**REAL ESTATE JOINT VENTURE AGREEMENT**

This real estate joint venture is made and entered into this\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

by and between

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_referred to as the "First Party" and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ referred to as the "Second Party".

WHEREAS, The first party has investment capital available for contribution to the joint venture and

WHEREAS, The second party has a purchase contract to certain real estate located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

WHEREAS each of the parties desires to own one-half undivided interest in the subject property described below and the parties have agreed to limitations upon the right and power to transfer their undivided interests and have also agreed upon the payment of expenses, delegation of responsibility and the distribution of profits and/or losses incurred with reference to the property; and

WHEREAS, it is the desires of the parties to define and set out their relationship in writing and the circumstances under which they are operating, as of the date of this Agreement.

NOW THEREFORE, in consideration oft he mutual covenants herein after contained the parties agree as follows:

1. PRIOR AGREEMENT. It is the intention of the parties that this agreement replaces all written and or oral agreements previously existing between the parties.

2. FORMATION. The parties hereby create a real estate joint venture agreement pursuant to the laws of the state of \_\_\_\_\_\_\_\_\_\_\_\_\_. Said joint venture in any real estate purchased by the parties shall be defined solely by this agreement, regardless of the manner in which title to property may be taken. This agreement is not intended to create a general joint venture between the parties.

3. PURPOSE. The purpose of the partner ship is to purchase the house located at\_\_\_\_\_\_\_\_\_\_\_\_\_\_

for the purpose of repairing, renovating, and selling it as expeditiously possible and to carry on any and all such other activities as may be necessary to accomplish the above described purpose of the joint venture.

4. TERM The joint venture shall commence as of the date of this agreement and shall continue until terminated by mutual agreement of both parties or when monies are distributed per this agreement subsequent to closing the sale of the subject property.

5. CONTRIBUTION OF CAPITAL

(A) FIRST PARTY. The first party shall contribute all money needed to purchase, repair, maintain, advertise, market and incur any other expenses as well as any mortgage payments that become due during the period of ownership of the subject property as well as qualifying for any financing.

6. LIABILITY OF THE PARTNERS. During the existence of the venture neither party shall be liable for any obligations of the other party created without the express approval of both parties. The parties shall share equally in any and all profits and losses of the venture.

7. REPRESENTATIONS AND WARRANTIES OF THE PARTIES. The parties represent and warrant that there are no suits, judgments or liens of any kind pending or file against him/her whether individually of in Conjunction with any person or entity in any jurisdiction whatsoever.

8. NATURE OF PERFORMANCE. During the existence of the joint venture the partners shall be solely responsible for performing the following duties:

(A) The first party shall contribute all monies needed to purchase, repair, maintain, advertise, market and any other expenses as well as mortgage payments that become due during the period of ownership of the subject property as well as qualifying for any necessary financing.

(B) The second party shall be solely responsible for the day to day management maintenance, renovation and marketing of the subject property for resale, thereby protecting the investment for both parties. The second party my make, at his sole option and expense, make alterations and improvements to the property as in her discretion are necessary and advisable.

9. JOINT VENTURE DECISIONS. All decisions, including but not limited to purchase of assets by the joint venture, any loan or other obligation to be undertaken by the joint venture, and sale of any asset of the joint venture, shall require the approval of all of the partners.

10. MARKETING PLAN. As soon as the property is totally renovated, the subject property shall be marketed for re-sale. The parties shall not retain the services of the broker to market the property but are willing to pay a commission if a real estate broker finds a qualified buyer.

11. CHECKING ACCOUNT. A checking account will be opened before closing with deposited to cover immediate needs which are reimbursing down payment costs to second party and to cover closing costs. Checks under $\_\_\_\_\_\_\_\_\_\_\_ only require one signature. Checks over $\_\_\_\_\_\_\_\_\_\_\_ need both signatures. The balance of the estimated costs will be deposited when contractor has submitted his repair estimate and approved by both parties. Both parties have agreed that the estimate for all costs is approximately $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

12. DISTRIBUTIONS

(A) Subsequent to the sale of the subject property, any proceeds will first be used to pay existing bank loan; second, to reimburse all cash advances by both parties; and lastly towards profits. Second party shall provide to first party a closing statement and an accounting of any and all expenses incurred and detailing how the new profit figure is obtained and distributed. After both parties have been repaid, as described above, then any remaining money will be distributed equally (50/50) between the parties. In no event shall second party be entitled to any profits until the subject property is sold to an arms-length third party.

13. DEATH OF PARTNER. Except as provided in this paragraph, each of the parties will not dispose (i.e., transfer, devise, convey, lease, mortgage or otherwise encumber his undivided interest) in the subject property without the written consent of the other party.

(A) The death of the partner shall not act to terminate the joint venture. The state of the deceased partner shall continue to be considered a partner hereunder and shall share in any profits and/or losses.

14. PARTITION. Each of the parties irrevocably waives any and all right that he may have to maintain any action for partition with respect to his undivided interest in the property or to compel any sale of the property under any law now existing or hereafter enacted.

15. MORTGAGES. The first party shall, during the term of this agreement, be responsible for all monthly payments of mortgage, principal, interest, taxes and insurance. Such payments will be made by the second party from the joint venture checking account.

16. INSURANCE. The second party will see to it that the property is insured at all times for full market value. Any sums payable under said policy of insurance shall be sued exclusively to replace or repair the damage or theft for which said sums are paid unless the parties agree otherwise in writing.

17. VACANCY. The subject property shall remain vacant at all times during the term of this agreement unless otherwise agreed to by both parties in writing.

18. TITLE. Title shall be in the names of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ trust. Both parties will be 50/50 beneficiaries of that trust.

19. SECOND PARTY DUTIES AND RESPONSIBILITIES. Subject to the conditions and limitations but without limitation otherwise set forth herein and to the requirements of nay law or administrative enactment applicable here to, Second party shall:

(A) Review and research references, credentials and licenses if applicable of any contractor or repairmen which are chosen to perform repairs and renovations on the subject property.

(B) Negotiate and contract, on behalf of the first party, with contractor and repairmen to provide services and supervise said contractor and repairmen and their work at subject property. Funds are to be allocated to contractor on a percentage of completion as deemed necessary with any initial percentage payment exceeding \_\_\_\_\_\_\_% to be approved by first party in writing.

(C) Purchase all materials, supplies and equipment as needed for the property maintenance, repair and renovations and operation of the subject property in a cost effective manner.

(D) Endeavor to keep monthly expenses at a minimum by pursing effective methods and procedures of cost reduction and control and advise first party on cast saving initiatives.

(E) Obtain all necessary lien releases from contractor and repairmen for payments made for work performed on the subject property.

(F) Routinely and regularly inspect the subject property and make recommendation to the first party regarding the management, repair and marketing of the subject property

(G) Communicate with first party on not less than a weekly basis on progress by faxing quicken statement of expenses outlaid and general progress report.

(H) Cause to be kept books of account in which shall be entered fully and accurately each and every transaction of the joint venture including bills paid and mortgage paid.

19. DEFAULT OF SECOND PARTY. In the event litigation results from or arises out of this agreement or the performance thereof due to the action, inaction or default of wither party, the prevailing party shall be entitled to costs and attorneys fees which may be deducted from the profits of the other.

20. INCOME TAXES. Each party shall be liable for any tax consequences created by the sale of the subject property based on his/her percentage split of the profits/losses distributed to him/her.

21. CONVEYANCE. Neither partner shall convey, sell, or transfer his interest in the joint venture unless agreed to in writing by the other partner.

22. MISCELLANEOUS PROVISIONS

(A) This agreement supersedes any and all prior agreement of the parties, whether oral or written.

(B) The parties agree to execute any and all documents necessary to carry out the terms and intent of this agreement.

(C) Section headings contained in this agreement are included for convenience only and form no part of the agreement between the parties.

(D) If any provisions of this agreement is or becomes invalid, illegal or unenforceable in any jurisdiction, such provision shall be deemed amended to conform to applicable laws so as to be valid and enforceable or if it cannot be so amended without and enforceable or, if it cannot be so amended without materially altering the intention of the parties, it shall be stricken and the reminder of this agreement shall remain in full force and effect.

(E) Unless specially disallowed by law, should litigation arise hereunder, service of process therefore may be obtained thru certified mail, return receipt requested, the parties hereto waiving any and all rights they may have to object to the method by which service was perfected.

(F) No waiver of any right under this agreement shall be deemed effective unless contained in a writing signed by the parties charged with such waiver, and no waiver of any right arising from any breach of any future such right or of any other right arising under this agreement.

(G) This instrument contains the entire agreement of the partners with respect to the subject matter hereof, and the terms and conditions thereof may not be further modified except by a writing signed by all the partners. This instrument shall under no circumstances be recorded.

(H) This agreement and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance wit the laws of the state of \_\_\_\_\_\_\_\_\_\_\_\_\_. The parties herein waive trial by jury and agree to submit to the personal jurisdiction and venue of a court of subject matter located in the County of \_\_\_\_\_\_\_\_\_, state of \_\_\_\_\_\_\_\_\_\_\_\_\_\_. In the event that litigation results from or arises out of this agreement or the performance thereof, the parties agree to reimburse the prevailing party’s reasonable attorney’s fees, court costs and all other expenses whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled.

(I) This agreement shall be binding upon, and share inure to the benefit of the parties hereto, their respective heirs, and successors, as the case may be.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

FIRST PARTY SOCIAL SECURITY DATE

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

SECOND PARTY SOCIAL SECURITY DATE