**MEMORANDUM**

**JOINT VENTURE AGREEMENT**

Set forth below in outline form are the basic terms proposed for the joint venture acquisition, rehabilitation and flip sale by the undersigned parties of selected single-family government owned property located at (individually, a “Property”)

1. Parties. The joint venture parties are ---or their designated limited liability entity (“DEVELOPER”) and----, or their assignee and designated limited liability entity (“INVESTOR”).
2. Roles and Responsibilities. DEVELOPER shall acquire and hold title to the Property in his name but on behalf of the joint venture between the parties (the “Venture”). DEVELOPER shall be responsible for identifying, acquiring, rehabbing and selling the Property. INVESTOR shall be responsible for contributing and providing equity funds for use in acquiring, repairing and carrying the Property through the date of resale, upon the terms set forth herein.
3. Equity Funds. INVESTOR shall contribute the sum of $30,000 (at an interest of 30% annualized) as equity funds.
4. Allocation of Profit and Loss; Overages; Distributions. Profits and Losses shall be allocated between the parties in accordance with their respective Percentage Interests, which shall be a ----% return on investment for the “INVESTOR”. Upon sale of the property, proceeds will be distributed first to the hard money lender. Thereafter, remaining Profits shall be allocated in accordance with Percentage Interests. In the event of repair overages, Venturers shall discuss and mutually agree upon amount to be contributed by each party.

Distributions of cash not needed for joint venture purposes, including net sale proceeds upon resale of the Property, shall be made as follows:

(a) First, pro rata to the hard money lender in payment and satisfaction of their accrued cumulative Preferred Return;

(b) Next, pro rata to the Venturers in payment and return of their capital contributions; and

(c) Thereafter, pro rata to the Venturers in accordance with their Percentage Interests.

1. Authority; Limitations. In furtherance of the acknowledged mutual goal of minimizing risk and accomplishing a prompt and early resale of the Property following completion of repairs, DEVELOPER’s authority and discretion to make decisions with regard to resale of the Property and what price and terms to accept shall be subject to the following limitations:

(a) Except as otherwise provided in subparagraphs 6(b) and 6(c) below, any sale of the Property shall require the mutual consent of both Venturers.

(b) Unless INVESTOR otherwise agrees or a previous offer has been accepted, DEVELOPER shall be required to accept any offer received on or after thirty (30) days but before sixty (60) days following completion of repairs, from a qualified purchaser with no financing contingency, provided that the offered price is at least equal to 97.5% of the after repair value of the Property as approved by Lender.

(c) Unless INVESTOR otherwise agrees, or a previous offer has been accepted, DEVELOPER shall be required to accept any offer received after sixty (60) days following completion of repairs, from a qualified purchaser with no financing contingency, provided that the offered price is at least equal to 95% of the after-repair value of the Property as approved by Lender.

1. Tax Accounting; Capital Account Restoration. The parties acknowledge and agree that (a) the joint venture shall be treated as a partnership for tax purposes, and (b) for state law purposes the joint venture shall be treated as a general partnership. To the extent DEVELOPER has a negative capital account following sale of the Property and winding up of the joint venture, DEVELOPER shall be responsible for restoring its capital account. The proceeds of such contribution by DEVELOPER shall be distributed to INVESTOR in return of a portion of his capital contributions. DEVELOPER and any other individual members or shareholders of a limited liability entity substituted by DEVELOPER shall jointly and severally agree to guarantee the obligations of DEVELOPER to contribute funds to eliminate a negative capital account.
2. Arbitration. Any action to enforce or interpret this Agreement or to resolve disputes between the parties or by or against any Venturer shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive dispute resolution process. Any party may commence arbitration by sending a written demand for arbitration to the other parties. Such demand shall set forth the nature of the matter to be resolved by arbitration. The substantive law of the State of Michigan shall be applied by the arbitrator to the resolution of the dispute. The parties shall share equally all initial costs of arbitration. The prevailing party shall be entitled to reimbursement of attorney fees, costs, and expenses incurred in connection with the arbitration. All decisions of the arbitrator shall be final, binding, and conclusive on all parties. Judgment may be entered upon any such decision in accordance with applicable law in any court having jurisdiction thereof.
3. Miscellaneous.

(a) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(b) This Agreement shall be construed and enforced in accordance with the internal laws of the State of Michigan. If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect.

(c) This Agreement shall be binding on and inure to the benefit of the parties and their heirs, personal representatives, and permitted successors and assigns.

(d) Except as provided herein, no provision of this Agreement shall be construed to limit the Venturers in any manner in the carrying on of their own respective businesses or activities.

(e) The Venturers intend the joint venture to be a general partnership under the Michigan Uniform Partnership Act. No Venturer shall take any action inconsistent with the express intent of the parties to this Agreement.

(f) As agreed upon, BBR INVESTMENT GROUP, LLC will be acting as escrow agent and controlling funds for this transaction.

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement on the day and year first above written.

“Developer”

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By:

Name:

Title: Owner

“Investor”

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

By:

Name:

Title: Treasurer