



## **JIDI Investments LLC Equity Terms and Parameters**

JIDI Investments LLC (JIDI) is an equity and private money firm offering debt and equity funding for residential, mixed-use, and commercial real estate projects in the Washington DC, Mid-Atlantic, and Southeast markets.

We also offer fully funded project and joint venture funding options which are detailed in our JIDI funding parameters package (separate from this document). This is available upon request and details 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 \$500,000 investment.
- Development and/or Construction Projects:
  - Preferred Rate (PREF) of 12%.
  - Total project return of 24-26% NET IRR (per annum) with PREF and profit split(s).
  - Projects typically ranging from 1.5 – 5 years.
- Multifamily/Value-Add Hold and Opportunity Zone (OZ) Projects:
  - Preferred Rate (PREF) of 10%.
  - Total project return up to 20% (PREF and 75/25 pro-rata profit split(s) waterfall favoring JIDI)
  - Total project return above 20% (PREF rate and 75/25 pro-rata profit split(s) waterfall favoring Sponsor/General Partner)
  - Timeline: OZ (10 years minimum), Value-Add (3-5 years)
- Collateral inclusive of personal guarantees, unencumbered assets &/or 2<sup>nd</sup> Deed of Trust (DoT).
- Pending opportunity, Sponsor/Developer experience and project margins; Sponsor/Developer contributing 10% or more of equity requested towards the private money/equity investment required.
- Sponsor guarantees 1<sup>st</sup> DoT with debt lender and will not hold JIDI accountable for debt funding.
- Sponsor to provide JIDI due diligence requirements as requested on a project-by-project basis.
- Sponsor 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/General Partner (GP) Member or be offered as voluntary for JIDI participation.
  - Capital call requirements clearly as such in all Management Entity Operating Agreement(s).
- \*\*Pending the project; Sponsor and JIDI will stand up a separate entity (LLC) for management purposes where JIDI will either be represented as a Co-GP or Limited Partner (LP), or JIDI will be an equity partner and in a 2<sup>nd</sup> DoT position (if applicable).
- "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 2<sup>nd</sup> DoT recorded, JIDI will prepare a 2<sup>nd</sup> 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 typically 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 4 – 6 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 package reviews (pending size, scope & investment amount) following delivery of a Term Sheet.



Delivery of a Commitment Letter is contingent on partnered Sponsor/Company's ability to deliver requested info in a timely fashion & our legal counsel's preparation time on Private Placement Memorandum and 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 (703) 250-1708 or (361) 443-7054 or [jrubino@jidinvestmnts.com](mailto:jrubino@jidinvestmnts.com) or David H. Shatz, CFO at (703) 250-1708 or (843) 540-3115 or [dshatz@jidinvestments.com](mailto:dshatz@jidinvestments.com).



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