project, to identify their business, tax, financing, governance and other concerns and priorities, and to develop appropriate structures and approaches. Our experience and understanding of the underlying business allows us to provide practical advice to help clients achieve project success.

The significant capital costs and high commercial risks associated with the energy industry frequently create the need for complicated and innovative joint venture structures to achieve economies of scale, to allocate risks and to access market opportunities for substantial capital investments, including joint ventures involving oil and gas exploration and development, electric power projects, gas storage facilities and pipeline and LNG projects. We have structured, negotiated and documented joint venture arrangements in many sectors of the energy industry, where industry participants frequently act through joint ventures.

In addition to the energy sector, we have extensive joint venture experience across many other industries, including telecommunications (cable, telephony, satellite services and the Internet), transportation (airlines), pharmaceuticals and healthcare, entertainment and sports, real estate, information technology, computer technology, software development, transportation and mining.

Haynes and Boone's corporate practice handles entire joint venture endeavors from inception to final agreement, with special emphasis on structuring the venture entity, tax planning and corporate governance between or among the partners.

### **Real Estate Joint Ventures**

Real estate joint ventures are a common vehicle for blending development expertise, product expertise and local knowledge with capital sources. These capital sources include public funds, private funds, high net worth individuals, and tax-exempt investors (including retirement funds and sovereign funds). Haynes and Boone has extensive experience in the formation of joint ventures representing the service provider and the capital source. Haynes and Boone's experience extends to the formation of joint ventures involving tax-exempt entities in joint enterprises with taxable entities. Our joint venture experience includes both acquisition and development of the following real estate product types: multifamily, office, hospitality, medical, retail, mixed use, special venues, and land development.

### **Technology Joint Ventures and Strategic Alliances**

Among the common ways to drive growth - organically, through acquisition, and through alliance - alliances and joint ventures are among the most important strategic tools employed by technology companies to rapidly gain access to new technologies, develop new products and enter new markets. From agreements to license a specific technology for a specific market, to agreements to jointly develop and market a new product, to forming a free-standing joint venture to enter a foreign market, strategic alliances span a spectrum of complexity and life-spans.

We frequently represent our technology clients in strategic alliance transactions such as:

- Joint venture agreements
- Alliance agreements
- Technology licenses
- VAR agreements
- OEM agreements

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- Joint development agreements
  - Co-marketing agreements
  - Joint R&D agreements

We counsel our alliance clients on the complex legal issues that often arise, including:

- Antitrust and restraint of trade
- Change of control
- Confidentiality
- Dispute resolution
- Funding responsibilities
- Governance
- Indemnification
- Insurance requirements
- Jointly developed IP
- Limitations of liability
- Preservation of trademark rights
- Termination rights