

REAL ESTATE JOINT VENTURE AGREEMENT

This real estate joint venture hereinafter referred to as the "Venture" is made and entered into this ___ day of _____ 20__ by and between LearApplyProsper, LLC referred to as the "First Party" and _____ referred to as the "Second Party".

WHEREAS, The first party has a purchase contract to purchase a Non-Performing First Lien Position Mortgage Note registered as instrument Number _____, recorded ___/___/____ at _____ County _____(state) against the property located at _____, _____(city), __, _____(zip), hereinafter referred to as the "Asset".

WHEREAS, The second party has investment capital available for contribution to the joint venture.

WHEREAS each of the parties desires to own one-half undivided interest in the subject Asset 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 Asset; 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 of the 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 Idaho. Said joint venture in any real estate notes 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 this Venture is to purchase the Asset described in the preamble above for the purpose of reperformance or sale of the Asset; or the foreclosure of the asset, taking possession of the underlying property; 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 Venture.
4. TERM The 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 Asset or the related subject property.

5. CONTRIBUTION OF CAPITAL

- (A) **FIRST PARTY.** The first party shall at their sole discretion conduct analyses and decide if renovations will be carried out prior to liquidation of the property following a foreclosure. The first party shall be responsible for the cost of the repairs unless the parties agree in writing to share the cost of repairs.
- (B) **SECOND PARTY.** contribute all money needed to purchase the asset and cover the expected insurance cost, servicing and legal fees to foreclose on the asset.
- (C) The initial contribution of the second party shall be the purchase price of \$_____ plus a \$_____ fund for use in the cost of maintaining the asset and preparing the asset for disposal. Total initial contribution is \$_____.
- (D) The first party shall cover the cost of assigning the asset to the Venture.
- (E) Should additional insurance, tax, repair, or other necessary expense arise that cannot be paid via incoming rental account, mortgage, or other payment, Parties agree to mutually decide on how to best fund said expense which may include, but not limited to, any of the following:
 - a. Share the expense 50/50
 - b. Have their share of the expense removed from future income

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 or 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) 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.
- (B) The first party shall be solely responsible for providing all available information for the purchase of the subject note including all contacts, communications and providers, thereby protecting the investment for all parties.
- (C) Project funds shall be deposited to an operating account solely controlled by the first party.
- (D) The first party shall be solely responsible for the day-to-day management, negotiation, contracts, account setup, maintenance, renovation and marketing of the subject property, thereby protecting the investment of all parties. The first party may, at his sole option and expense make alterations and improvements to the property as in his discretion are necessary and advisable.
- (E) The second party shall contribute all expected monies needed to purchase, maintain servicing, insurance, legal and any other operating expenses that become due during

the period of ownership of the subject property as well as qualifying for any required financing, thereby protecting the investment of both parties.

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. If the property is acquired through foreclosure the subject property shall be marketed for re-sale. The parties shall retain the services of a broker to market the property and are willing to pay a commission if a real estate broker finds a qualified buyer.

11. CHECKING ACCOUNT. The first party shall be responsible to maintain a checking account for this joint venture and will provide copies of monthly statements to the second party.

12. DISTRIBUTIONS

(A) Should the subject Real Estate note make any income including any late fees, penalties, principle, interest, reinstatement fees etc. These funds will be distributed equally (50/50), on a monthly basis.

(B) Subsequent to the sale of the subject property, any proceeds will first be used to pay existing financing; second, to reimburse all cash advances by both parties; and lastly towards profits. First party shall provide to second 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. Excluding the provisions of 12.A above, the second party shall not be entitled to any profits until the subject property is sold to an arms-length third party.

13. DEATH OF PARTNER.

(A) 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.

(B) 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 second 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 first party from the joint venture checking account.

16. INSURANCE. The first 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 used 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 name of RS Capital Solutions, LLC, as determined by the first party.

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

(A) Review and research references, credentials and licenses if applicable of any contractor or repairmen who 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 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 pursuing effective methods and procedures of cost reduction and control and advise second party on cost 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 second party regarding the management, repair and marketing of the subject property

(G) Communicate with second party on not less than a monthly basis on progress by a QuickBooks statement of expenses outlaid and a 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 FIRST or 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 either 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 party shall convey, sell, or transfer his interest in the joint venture unless agreed to in writing by the other party.

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 remainder 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 parties 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 parties. 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 with the laws of the state of IDAHO. 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 ADA, state of IDAHO. 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.

Vahagn Sargsyan
Owner
LearApplyProsper, LLC

DATE

DATE

Exhibit A
Legal description of property

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF IDAHO, COUNTY OF BANNOCK, CITY OF POCA TELLO, DESCRIBED AS FOLLOWS: S24-T6S-R34E LOT 4, BLOCK 4, INGLEN OOK HEIGHTS 1ST ADDN. APM # RPIH1002900