



## Growth Capital Real Estate Investment Strategy

### About Us

Wrightwood Financial is a real estate finance and investment management company focused on providing growth capital to real estate owners and operators. We understand the growing pains of real estate owners and operators who are scaling their platform and offer a unique capital solution to facilitate their growth.

We are the successor company to Wrightwood Capital, one of the leading providers of structured capital to middle market owners and operators. Our track record since 1997 includes:

- 400+ investments executed totaling over \$5 billion
- Transacted in 34 states
- Investments in all major property types

### Product Description

<b>Investment Type</b>	Preferred equity investment into the operator's company or a pool of their assets; Wrightwood has no involvement in the operating company activities
<b>Use of Proceeds</b>	<ul style="list-style-type: none"><li>• 100% of GP co-investment in future deals</li><li>• Pre-development and pursuit costs</li><li>• Land and property acquisitions prior to capitalization</li><li>• Facilitate succession planning</li></ul>
<b>Investment Size</b>	\$25 - \$100 million
<b>Term</b>	6 years; two 1-year extension options
<b>Prepayment</b>	Prepayable after year 2 based on adjusted multiple
<b>Drawdown Period</b>	2 years from initial funding
<b>Re-Investment Rights</b>	Ability to re-invest capital returned during the first 4 years from property refinances, recapitalizations, and/or dispositions
<b>Current Pay Coupon</b>	8%
<b>Fixed Pricing</b>	1.80x to 2.30x equity multiple based upon a 6 year term (15% to 17% fixed return)
<b>Strategic Partnership Role</b>	<ul style="list-style-type: none"><li>• 1 seat on Investment Committee to track operator's discretion within a box investment activities</li><li>• 1 seat on Advisory Board to understand operator's strategic initiatives and identify opportunities to utilize Wrightwood's extensive capital markets network and knowledge</li></ul>
<b>Commitment Fee</b>	1% of committed capital



## Frequently Asked Questions

### Why should I work with Wrightwood Financial?

The Wrightwood team brings extensive capital relationships and capital markets expertise that we combine with our deep knowledge of real estate investment strategies and structured finance experience to create a flexible capital solution. We also understand the power and value of growth capital. Our predecessor company, Wrightwood Capital, utilized this type of growth capital to grow a balance sheet in excess of \$2 billion. Our proven track record, distinguished leadership team and ability to navigate through market cycles establishes Wrightwood Financial as a flexible and knowledgeable capital partner.

### How are you sizing the growth capital investment?

We size our investment based upon your capital needs and the current value of the imbedded common equity that you have in your owned real estate portfolio, while also reviewing the future potential value of the common equity and related promotes. We additionally analyze the volatility of the common equity value based upon the asset class, where the equity sits in the capital stack, and the extent to which there is any crossed debt and/or promotes. The valuation is an internal tool that allows us to best size and structure our investment.

### Why is Wrightwood's growth capital a superior solution to raising GP capital at the property level?

Raising GP capital at the property level is a solution that only meets your capital needs for one investment and at a cost of capital that has you sharing a significant amount of your promote with the GP investor(s). Wrightwood's capital provides you with liquidity to fund your GP co-investments for projects over the next two years, at a fixed cost of capital and with recycling rights. The recycling rights allow proceeds from capital events during the first four years to be redeployed into new investments, without returning capital to Wrightwood and therefore eliminating the need to raise subsequent funds for the next investment. Wrightwood's capital can also be utilized to fund your GP co-investments in a sponsored GP fund.

### How do I pay back Wrightwood?

Sources of repayment can include:

- (a) Cash flow from properties, which can be supplemented with cash flow from operating activities
- (b) Property level proceeds realized through refinancings, recapitalizations and/or dispositions
- (c) Refinancing with a new entity level investor or other lender

### What if my pipeline dries up and I have limited uses for your capital?

We work with you to size the investment based upon your capital needs for the upcoming two years. We can structure a buyout of the unused capital at month 18 to allow flexibility in the event of fewer uses of capital.