

## Profit-Sharing Structure

*You can participate in several ways:*

1. **Lending of down-payment money**
  - No ownership option
  - Simply a money lender
  - Typically shorter term
  
2. **Sole joint venture partner**
  - Exclusive partnership with the investor
  - The equity and cash flow will be shared based on agreed amount
  
3. **Multiple joint venture partner**
  - Depending on the deal, multiple partners are needed for mortgage qualification and down payment purposes.

### *Sample percentages of profit sharing*

Situation	Partner Contribution	% Split	Investor
Standard Joint Venture	-Mortgage qualification -100% downpayment	50% Equity 50% cash flow	50% Equity 50% cash flow
Downpayment money without mortgage qualification	-Provides a portion of downpayment Eg. Contribute 50% down	25% Equity 25% Cash flow  Note: Equity apportioned - 20% Mortgage - 25% Other 50% partner	30 % Equity 50% cash flow
Mortgage qualification Joint venture	Solely provides mortgage qualification	20% Equity	

*\* Note: These figures are examples only, and are negotiable*

#### **Participate by**

1. Contributing Real Estate Expertise
2. Contributing Real Estate contacts
  - Research team
  - Realtor
  - Property Manager
  - Lawyer
  - Accountant
  - Insurance Agent
3. Overseeing the management of the property
4. Local real estate market knowledge
5. Cover % of negative cash flow