

Woodbridge
Mortgage Investment
Fund 1, LLC

Senior Interest Positions

*8% interest for one year on
first position mortgages*

FAQ

1. Why are people in need of a mortgage for only one year at such a high rate when rates are so low?

A: A large majority of people today can't qualify for a mortgage at a traditional bank, and it is even more difficult to qualify if the person is self-employed, or the property is not owner-occupied or commercial in nature. People with less than perfect credit histories are able to take advantage of these mortgages because of the security of the loan being backed by valuable real property. Every borrower has their own reasons for obtaining a higher rate mortgage, but often times people need a short term bridge loan to take them from where they are now and get themselves to where they expect to be one year from now. These loans can be effected in a less complicated manner and with a much quicker turn-around time than a traditional bank mortgage, which requires extensive documentation as part of the mortgage application process.

2. What types of properties are involved in these transactions?

A: Generally these properties are commercial real estate, including multi-unit apartment buildings, mixed-use developments, or any other kind of commercial project, as well as single-family homes owned as investment properties, which are owned by a corporation or limited liability company and not owner-occupied.

3. What process do you go through to make sure each deal is a good one?

A: Woodbridge carefully reviews every deal to make sure that both your funds and our funds are safely invested. We base the loan on the value of the real estate, so the property will always be worth considerably more than the amount of the loan at closing. We conduct an extensive appraisal and title search of every property to ensure that we have a legally insured first mortgage position and that each deal we do is a good one.

4. Why are some of these properties in housing markets far away from me? Is there anything more local?

A: Woodbridge carefully selects the properties it makes available to investors as senior position interests. It doesn't matter where the property is located, it only matters how secure an investment it is. We examine

properties all over the country and find the best investment opportunities for our investors. They could be across the continent or around the block. There may or may not be a property currently available near you, but the list of properties available changes every week.

5. How is the investor protected from downside risk?

A: The hard asset collateral of the real property itself protects your investment. Additionally, Woodbridge maintains Junior Interest holder status on all of our available mortgage properties, a testament to our confidence in lending standards.

6. What is a first position in a commercial mortgage?

A: Having a first position means that you have the first lien position on the property that secures the mortgage. A first position has priority over any other liens or claims on a property in the event of default.

7. How are we ensured that no additional liens exist on the property?

A: Woodbridge pays off any existing lienholders when it enters into a transaction with a borrower, so there are no additional liens on the property. We also obtain a Title Policy for each property, as described in more detail in Question 8 below.

8. What type of paperwork can I expect to verify I am the first position in the mortgage?

A: If you request it, Woodbridge will provide you with a copy of the Title Policy on the property, or a First Position Letter, both of which will indicate that there are no other liens or claims ahead of you on the property. Woodbridge will also provide you with a copy of the Appraisal of the property upon request.

9. Who pays me on the senior position deals, Woodbridge or the borrower?

A: Woodbridge will make the payments to you on the terms of the loan documents that you would enter into with Woodbridge. Woodbridge receives the mortgage payments directly from the borrower, and Woodbridge in turn delivers the loan payments to you under your Senior Interest documents.

10. Can I have my name on the land records if I take the first position on one of the properties?

A: Yes. Woodbridge will execute and deliver the Senior Interest documents in your name, and it is this Senior Interest documentation that will be filed on the land records of the relevant jurisdiction, putting your name on record as the first position holder as relating to the underlying mortgage.

11. How is a Senior Interest taxed?

A: Your payments should be taxed as interest income, but you should consult with your own tax advisor or accountant if you have any tax-related questions that are specific to your unique situation.

12. What type of tax forms are sent by Woodbridge?

A: Woodbridge will send you a Form 1099.

13. What happens if the borrower does not make payments or defaults?

A: Woodbridge retains a Junior Interest in the property and only gets paid if you get paid, so if the borrower does not make their regular payments or defaults, Woodbridge would continue to make the payments to you regardless. Woodbridge may also foreclose on the property if necessary to raise the funds needed to pay off both you and Woodbridge in full.

14. If the borrower does not make their payments to Woodbridge will I be informed?

A: This question is actually irrelevant, because Woodbridge would continue to make monthly payments to you in order to protect its Junior Position, and may or may not inform you of the underlying non-payment. As long as Woodbridge continues to make regular payments to you, there would be no reason to be concerned.