



JIDI Investments LLC Equity Terms and Parameters

JIDI Investments LLC (JIDI) is an equity and private money firm offering debt & equity funding for residential, mixed-use and commercial opportunities in the Washington DC Metropolitan, South-Atlantic and Mid-Atlantic real estate markets. We offer fully funded project and joint venture funding package which is detailed in our JIDI funding parameters package (separate from this document). This is available upon request and details the terms and parameters on those funding options.

*For private money & equity funding, JIDI offers the following options:

- Available on residential, commercial and mixed-use projects at a minimum of \$100,000 investment.
- Projects typically ranging from 12-48+ months (purchase/acquisition to closeout).
- Development and/or Construction to Sale Projects:
 - Total return of 25-30%+ (per annum) with preferred interest rate (PREF) & split.
 - PREF ranges from 10-15% & profit split of 20-30%+.
- Multi-family/Unit Hold Projects:
 - 3-5-year hold; Cashflow ranging from 8-15% (Preferred Interest Rate if feasible) with project IRR in high teens (cumulative ROIs in low to mid-twenties) percentage on sale / recapitalization.
- Collateral inclusive of personal guarantees, unencumbered assets &/or 2nd Deed of Trust (DoT).
- Pending opportunity, Sponsor/Developer experience & project margins; Sponsor/Developer contributing 10% or more of equity requested ("skin") towards the private money / equity investment required.
- Sponsor guarantees 1st DoT with debt lender & will not hold JIDI accountable for debt funding.
- Sponsor willing to provide JIDI due diligence requirements as requested on a project-by-project basis.
- Sponsor agrees to provide monthly or quarterly updates on the project to JIDI
- JIDI does not participate nor will be held accountable for mandatory capital calls. Capital calls will be the responsibility of the Sponsor / GP or be offered as voluntary for JIDI participation. These capital call requirements must be stated as such in all Management Entity Operating Agreement(s).
- **Pending the project; Sponsor & JIDI will stand up a separate entity (LLC) for management purposes where JIDI will either be represented as a General Partner (GP) or Limited Partner (LP), or JIDI will be an equity partner and in a 2nd DoT position (if possible).
- "Minimum Project Fee" required by JIDI is typically a minimum of \$15,000 but may be adjusted on a deal-by-deal basis. This fee represents the total amount to be earned by JIDI in interest, preferred return, and/or share of profits in the project (not an upfront up-front cost).

* - These terms and parameters provide a guideline to assist you as an equity borrower/partner in a better understanding of how we structure our funding for projects. Terms and parameters on all projects will vary on a deal-by-deal basis.

** - If debt lender precludes a 2nd DoT recorded, JIDI will prepare a 2nd DoT to be available and recorded in the event of Sponsor/Developer Default.



JIDI Investments LLC Equity Due Diligence Requirements

When working with a new Sponsor Partner JIDI will request a "company overview package" to include:

- Background and experience, mission statement/vision, key business areas/targets, performance with some higher-level information, focus markets/locations, etc.
- Bio for executive team (online website if available) and JV partners (on a deal-by-deal basis)
- Overview on Financials for Company (general breakdown of assets and liabilities – balance sheet)
- Current portfolio of properties/assets under management
- Most recent 2-3 case studies for a full cycle deal (multi-family hold or longer-term investment) that includes projected versus actual figures (capitalization, capital stack, costs, returns, timelines, etc.)

Other items we may request:

Sponsor/Developer Information:

- Personal financial statements (PFS) you can provide (bank accounts, pay stubs, etc.) showing liquidity.
- Listing of all property you own (please provide what you paid, how much you owe, if it is being rented & how much it is worth).
- Last two years of project performance to include: brief description of project; purchase price/construction budget/sales price(s)/total net revenue; total debt & equity (separately) & by project phase (acquisition, development, construction); projected versus actual return on investment; total timeline from closing on property to closeout on investment.

LLC/Business Information:

- Articles of Incorporation/Organization
- Certificate of Good Standing/Existence
- Operating Agreement (if LLC is not a single member)
- Tax ID / EIN
- Business P&L, Balance Sheet, and cashflow/revenue/expenses

***Projects for JIDI Equity Consideration:**

- Copy of Purchase & Sales Agreement with all contingencies/addendums
- Copy of Appraisal(s) – "As-Is" and "To-Be"
- Detailed Proforma & Scope of Work with total budgeted, what you plan to do (extra bedrooms, bath, etc.), line-by-line of the work with cost, & draw schedule
- 3 listed (rented) & 3 sold comps
- Copy of Plans if you are changing floor plans as well as updates on permitting (as applicable), survey, & other applicable reports (for larger projects)
- References as applicable (e.g., banking contacts)
- Timeline from closing to repayment (principal & returns) including permitting (unless you already have permits), construction, completion, refinance plan & payoff
- LOI/Commitment Letter from Bank or Promissory Note if the property was already purchased

* - JIDI may request additional information on a project-by-project basis.

JIDI typically spends 6-10 weeks performing due diligence on new companies we work/partner with (project/investment strategies, review of financials, and typical terms & structuring for each deal) and 4-8 weeks on project packages (pending size, scope & investment amount). Timelines are contingent on partnered company's ability to send requested info in a timely fashion & our legal counsel's preparation time on Private Placement Memorandum / supporting documents.

We look forward to talking with prospective partners seeking funds from JIDI. If you have any questions, please contact Mr. John Rubino, Co-Managing Director at (361) 443-7054 or jrubino@jidinvestmnts.com or David H. Shatz, CFO at (843) 290-8080 or dshatz@jidinvestments.com.