



## THE OPPORTUNITY

Invest with Seasoned Investment & Technology professionals with robust sourcing capabilities in secured cash flowing commercial real estate assets.

- Offer direct lending solutions to U.S. small cap and middle market real estate operators.
- Provide income-seeking investors access to private investment strategies that offer the potential to generate income through investment in commercial real estate senior notes.

## LEADERSHIP TEAM

# 70

YEARS OF COMBINED SENIOR MANAGEMENT EXPERIENCE

# 50

YEARS COMBINED OF COMMERCIAL REAL ESTATE EXPERIENCE

# 30

YEARS OF LICENSED LENDING EXPERIENCE

# \$200M

INSTITUTIONALLY UNDERWRITTEN CAPITAL

## KEY HIGHLIGHTS

- I. SENIOR SECURED POSITIONS | HARD ASSETS | COMMERCIAL INCOME PRODUCING RE
- II. ROCX PLATFORM DESIGNED TO FACILITATE BORROWER EXIT
- III. INSTITUTIONAL QUALITY UNDERWRITING
- IV. TRANSACTION TRANSPARENCY VIA ROCX PLATFORM
- V. INVESTORS ALIGNMENT TO MANAGER
- VI. QUARTERLY INCOME
- VII. SEMIANNUAL REPORTING

## UNIQUELY POSITIONED TO MEET THREE DISTINCT NEEDS

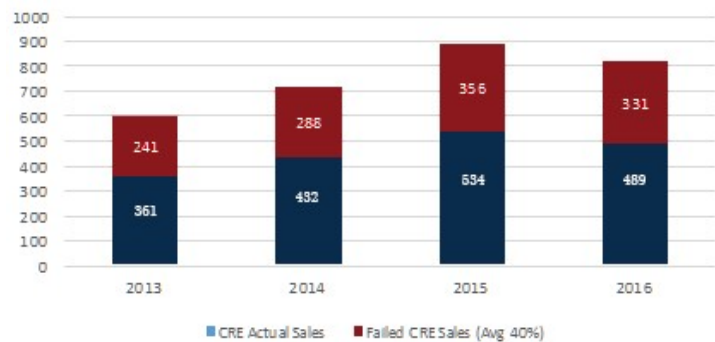
- 1) Investors Need For Income
- 2) CRE Need For Investment Capital
- 3) Industry Need For Transparency



## THE CHALLENGES OF TODAY'S MARKET\*

### CRE POTENTIAL SALES VOLUME

(in billions of US dollars)



## OUR PROCESS | OUR DIFFERENCE

### DEAL FLOW

- Relationship-driven origination and deal-flow from banks & select financial institutions

### FINTECH

- Sponsor's proprietary ROCX Technology Platform
- 223 Current (avg.) Investment Due Diligence Data Points
- 50+ Direct and Sub-Functioning API Integrations<sup>1</sup>
- Automated Underwriting & Credit/Collateral Scoring
- Cloud-Base Document Fulfillment, Storage and Security
- Architecture Meets SOC II Security, Audited by BDO



\*Source: Commercial Real Estate Lending Trends 2016 – National Association of Realtors

1. An application program interface (API) is a set of routines, protocols, and tools for building software applications.

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# RED OAK CAPITAL FUND II, LLC

## KEY TERMS

<b>ISSUER</b>	<b>RED OAK CAPITAL FUND II, LLC (the “Company”)</b>
<b>OFFERING SIZE</b>	<b>\$50MM</b> Series A cap 15MM
<b>MINIMUM INVESTMENT</b>	<b>\$10,000</b> Bond Par Value \$1000
<b>INTEREST RATES<sup>1</sup></b>	<b>Series A   6 .5%   Maturity December 31, 2021</b> <b>Series B   8 .5%   Maturity December 31, 2024</b> Annual interest rates are non-compounding. Interest is payable quarterly in arrears
<b>CONTINGENT INTEREST PAYMENT<sup>2</sup></b>	<b>Series A</b> Contingent Interest Payment will be equal to the Spread times 4.0% <b>Series B</b> Contingent Interest Payment will be equal to the Spread times 24.0%
<b>OFFERING PERIOD ENDS<sup>3</sup></b>	<b>December 31<sup>st</sup>, 2019</b>



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**4Photos of real estate assets depicted are not part of this offering. These are representations of past transactions conducted and underwritten by the Red Oak management team, through table-funded financing for other entities. Included are Munson building (loan amount \$1,800,000); Parker Center (loan amount \$3,640,000); Baymont Inn (loan amount \$1,470,000); and Oakwood Apts. (loan amount \$613,330). These transactions are only representative of the types of transactions and assets that the Fund will be participating in.**

**FORWARD LOOKING INFORMATION** This Presentation contains certain statements that may be “forward-looking statements” or “forward-looking information” within the meaning of applicable U.S. securities law. Forward looking statements are statements that are not historical facts and are often, but not always, identified using words or phrases such as “expects”, “plans”, “anticipates”, “intends”, “estimates”, “estimated”, “projects”, “potential” and similar expressions, or stating that certain actions, events or conditions “will”, “would”, “may”, “might”, “could” or “should” occur or be achieved or other similar terminology. By their nature, forward-looking statements and information involve known and unknown opportunities, costs, risks and uncertainties that may cause actual results to differ materially from those anticipated. With respect to the forward-looking statements and information contained in this Presentation, Red Oak Capital Group, LLC, a Delaware limited liability company (“Red Oak Capital”), has made assumptions regarding, among other things: the ability to complete the offering on the timelines described herein; timing of future liquidity; the timing and status of legalization and regulatory changes in Michigan and elsewhere; construction and general and administrative costs; projected demand; and the required investment to complete Red Oak Capital business objectives. Although Red Oak Capital believes the expectations expressed in such forward-looking statements and information are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Forward-looking statements and information are based on the beliefs, estimates and opinions of Red Oak Capital on the date the statements are made. Except as required by law, Red Oak Capital undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change. The forward-looking statements and information included in this Presentation are expressly qualified in their entirety by this cautionary statement Red Oak Capital cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking statements and information contained in this presentation are made as of the date of this presentation, and Red Oak Capital does not undertake any obligation to update publicly or to revise any of the included forward-looking statements or information, whether as a result of new information, change in management’s estimates or opinions, future circumstances or events or otherwise, except as expressly required by applicable securities law. Any financial outlook or future oriented information in this document, as defined by applicable securities legislation, has been approved by management of Red Oak Capital as of May 14<sup>th</sup>, 2018. Such financial outlook or future oriented information is provided for the purpose of providing information about management’s current expectations and management’s plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

<sup>1</sup> The Series A Bonds will mature on the earlier of December 31, 2021 or the second anniversary of the offering termination. The Series B Bonds will mature on the earlier of December 31, 2024 or the fifth anniversary of the offering termination. Upon maturity, and subject to the terms and conditions described in the offering circular, the Bonds will be automatically renewed for at the same interest rate for an additional two years in the case of Series A Bonds or an additional five years in the case of Series B Bonds, unless redeemed upon maturity at our or your election. Upon maturity, redemption or renewal, the Bondholders will also receive a Contingent Interest Payment (as defined herein).

<sup>2</sup> “Spread” for a Bond shall equal the greater of (i) zero or (ii) such Bond’s Allocable Share of Revenue less such Bond’s Allocable Share of Expenses, each calculated for the period beginning with the date of issuance or the last Contingent Interest Payment for such Bond, whichever is more recent. “Allocable Share of Revenue” for each Bond shall equal the total revenue from investments divided by the total number of outstanding Bonds. “Allocable Share of Expenses” for each Bond shall equal Series Specific Expenses plus Expenses. “Series Specific Expenses” shall be equal to offering expenses, asset management fees and interest expenses specific to Series A Bonds or Series B Bonds, as applicable, divided by the total number of outstanding Series A Bonds or Series B Bonds, respectively. “Expenses” shall be equal to offering expenses and acquisition fees allocable to all Bonds divided by the total number of outstanding Bonds.

<sup>3</sup>The Manager has the right to extend this offering beyond December 31, 2019 for two consecutive six-month periods.

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# RED OAK CAPITAL FUND II, LLC

## STRUCTURE ATTRIBUTES

### OFFERING & REPORTING

Regulation A, Tier 2. Offering may only be made pursuant to an Offering Statement qualified by the Securities & Exchange Commission. Semi-Annual Reporting.

### TAX

Allows 1099 treatment.

### ILLIQUIDITY

Represents a way to invest in an illiquid investment class through a Regulation A+ offering.

### TRANSPARENCY

Unaudited mid-year financials. Annual audited financials.

### VALUATION

In accordance with GAAP, the portfolio fair value will be audited annually. Valuation is based on Book-Value.

### INVESTING

Cash-Flowing US Commercial Real Estate.

### LEVERAGE

May use credit facility to bridge operational cash flows and seek additional yield.



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# Risk Factors

## CAUTIONARY NOTES

# Disclaimer

## CAUTIONARY NOTES

An investment in the Bonds of Red Oak Capital Fund II, LLC (the "Company") is considered speculative. There are no guarantees of distributions or returns, and may lose all or part of their investment. There are various risks related to an investment in the Bonds which are described in the respective offering circular. These risks include, but are not limited to:

- The Bonds may not be suitable for certain investors.
- The Bonds will be highly illiquid, non trading market exists or will ever develop.
- The offering is a "Best Efforts" offerings, and if the Company is unable to raise substantial capital, the Company may be limited in the number and types of investments it is able to make, which could have a negative effect on diversification and investment results.
- The Company is recently formed with no operating history and no assurance of success.
- Success is dependent on the performance of Red Oak Capital, which is the sole member of Red Oak Capital GP, LLC (the "GP"), which is the sole member of the Company, as well as individuals that are employees of Red Oak Capital.
- The Company depends on key personnel and its affiliates, the loss of any of whom could be detrimental to the Company's business.
- The Company will pay substantial fees and expenses to the GP or its affiliates and broker-dealers. These fees will increase Investors' risk of loss.
- The Company will be subject to conflicts of interest arising out of relationships among Red Oak Capital, the GP, and their affiliates and employees.
- The Company is a blind pool offering. Investors will not have an opportunity to evaluate investments before they are made.
- Real estate-related investments, including joint ventures, senior leverage and real estate-related securities, involve substantial risks.
- There are substantial risks associated with making loans secured by real estate, and real estate investments may involve additional risks.
- Economic, market and regulatory changes that impact the real estate market generally may decrease the value of the Company's investments and weaken operating results.
- Properties that have vacancies could be difficult to sell, which could negatively impact investors.
- The Company's will likely obtain debt financing, which may increase costs, and may limit the Company's ability to pay interest and or principal to investors.
- The Company indirectly depends on tenants in properties securing its loans for revenue; therefore, non-renewals, lease terminations, or lease defaults could reduce revenue and limit the Company's ability to pay to pay interest and or principal to investors.

These securities may not be sold nor may offers to buy be accepted prior to the time the company's offering statement is qualified. This document shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

No money or other consideration is being solicited in connection this document, and if sent in response, will not be accepted. No offer to buy the securities can be accepted and no part of the purchase price can be received until the offering statement on Form 1-A is qualified pursuant to Regulation A of the Securities Act of 1933, as amended, and any such offer may be withdrawn or revoked, without obligation or commitment of any kind, at any time before notice of its acceptance given after the qualification date. Any person's indication of interest involves no obligation or commitment of any kind.

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Prior performance of Red Oak Capital or any of its affiliates is not indicative of future results for Red Oak Capital Fund II, LLC. There is no assurance that future investments will achieve comparable results. Alternative investment performance can be volatile and real estate-related investments may involve additional risks. An investor could lose all or a substantial amount of their investment. There is no assurance that the Company objectives will be achieved.

The offering statement of the company and the most recent offering circular can be found at : <https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001742521&owner=include&count=40&hidefilings=0>

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