

JOINT VENTURE AGREEMENT "Light" Version

THIS JOINT-VENTURE AGREEMENT IS MADE THIS DAY OF 20__

BETWEEN: _____(hereinafter referred to
as 'A')

- and -

_____(hereinafter referred to
as 'B')

WHEREAS the Parties hereto have agreed to form a Joint-Venture to acquire, manage and eventually sell the property (hereinafter referred to as the "Property") located at _____according to an Agreement of Purchase and Sale, a copy of which is hereto attached.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT:

(1) SALE. When a qualified appraiser, acceptable to both Parties, determines that the then fair market value of the Property exceeds by 25% (twenty-five percent) the sum of the initial purchase price plus all expenses to the date of closing inclusive of all closing expenses, then either Party may direct in writing to the other that the Property be placed on the market for sale.

(2) LIMITATIONS. This Agreement creates a Joint-Venture to carry out the objectives referred to herein and does not create a partnership between the Parties nor does it authorize either Party to act as agent for the other Party SAVE AND ACCEPT as herein set forth. Title to the Property shall be registered in the names of the Parties as tenants-in-common.

(3) CAPITAL CONTRIBUTIONS. 'A' and 'B' shall contribute cash (hereinafter referred to as the "Original Capital") to the Joint-Venture for the down payment and initial working capital such as Property improvements, repairs, maintenance, legal and conveyancing cost and other similar expenses. Original capital of \$_____ shall be contributed on or before the _____ day of _____ 20____ by 'B' with a deposit of \$_____ upon signing of this Agreement. 'A' shall contribute the sum of \$1.00 of Original Capital upon the signing of this Agreement.

(4) PROTECTION OF INVESTMENT. 'B' shall have an open postponable non-assumable non-interest bearing mortgage registered against the Property in the amount of the Original Capital of 'B', and be repayable upon sale of the Property by the Joint-Venture. 'A's interest in the Property is hence subordinated to all Original Capital provided by 'B'.

(5) MANAGEMENT COMMITTEE. A Management Committee composed of One representative of 'B' and One representative of 'A' shall provide for orderly management of the Property. 'B' and 'A' may, at any time, replace their own representative to the Management Committee. All decisions of the Management Committee must be unanimous approval. Either Member of the Management Committee may call a Meeting which shall otherwise take place quarterly. Meetings may occur by telephone. Minutes must be kept of all Meetings. Any Member may invite outside advisers from time to time to attend Meetings.

The Members of the Management Committee shall not be entitled to any remuneration for their services as Members of the Management Committee. The Management Committee shall maintain true and correct accounts, books and records, according to proper accounting practices which shall be open to Inspection by either Party during normal business hours.

(6) PROPERTY MANAGEMENT. The Management Committee hereby initially appoints _____ to conduct, supervise and in all other ways care for the required operational duties related to the Property such as banking, bookkeeping, accounting, rent collections, tenant relations, payment of bills, insurance, etc.

(7) ADDITIONAL INVESTMENT. All payments for taxes, repairs maintenance, utilities, property management, mortgages and other direct Property expenses are to be made in a timely manner. If such payments cannot be made from rental income or from reserve funds, then the Parties shall contribute the Additional Funds equally by the date on which timely payment is to be made. If one Party does not contribute his Additional Funds by that date, then that defaulting Party shall lose all say in the management of the Property and his representative in the Management Committee shall be dismissed and replaced by a representative of the other Party. If the defaulting Party repays his share of the Additional Funds plus interest at the annual rate of Royal Bank of Canada prime plus four percentage points to the other Party within three months, then the defaulting Party shall be totally reinstated. If full payment plus interest is not made within the specified three months, then the defaulting Party shall irrevocably and permanently lose all interest in the Property and the other Party shall forthwith own the defaulting Party's interest in the Property.

(8) RENTAL INCOME PROFITS. Net profits from rental income shall be distributed quarterly, 50% to 'B' and 50% to 'A', commencing on a date which the Management Committee deems appropriate.

(9) CAPITAL APPRECIATION PROFITS. Net capital appreciation profits realized through re-sale or increased mortgaging shall be distributed in the following order:

- Firstly, all Original Capital provided by 'B' to the Joint-Venture shall be repaid to 'B'.
- Secondly, Original Capital provided by 'A' shall be repaid to 'A'
- Thirdly, the balance remaining shall be distributed 50% to 'B' and 50% to 'A'.

(10) RIGHT OF FIRST REFUSAL. Except as herein provided, no Party to this Joint-Venture Agreement by encumber, transfer, sell or otherwise dispose of any registered interest on title which has been obtained pursuant to this Agreement without the prior written consent of all other Parties to the Joint-Venture, such consent not to be arbitrarily withheld.

(11) SUCCESSORS AND ASSIGNS. This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, administrators,

personal representatives, successors, and permitted assigns as set out herein.

(12) INVESTMENT ADVICE. 'B' acknowledges that he has been provided with a financial analysis for the subject Property and that he has obtained independent advice from a person or company unrelated to 'A', capable of evaluating the prospective investment and the information respecting the Investment presented to him. 'A' has made his best effort to assure accuracy of the information presented, but no guarantees are made as to the accuracy.

(13) ARBITRATION OF DISPUTES. Any unmet dispute between the Parties shall go to binding arbitration. The arbitrator shall be a lawyer appointed by and acceptable to both parties, such acceptance not to be unreasonably withheld by either Party. Failing same, each Party shall appoint a lawyer with instructions to mutually agree upon a third lawyer who shall be the arbitrator.

(14) BANKRUPTCY. If one Party makes an assignment or proposal in bankruptcy or is petitioned into bankruptcy by one or more of his creditors, his interest and profits shall be calculated on, and shall remain frozen as of, that date. Further, he loses all signing rights and all say in the management of the Property and his representative on the Management Committee shall be dismissed and replaced by a representative of the other Party.

(15) INTERPRETATION. This Agreement and the rights of the parties thereunder shall be interpreted in accordance with the laws of the Province of _____.

(16) NOTICES. Any notices required or permitted to be given under this Agreement shall be in writing and shall be sent by mail or delivered to the Party entitled to receive the same at the addresses described below:

'B':

'A':

IN WITNESS WHEREOF the Parties hereto have hereto have hereunder caused these presents to be executed.

_____ or Seal _____ 'B' _____ Date _____ Witness _____

_____ or Seal _____ 'B' _____ Date _____ Witness _____

_____ or Seal _____ 'A' _____ Date _____ Witness _____