**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:** Lighthouse Estates LLC

**Address:** 5720B Brown Ave. Unit B, Fort Knox, KY 40121

**Email:** management@gostarpoint.com

**Phone:** 321-378-5722

**PARTY B:**

**Name:**

**Address:**

**Email:**

**Phone:**

1.3 Title to the Property shall be held in the name of: Lighthouse Estates LLC

1.4 Closing Date of Transaction:

**Title Company:**

**Phone:**

**Escrow Agent:**

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

☒ Party A funding: all amounts exceeding the $ capital investment of Party B

☒ Party B funding: will not exceed $ for all expenses related to the property acquisition, closing costs, TC fees and property renovation costs.

1.6 Compensation Prior to Allocation of Profit:

☐ One or more of the Parties shall be compensated on their investment prior to the allocation of Profit as follows:

☒ Party B is entitled to receive the return of their funding contribution in the amount of $, a compensation of $, in addition to late/extension fees.

1.7 Profit shall be allocated as follows:

☒ Party A shall receive the remaining distributable profits after satisfying Party B’s, returns as outlined in Section 1.6, along with closing costs, liens, taxes, and judgments.

1.8 Additional Terms and Conditions:

* This Joint Venture Agreement, executed between Party A and Party B establishes a partnership with Party A as the Owner Partner, Party B as the Funding Partner.

**Financial Contribution from Party B:**

* **Initial Contribution:**
  + Party B shall contribute their funding contribution outlined in Section 1.5 prior to close of escrow only for the property as outlined in Section 1.1.
  + The funds will be wired only to the Title Company outlined in Section 1.4.
  + In the event of the failure of escrow to close Party B shall be entitled to the return of their initial funding contribution as delineated in Section 1.5.
  + From the total funding contribution outlined in Section 1.5, an immediate sum of $ shall be designated and made promptly available. This allocation covers expenses such as property acquisition, closing costs, holding costs, insurance, transaction coordinator (TC) fees, and construction/renovations, as detailed in Section 1.1
* **Payment Timelines:**
  + Maturity date is December 4, 2025.
  + Grace period of 10 calendar days
  + All sums outlined in Section 1.6 for Party B shall be disbursed in full on or before the maturity date, subsequent to the initial closing of the property purchase.
  + All payments of funding contribution, compensation, extension fees and late fees hereunder shall be made when due without set-off, counterclaim or any other deduction whatsoever in immediately available funds to Party B by **electronic means (wire transfer or ACH) only.**
* **Compensation:**
  + Upon the sale or refinancing of the property, Party B shall first receive their initial contribution and compensation as outlined in Section 1.6, along with any extension and wire fees, before any compensation or profits are allocated to Party A.
* **Late/Extension Fees**:
  + Party B will guarantee only one extension of up to one (1) month for a fee of $**2,125.00.**
  + Any extension granted will be for a period of up to one (1) month. If the loan is repaid before the end of the extension period, the extension fee will be **pro-rated** based on the actual number of days the extension was used.
  + A **ten (10) calendar day grace period** will be provided after the Maturity Date, during which no extension/late fee will be charged. If the loan is not repaid in full within the grace period, the extension fee will begin accruing on day 2 and be calculated from that day forward.
  + Late/Extension fees are **not required to be paid in advance**. Any late/extension fee (whether full or pro-rated) will be **added to the total payoff amount** due at the time the loan is repaid.
  + If Party A does not (a) request an extension (b) does not pay off loan by maturity date (grace period) or (c) fails to be responsive to any communication from Funding(s); Party B may automatically continue to extend the loan for one (1) month at a time and extensions fees will continue to accrue and will be added to the payoff amount or Party B may choose any and all legal remedies available to Party B including foreclosure.

**Responsibility of Party A:**

1. **Transaction Coordinator**
   * Party A is accountable for settling the outstanding balance for the fees associated with the TC.
2. **Insurance:**
   * Party A shall at its sole cost and expense, keep the Premises insured against all hazards as is customary and reasonable for properties of similar type and nature located in the county where the Premises is located.
   * Party A shall procure and maintain the requisite insurance coverage necessary for a property under construction, ensuring compliance with all applicable legal requirements.
   * Party A is obligated to include Party B as a lien holder on the insurance policy. Party A must provide Party B with a copy of the insurance policy's declaration page upon the policy activation or renewal.
3. **Budget and Timeline Management:** 
   * Party A is responsible for all cost overruns beyond the original agreed funding amount. Party B is not obligated to provide additional funds unless agreed in writing.
   * Party A hereby undertakes to effectuate the refinancing or sale of the property within the 6-month timeframe delineated by this agreement.
4. **Project Management:** Party A is hereby tasked with the onsite management and supervision of the property’s renovations, assuming full responsibility for all project related activities from the close of escrow for the property purchase to the close of escrow for its refinance. This includes but is not limited to, the following obligations:
   * Providing weekly updates and progress photos through text message.
   * Ensuring the timely completion of all necessary renovations and refinance of the property within the 6-month timeframe stipulated by this agreement.
   * Timely remittance of payment to all contractors and subcontractors, contingent upon the receipt of lien waivers in exchange. Party A to collect lien waivers from contractors and subs prior to disbursing final rehab payments or listing/refinance.
   * Party A to obtain all required permits, inspections, and code approvals from the city/fire department as needed, and to cover any associated costs or penalties.
   * Party A is responsible for obtaining fire clearance or certificate of occupancy after construction.

**Collateral and Security:**

1. **Title Commitment:** A Title Commitment will be executed and provided to Party B with the closing loan packet.
2. **Recorded Lien / Security Instrument:** A First Position Lien Deed of Trust / Mortgage will be filed and recorded by the Title company against the property as delineated in line 1.1 of this agreement for Party B.
3. **Promissory Note and Personal Guarantees:** A Promissory Note and Personal Guarantee(s) will be executed by Party A for Party B.
4. **Lenders Title Policy:** A Lender’s Title policy will be provided by the title company.
5. **Builder’s Insurance Policy:** Party A shall add Party B to their builder’s insurance policy as a loss payee for the total amount funded.
6. **No Loan Modification or Additional Liens:** Party A agrees that no loan modifications or additional liens maybe taken out against the property until Party B has been paid.
7. **Closing Documents:** An electronic set of the signed closing loan document will be sent to Party B by the TC. A set of the executed wet signature closing loan documents shall be sent by the title company to Party B at the address delineated in Section 1.2. Party B assumes responsibility for the safekeeping of said documents if legal action becomes necessary.

**Acknowledgment of Lien and Release Conditions:**

1. **Acknowledgment of Lien:**
   * Party A acknowledges that Party B has imposed a First position lien on the property as delineated in Section 1.1.
2. **Conditions for Lien Release:**
   * After the full payment has been received by Party B as specified in this Joint Venture agreement and the accompanying Mortgage and Promissory Note action will be taken to effectuate the release of the lien.
3. **Completing the Satisfaction of Mortgage (Lien Release):**
   * Upon receipt of full repayment of the Loan, including all principal, interest, fees, and any other amounts due, Party B shall prepare and execute a Satisfaction of Mortgage if one is not provided by title.
   * The notarized Satisfaction of Mortgage shall be delivered to Party A or the designated title company for recording within five (5) business days of full repayment.
   * Party B shall bear all costs associated with the notarization fees and mailing (if a label is not provided by Title) of the wet signature copy of the Satisfaction of Mortgage.
4. **Expense of Recording:**
   * The cost associated with recording the Satisfaction of Mortgage will be borne by Party A.

**Default and Remedies Clause:**

It is expressly agreed by Party A that time is of the essence hereof. In the event the repayment extends thirty (30) days beyond the maturity date, Party B shall undertake the following actions:

* + **Notice of Default:** It is expressly agreed by Party A that time is of the essence hereof. In the event of: any default in the payment of any principal, interest or other sums when due hereunder that is not cured within five (5) days of receiving notice (email is considered notice), cure or grace period provided therein, if any, the entire amount of principal, fees and interest then remaining unpaid hereunder or thereunder, at the option of Lender and without notice, shall become immediately due and payable. Any other default by Borrower must be cured within ten (10) days after receipt of notice (email is considered notice). Failure to exercise any such option shall not constitute a waiver of the right to exercise the same at a later time or in the event of any subsequent default.
  + **Remedies on Continued Default:** If any Default is not cured within the allotted time, and legal procedures are instituted, Party A will be charged a minimum of **Ten Percent (10%)** of the Principal amount of the loan for legal fees and penalties. If the amount exceeds **$**, Party A will be charged actual fees.
  + **Foreclosure Process:** Party B hereby reserve the unequivocal right to initiate the foreclosure process immediately upon the occurrence of a default, in accordance with applicable state laws and the terms of the Mortgage and Promissory Note.
    - To circumvent court proceedings, Party A and Party B mutually agree to work collaboratively in transferring the deed of the property directly to Party B.

This agreement stands in effect until all parties have been compensated as indicate herein.

**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 1.5. 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 20% 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 1.6 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 1.6 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**.

7.1 *Commitment to Resolution:* The Parties’ commit to each other to resolve any issues in a commercially reasonable manner as promptly as possible. This commitment underlines the intention to handle disputes amicably and efficiently.

**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.

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 1.8.

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.

12. **HOLD HARMLESS**

12.1 *No Agency*. No services provided by Hidden Gems TC Services LLC (“Hidden Gems”) shall constitute acting as a legal representative or agent of any other party, nor shall Hidden Gems have the right or authority to assume, create, or incur any liability or obligation of any kind, express or implied, in the name of or on behalf of any other party. Additionally, Hidden Gems shall not be liable for any failure or delay in performance by the parties to the agreement.

12.2 *No Legal Advice.* Any information provided by Hidden Gems does not and is not intended to constitute legal advice. All information, content, and materials provided are for general informational purposes only. Such information may include links to other third-party websites, which are solely for the convenience of the reader, user, or browser. Hidden Gems does not recommend or endorse the content of third-party sites.

12.3 *Usuary Laws.* The Parties acknowledges that each state imposes specific legal limits on maximum interest rates and allowable late fees. It is the responsibility of the Funding Partner to be aware of the usury laws of the state in which they are lending. Should the imposed fees or interest rates exceed these legal limits, the Funding Partner assumes full responsibility for any resulting legal consequences. In the event of legal action to enforce a lien, the court may refuse to allow the recovery of excessive late fees, interest, and potentially even the principal balance. Hidden Gems TC shall not be held responsible or liable for any fees or interest rates imposed that exceed the legal limits or for any legal consequences arising from such actions.

12.4 *Limitation of Liability.* Hidden Gems shall not be liable for any indirect, incidental, consequential, special, or exemplary damages arising out of or in connection with the services provided, including but not limited to, loss of profits, loss of data, or loss of business opportunities, even if such damages are foreseeable and whether or not Hidden Gems has been advised of the possibility thereof.

12.5*Indemnification.* The parties to this agreement agree to indemnify, defend, and hold harmless Hidden Gems, its officers, directors, employees, agents, and affiliates from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or in any way connected with the parties’ use of the services provided by Hidden Gems, any breach by the client of this agreement, or any violation by the client of any applicable law or regulation.

12.6 *Disclaimer of Warranties.* The services provided by Hidden Gems are offered on an "as is" and "as available" basis. Hidden Gems expressly disclaims all warranties of any kind, whether express or implied. Hidden Gems makes no warranty that the services will meet the client's requirements, or that they will be uninterrupted, timely, secure, or error-free.

**SIGNATURE PAGE TO FOLLOW**

**By affixing your signature hereto, all parties confirm they have thoroughly reviewed the document and possess a comprehensive understanding of its terms and implications. Furthermore, all parties hereby acknowledge that they have been duly advised to seek legal counsel before entering into this agreement.**

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

PARTY A:

Lighthouse Estates LLC, a Kentucky limited liability company

Signature: Date:

Name of Signer:

Its:

Signature: Date:

Name of Signer:

Its:

Signature: Date:

Name of Signer:

Its:

PARTY B:

Party B LLC, a STATE limited liability company

Signature: Date:

Name of Signer:

Its: