

# Redwood Mortgage Investors X, LLC Investor Summary



## Highlights

### Offering Size

\$50,000,000

### Minimum Investment

\$25,000 initial investment

\$10,000 additional investment

### Suitability

Accredited Investors, only

### Distributions

Distributions are paid quarterly unless approved for a monthly<sup>3</sup> distribution. Distributions may be reinvested in the fund. There is no assurance as to the timing or amount of any distributions.

### Withdrawal & Redemption

Beginning (90) ninety days from the date a Member is admitted in the fund, a Member may withdraw all or part of the invested capital subject to certain limitations. A surrender charge will be assessed if the withdrawal request is received up until the Scheduled Dissolution Date. The dollar amount that may be redeemed per quarter per individual member is subject to a maximum of the greater of \$100,000 or 25% of the member's capital account balance. We will fund redemptions solely from available company cash flow and will not establish a reserve from which to fund redemptions. Aggregate withdrawals in any calendar year are limited to ten (10%) of Members' Capital Account balances outstanding at the beginning of the year and after deduction of the applicable Surrender Charge will be distributed to requesting Members commencing on the last day of the calendar quarter following the calendar quarter in which the Withdrawal Notice is received.

## The Offering

Redwood Mortgage Investors X, LLC ("RMI X") is a private mortgage fund with the objective of yielding a favorable rate of return by making short-term loans secured primarily by trust deeds on California properties and to a lesser extent, in other states.<sup>1</sup> Membership interest units in RMI X are now being offered to qualified investors in an offering conducted under Rule 506(b) of Regulation D and on terms and conditions described in the Private Placement Memorandum (PPM) prepared by RMI X in connection with the offering.

## Investor Profile<sup>2</sup>

Investment in the units is suitable only for entities or persons that are "accredited investors" as defined in Rule 501(a) of Regulation D and that otherwise meet the suitability standards outlined in the PPM. Due to the nature of the loans we invest in, it is likely that substantially all of the income you derive from the units will be taxable to you as ordinary income. The units may be suitable for:

- Persons seeking current income and quarterly or monthly<sup>3</sup> cash distributions
- Pension or profit-sharing plans
- Individual retirement accounts
- Simplified employee pensions

## Investment Objectives<sup>1</sup>

The Fund was formed to engage in the business of mortgage lending and investing with the objectives to: (1) yield a favorable rate of return from the Fund's business of making and/or investing in mortgage loans; (2) preserve and protect Fund capital by investing in mortgage loans secured primarily by California real estate, with up to 15% secured by properties in other states; and (3) generate and distribute cash flow to electing Members from these mortgage lending and investing activities.

## Diversification

- Portfolio will feature primarily short-term (1-5 year) loans.
- Typical loan sizes are expected to range between \$250,000 and \$1,500,000.
- Fund loans may be secured by deeds of trust on the following types of real property: single-family residences including homes, condominiums and townhouses, 1-4 unit residential buildings; multi-family properties of five (5) or more units (such as apartment buildings); commercial property such as office buildings, retail stores, warehouse facilities, mixed-use properties and land.
- No Fund loan will exceed the greater of \$1,500,000 or 10% of Fund total assets.
- An expected average Fund Loan-to-Value Ratio of 70% or less.
- The average loan investment is expected to be approximately 3% of total assets.

## Risk Factors

*An investment in units involves a significant degree of risk and is suitable only for investors who can bear the loss of their entire investment. Among the risks are that: Declines in commercial and/or residential real estate values may adversely affect Fund performance; Competition for loan investments may affect the availability and profitability of Fund loan investments. Mortgage lending, particularly mortgage lending on owner-occupied dwellings, is subject to governmental oversight and regulation that may impact the dollar-amount of loan investments available to the Fund and may impact the profitability and collectability of those investments. Units are subject to substantial withdrawal and transfer restrictions and investors will have a limited ability to liquidate their investment in the Fund or may be subject to early withdrawal penalties. The Fund may use leverage which could hinder the Fund's ability to make distributions or cause losses to the Fund. The Manager is entitled to various forms of compensation and is subject to certain conflicts of interest. Investors will have no right to participate in the management of the Fund and will have limited voting rights. Under our operating agreement, we will continue to operate until December 31, 2031. Until that time, liquidity to our members will be on a limited basis through the Fund's Withdrawal & Redemption schedule.*

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. THE OFFERING IS MADE ONLY BY THE PRIVATE PLACEMENT MEMORANDUM.





Redwood Mortgage Corp.  
177 Bovet Road, Suite 520  
San Mateo, CA 94402

Tel 800-659-6593  
Fax 650-364-3978

[redwoodmortgageinvestors.com](http://redwoodmortgageinvestors.com)

*Past performance is no guarantee of future results. This offering is subject to certain risks (see Risk Factors on reverse page and in our private placement memorandum (PPM)). This summary must be preceded or accompanied by PPM for the securities of the issuer described herein. This material is not an offer to sell securities. Such an offer may only be made through a PPM and the completion of a subscription agreement by residents of states in which the offering has been registered or will be registered (or is exempt from registration) and who meet applicable suitability requirements. For additional information, please contact your financial representative.*

**Securities are offered through your registered investment advisor or the entity listed below, which is a broker dealer not affiliated with Redwood Mortgage Investors X, LLC or its manager:**

---

Member FINRA/SIPC



## Philosophy

Redwood Mortgage Corp. (RMC) was founded in 1978 on the idea that mortgages selected by experienced, knowledgeable professionals would provide a dependable source of income and safety of capital. We believe this formula has served both our investors and our borrowers well and, although we have grown over the years, our approach to real estate lending remains largely unchanged.

## Performance

With over 40 years in business, RMC is an established financial organization that has sponsored ten prior mortgage programs. Redwood and its affiliates have arranged over a \$1,650,000,000 in loans and currently manage assets of approximately \$185,000,000. Loans are arranged, underwritten and serviced by Redwood Mortgage Corp.

## Geographic Area of Lending Activity

It is our belief that a key to a successful mortgage lending program is a territory that has historically had a broad diversified economic base, an expanding working population and minimal room for geographic expansion. This is why Fund loans will primarily be made to borrowers in, and secured by deeds of trust on properties, located in California and geographically situated in the San Francisco Bay Area and coastal metropolitan regions of Southern California. Up to 15% of Fund capital may also be invested in loans secured by properties located in other states.

## Appraisals

The value of all properties securing Fund loans will be determined by appraisals made at or near the time the loan is made by qualified, independent third-party appraisers selected or approved by the Manager. In addition, as part of RMC's quality control, an employee of RMC visits each property that secures a loan. Often this is a member of the underwriting committee or management as a further check on property value.<sup>4</sup>

*Tier BD Interests will be issued to BD Members that acquire BD Units through a registered broker-dealer and will be allocated Syndication Costs consisting of: (i) each BD Member's pro rata share of the Fund's Organization and Offering Expenses, up to a maximum amount of 2.0% of the gross purchase price paid by each BD Member for their BD Units; and (ii) underwriting compensation to broker-dealers of up to 7.0% of the gross purchase price paid by each BD Member for their BD Units. Tier RIA Interests will be issued to Members that acquire RIA Units through a registered investment advisor or directly from the Fund and will be allocated Syndication Costs consisting solely of each RIA Member's pro rata share of the Fund's Organization and Offering Expenses, up to a maximum amount of 2.0% of the gross purchase price paid by each RIA Member for their RIA Units.*

*The Private Placement Memorandum contains forward-looking statements within the meaning of federal securities law. Words such as "may," "will," "expect," "anticipate," "believe," "estimate," "continue," "predict," or other similar words, identify forward-looking statements. Forward-looking statements appear in a number of places in this Memorandum, including, without limitation, the "Use of Proceeds," "Description of the Units" and "Fund Business & Loan Criteria" sections, and include statements regarding the Fund's intent, belief or current expectation about, among other things, trends affecting the markets in which the Fund will operate, its business, financial condition and strategies. Although the Fund believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those predicted in the forward-looking statements as a result of various factors, including those set forth in the "Risk Factors" section of the Memorandum. If any of the events described in "Risk Factors" occur, they could have an adverse effect on the Fund's business, financial condition and results of operations. When considering forward looking statements, prospective investors should keep these Risk Factors in mind as well as the other cautionary statements in the Memorandum. Prospective investors should not place undue reliance on any forward-looking statement. RMI X and the Manager are not obligated to update forward looking statements.*

## Key to Footnotes

1. There can be no assurance this strategy or these objectives will be achieved.
2. Consult your own legal and/or financial advisor with respect to whether an investment in units is appropriate.
3. Subject to Manager approval
4. Site visits for non-California properties may also be conducted by an employee of the Manager; however, the Manager may also elect to: (i) engage a local real estate or lending professional (e.g., private lender, real estate agent, property manager, etc.) engaged to conduct site visits on the Manager's behalf; or (ii) rely solely upon the appraisal and information received from the appraiser without conducting a site visit for the non-California property.