

JOINT VENTURE AGREEMENT (Real Estate)

THIS JOINT VENTURE AGREEMENT (“Agreement”), is effective as of the latest date this Agreement is executed by the Parties as set forth below (the “Effective Date”).

1. **BASIC TERMS.** This Section 1 defines the Basic Terms of this Agreement.

1.1 Property: _____

1.2 Parties: PARTY A:
Name: _____

Email for Party A: _____

PARTY B:

Name: _____

Email for Party B: _____

PARTY C:

Name: _____

Email for Party C: _____

1.3 Title to the Property shall be held in the name of: _____
_____.

1.4 Allocation of Expenses: The payment of Expenses will be allocated as follows:

Party A will pay: ____%; \$_____; or other: _____.

Party B will pay: ____%; \$_____; or other: _____.

Party B will pay: ____%; \$_____; or other: _____.

1.5 Compensation Prior to Allocation of Profit:

- ☐ None of the Parties will be compensated on their investment prior to the allocation of Profit; or

- ☐ One or more of the Parties shall be compensated on their investment prior to the allocation of Profit as follows:
- ☐ Party A will receive payment of ____% of the amount Party A paid for Expenses; \$_____; or Other: _____;
- ☐ Party B will receive payment of ____% of the amount Party B paid for Expenses; \$_____; or Other: _____;
- and/or
- ☐ Party C will receive payment of ____% of the amount Party C paid for Expenses; \$_____; or Other: _____.

1.6 Profit shall be allocated as follows:

- ☐ Party A will receive ____% of the Profit;
- ☐ Party B will receive ____% of the Profit; and/or
- ☐ Party C will receive ____% of the Profit.

1.7 Additional Terms and Conditions:

2. **PURPOSE OF JOINT VENTURE.** The purpose of this Agreement and the joint venture described herein shall be for the Parties to acquire, sell and/or hold the Property for Profit (the "Purpose of the Joint Venture").

3. **EXPENSES.** The term "Expenses" shall mean all amounts paid or incurred by the Parties for the Purpose of the Joint Venture, which Expenses include, but are not limited to, all amounts paid for the acquisition of the Property, interest on any loans obtained or consented to by the Parties related to the Property (excluding interest on any loans obtained by a Party for the purpose of paying their share of the Expenses), all costs related to the remodeling and/or rehabilitation of the Property, insurance, property taxes, utilities for the Property, advertising costs, staging costs, commissions, and closing costs for the acquisition and sale of the Property. The Expenses shall be allocated to and paid by the Parties as set forth in Section 1.4. In the event a Party fails or refuses to pay their portion of the Expenses as required herein, the other Party(ies) may, after five (5) days written notice to the non-paying Party, pay the non-paying Party's share of the expenses in which event the Party(ies) paying the non-paying Party's expenses shall receive compensation of 25% of the amount paid on the non-paying Party's behalf prior to allocation of any Profit.

4. **PROFIT.** The term "Profit" shall mean: (A) the amount remaining from the Parties' sale of the Property after the repayment of any liens secured by the Property, payment of all Expenses related to the sale of the Property, repayment to the Parties for all Expenses previously paid, and the payment of compensation to any of the Parties as set forth in Sections 1.5 and 3; and/or (B) the cash flow from the Property after the repayment to the Parties for all Expenses, and the payment of compensation to any of the Parties as set forth in Sections 1.5 and 3. The Profit shall be allocated to the Parties as set forth in Section 1.6.

5. **ESCROW INSTRUCTIONS UPON THE SALE OF THE PROPERTY.** Except to the extent the Parties agree otherwise in writing, the Parties, upon the sale of the Property, shall prepare irrevocable escrow instructions setting forth the distribution of Expenses, compensation and Profit to be paid to each Party from closing of the sale of the Property and deliver said escrow instructions to the appropriate closing agent.

6. **TERMINATION OF THIS AGREEMENT.** This Agreement shall terminate upon the sale of the Property and full payment to each Party of the amounts each Party is entitled to receive under this Agreement or upon the written agreement of the Parties.

7. **RESOLUTION OF DISPUTES.** The Parties commit to each other to resolve any issues in a commercially reasonable manner as promptly as possible. In the event of a deadlock and upon written demand by one of the Parties, a disputed issue will be presented to a mediator with commercial dispute resolution experience. The written demand must include the names of three (3) acceptable mediators available to mediate the issue within ten (10) business days. Each Party shall be responsible for paying their pro-rata portion of the mediator's fees based upon the percentage of Profit to be allocated to each Party under Section 1.6. The mediation will be held in the state and county where the Property is located unless otherwise agreed upon by the Parties. The Parties may be represented by counsel in the mediation. Each Party is responsible for their attorneys' fees and costs associated with the mediation.

8. **COSTS AND ATTORNEYS' FEES.** In the event of litigation arising out of this Agreement instituted by any one of the Parties to it, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in that litigation and the costs and attorneys' fees related to collection of any amounts awarded.

9. **NO ORAL CHANGES OR REPRESENTATIONS.** This Agreement supersedes any and all prior understandings and agreements. This Agreement may be amended or modified only in writing signed by the Parties.

10. **NOTICES.** Any and all notices, demands or requests required or permitted hereunder shall be in writing and shall be effective upon personal delivery or when sent by electronic mail addressed as follows:

To Party A: See Section 1.2.

To Party B: See Section 1.2.

To Party C: See Section 1.2.

Any Party may change its email address for notice by giving notice of change of email address in the manner provided above. The inability to deliver a notice because of a changed email address of which no notice was given shall not affect the effective date or effectiveness of the notice.

11. MISCELLANEOUS.

11.1 *Assignment.* No Party may assign this Agreement without the written consent of all other Parties hereto.

11.2 *Additional Terms and Conditions.* The Parties agree to be bound by and to perform the additional terms and conditions specified in Section 1.7.

11.3 *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

11.4 *Waiver.* The waiver by any party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted hereunder, nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

11.5 *Severability.* If any provision of this Agreement or any portion of any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not alter the remaining portion of such provision, or any other provision hereof, as each provision of this Agreement shall be deemed severable from all other provisions hereof.

11.6 *Time is of the Essence.* Time is of the essence with respect to the performance of all terms, conditions and provisions of this Agreement.

11.7 *Choice of Law.* This Agreement shall be governed and enforced under the laws of the state where the Property is located without regard to any conflict of law provisions.

11.8 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument. The parties may execute this Agreement by electronic means and may deliver their signatures by facsimile transmission or .pdf e-mail delivery, and such transmission shall have the same effect as delivery of original signatures.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates written below.

PARTY A:

Signature: _____

Date: _____

Name of Signer: _____

Its: _____

PARTY B:

Signature: _____

Date: _____

Name of Signer: _____

Its: _____

PARTY C:

Signature: _____

Date: _____

Name of Signer: _____

Its: _____