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10/29/96

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 JOINT VENTURE AGREEMENT  
 TYPE OF DOCUMENT "Contract"

96821383

MAIL TO:

NAME AND ADDRESS OF PREPARER:

John Friedberg  
 FJ DEVELOPMENT CORP.  
 9002 KEEVALE  
 SKOKIE, ILL. 60076

John Friedberg  
 FJ DEVELOPMENT CORP.  
 9002 KEEVALE  
 SKOKIE, ILL. 60076

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COOK COUNTY  
 RECORDER  
 JESSE WHITE  
 SKOKIE OFFICE

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## FJ DEVELOPMENT CORP. and MPI, INC. Residential Redevelopment Joint Venture Agreement

CONFIDENTIAL

1. The parties hereto agree to work together to the utmost of their abilities for the mutually highest profitable benefit of the parties.
2. The parties hereto agree to only provide true honest and accurate information to each other, so that each may rely on the information that each other provides to the other party in making joint business decisions.
3. John Friedberg owns at the time of this agreement 100% of the stock in FJ Development Corp. which is an Illinois Corporation in good standing. FJ Development Corp.'s address is 9002 North Kedvale Avenue, Skokie, Illinois 60076-1720, with office phone: 847-679-4300, office fax: 847-677-3142, home phone: 847-674-4464.
4. Jeff McIntyre is a licensed Illinois real estate broker and at the time of this agreement owns 100% of the stock of MPI, Inc., an Illinois Corporation, in good standing. MPI, Inc. shall be a joint venture partner in all design, development and construction work, of two residential redevelopment projects located at 2023 Schiller and 919 Central in Wilmette. MPI, Inc. address is P.O. Box 245, ~~Wilmette, Illinois 60091~~, with home office phone: 847-853-8536, home office fax: 847-853-8856, home phone: 847-853-8855. Kenilworth, IL 60043
5. This joint venture agreement shall include no real estate ownership position in the projects, and shall not share in the success or failure of the overall projects. This agreement shall not restrict any or both joint venture partners from any project ownership positions they may mutually or individually desire to make now or in the future, or to include work that the joint venture performs beyond residential redevelopment.
6. If either joint venture partner shall take an ownership position in the project for his own purpose, he shall fully indemnify the other joint venture partner from any and all liability that may result therefrom including any rights they may have and/or seek for contribution in the future by any party.
7. Remuneration of each of the joint venture partners shall be calculated as follows:

(Joint Venture General Construction Sales) + (Joint Venture Developer Fees) + (Joint Venture Sales of Goods and Services) + (Any Other Joint Venture Generated Revenue) = (Gross Revenue)

(Gross Revenue) - (Actual Joint Venture Direct Job Costed Expenses) = Gross Profits

(Gross Profits) - (Allocated Joint Venture Communication Expenses) - (Allocated Joint Venture Insurance Costs) - (Other Joint Venture Direct Overhead Expenses) = Net Profits

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(Net Profits) shall be split on a 50% - 50% basis

Note A:  
Each joint venture partner shall pay his own personal travel, communication (e.g. cellular bills, beeper bills, home office telephone bills), entertainment, living, taxes, workers compensation, life and health insurance and the like costs from his share of the project net profits.

SEE ATTACHED  
LEGAL

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LOT 5 AND THE EAST 1/2 OF LOT 6 IN PETERSON'S SUBDIVISION OF BLOCK 20 IN THE VILLAGE OF WILMETTE, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.L.N. # 05-34-208-006-0000 and # 05-34-208-007-0000

and more commonly known as 919 Central Street, Wilmette, County of Cook, Illinois 60091.

THE WEST 5 FEET OF LOT 5 IN BLOCK 5 IN SEGER'S SUBDIVISION OF THE NORTH EAST QUARTER OF THE NORTH WEST QUARTER OF SECTION 33, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS,

and,

LOT 6 IN BLOCK 5 IN SEGER'S SUBDIVISION OF THE NORTH EAST QUARTER OF SECTION 33, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

P.L.N. # 05-33-105-017-0000 AND # 05-

and more commonly known as 2023 Shiller Street, Wilmette, Illinois 60091, County of Cook.

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Note B:

All draws against projected net profits shall be deducted from the final accounting for each joint venture project prior to final distribution of any remaining net project profits.

Note C:

5% of the net profits shall be held back from distribution for the entire joint venture project warranty period to be used if required for warranty fulfillment purposes if required. At the end of the warranty period said hold back shall be distributed on a pro-rata share basis by mutual consent of the parties.

Note D:

Any legal costs, accounting costs and consulting costs that may be incurred by ED Development Corp. or MPI, Inc. for the joint venture project work or arising from the joint venture will be deducted as a direct job related expense.

Note E:

At no time may any joint venture partner take for his own purpose sums greater than his share of the receipted net profits.

Note F:

ED Development Corp. is not a real estate broker, and at the time of this agreement does not plan to share in any profits that may result from selling or buying any real estate that Jeff McIntyre may wish to be involved with. It is contemplated that all such activities shall be solely performed by Jeff McIntyre.

Note G:

As a basis for any subcontracted work, all subcontractors must provide certificates of acceptable insurance to ED Development Corp.'s insurance carriers, social security numbers or F.E.I.N. on W-9 forms, signed purchase orders, prior to proceeding with any work at any project site.

Note H:

No distribution can be made to any party unless it has been already received from the joint venture project owner.

Note I:

If a loan shall be incurred as a result of the operations of the joint venture, each joint venture partner shall contribute equitably to payout the loan.

8. The parties hereto agree to resolve any disputes they may incur between themselves in good faith within 72 hours from the time such dispute should arise. If such a dispute can not be resolved under normal discussion, both parties agree to arbitrate through the American Arbitration Association rather than litigate same. In all cases the parties agree to submit all unresolved disputes to arbitration within 10 days from the date the dispute arose. If either refuses to submit the dispute to arbitration, such party shall forfeit its interest in the individual joint venture project in which the dispute arose. The parties agree to make themselves available to each other, and will advise each other where they can be located at least once every 24 hours, unless otherwise agreed.

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9. It is contemplated that the duties of MPI, Inc. shall be all field work and the duties of EJ Development Corp. shall include all office work. Although both parties mutually agree to help each other with each others work on an as needed basis. All work recruitment and project bidding for additional future projects which the parties mutually agree to undertake beyond those listed in paragraph 4 above shall be performed by both joint partners for the benefit of the joint venture.
10. The parties hereto agree as their business may grow that they may incur additional expense with people working for them. All such additional expense incurred shall be considered further direct job cost expense.
11. The parties hereto do not contemplate this agreement to be short term, and look to build their business together into a significantly larger and more profitable business for their mutual benefit.
12. If any joint venture partner wishes to transfer his interest in this agreement to a new or different entity he may do so only with permission of the other joint venture partner and at no cost to the remaining old joint venture partner.
13. It is contemplated by this agreement to use all the resources and infrastructure now in place of EJ Development Corp. and MPI, Inc., although such may be adjusted and changed by the mutual consent of the parties hereto.
14. EJ Development Corp. is obtain and maintain insurance for all venture work.
15. Only work and the profits and or losses that result therefrom, that the parties agree to mutually perform together shall be included in this agreement. The acceptance or rejection of a project shall be in writing, signed by both parties. If one partner elects to reject a project, the other partner shall have the right to pursue said project without liability to the rejecting partner.
16. The parties hereby will only contract to perform work that is mutually agreed and contemplated to be profitable.
17. Prior to any work contracted, all contemplated work shall have a written proforma, proposal and or bid prepared that shall be signed by each joint venture partner evidencing his acceptance of the contemplated budget, proforma, proposal and or bid that the joint venture contracts for.
18. At the time of entering into this agreement the joint venture partners agree for the purposes of this agreement that their business titles in this joint venture as shown on business cards and the like shall be:

John Friedberg - President  
Jeff McIntyre - General Manager

... although such titles may be amended from time to time as the joint venture partners may mutually agree upon.

19. Deleted.

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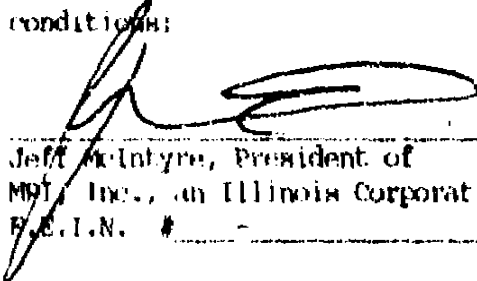
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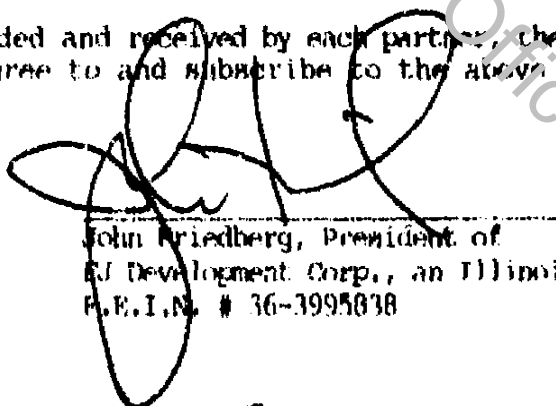
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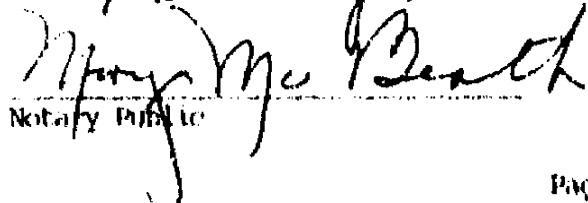
- 20. This agreement shall inure to the benefit of the parties hereto and their successors and assigns as well as to the heirs, personal representatives, successors and assigns of the principals of each corporate joint venture partner. Upon the death of either John R. Friedberg or Jeffrey M. McIntyre, this Agreement shall terminate and the surviving partner shall wind up the business of the venture. Upon completing all work in progress, there will be a final accounting and all profits and losses shall be distributed.
- 21. All project accounting shall be done on the accrual method of accounting unless otherwise changed by the mutual consent of the parties.
- 22. All accounting and tax reporting will be made on a current basis. 1099's and or the like shall be issued promptly at the end of each reporting period as required by law.
- 23. At the time of this agreement sales of the projects, marketing, funding of the projects, profit and or loss of the projects, are not a part of, and this venture does not consider itself in any way involved with, and are not part of this agreement. Although the parties may agree to be involved with such activities by mutual consent in the future.
- 24. Deleted.
- 25. This agreement does not assume any ownership each party may have in anything outside of the mutually contracted joint venture projects. This agreement does not issue MPI, Inc. stock or ownership in FJ Development Corp. nor does it provide FJ Development Corp. ownership of MPI, Inc.
- 26. The parties agree to meet at least once per week to discuss their affairs unless otherwise agreed to in writing.
- 27. FJ Development Corp. at its best ability will provide to MPI, Inc. at no cost suitable office space for his purposes, at FJ Development Corp.'s office.
- 28. MPI, Inc. shall provide office space for FJ Development Corp. in its office on an as needed basis, if required.
- 29. This agreement shall be final after P. Lukes review of same for form and content.

With adequate consideration provided and received by each party, the following Joint Venture Partners hereby agree to and subscribe to the above terms and conditions:

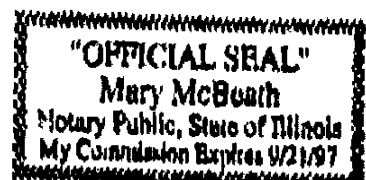
  
 Jeff McIntyre, President of  
 MPI, Inc., an Illinois Corporation  
 P.E.I.N. # \_\_\_\_\_

  
 John Friedberg, President of  
 FJ Development Corp., an Illinois Corp.  
 P.E.I.N. # 36-3995838

Subscribed and sworn to me before  
 This 7th day of August 1996.

  
 Notary Public

968213813



**APPROVED** P. Lukes  
 8-7-96  
 10:20 JX

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COOK COUNTY

**HOELLEN & LUKES**  
ATTORNEYS AT LAW  
1040 WEST IRVING PARK ROAD  
CHICAGO, ILLINOIS 60613

PAUL M. LUKE  
ROBERT S. HOELLEN  
OF COUNSEL  
JAMES F. HOELLEN

TELEPHONE  
(312) 367-4700  
FAX/TELEX  
(312) 367-0880

August 7, 1996

Via Fax - 847-5677-3142

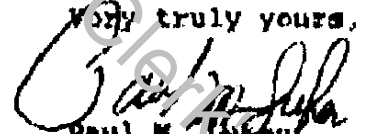
Jeffrey M. McIntyre  
John Friedberg  
c/o FJ Development Corporation  
9002 Kedvale  
Skokie, Illinois 60076-1720

Re: FJ Development Corporation and  
MPI, Inc. Joint Venture Agreement

Dear Messrs. McIntyre and Friedberg:

I have reviewed the August 7, 1996 version of the above Joint  
Venture Agreement and approve the same.

My only comment is that on Page 2, Note G you change proceeded to  
proceeding in the last line.

Very truly yours,  
  
Paul M. Luke

PML:cp

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08-06-96

The following parties agree to add to their already existing portfolio of projects the following:

- a. Renovation of a home on Linden Avenue, Highland Park owned by TDK
- b. Renovation of home in Lincolnwood, Illinois owned by Samuel Bellows and or his children
- c. Construction of a garage addition at cost with no profit for the joint venture to be located at 1920 Washington, Wilmette, Illinois - all costs to be paid by Jeff McInnes and/or MPI, Inc.,
- d. Redevelopment of home located at 606 15th Street, Wilmette, Illinois currently owned by Wallace Jungern.

This is hereby agreed to this 6th day of August, 1996.

MPI, Inc.

and

RJ Development Corp.

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