

Red Oak is an investor-driven commercial debt fund sponsor that provides short-term financing solutions on commercial real estate assets nationally. Our experienced team of capital markets and lending experts are adept at applying institutional-caliber underwriting standards to small-balance sheet loans.

## OPPORTUNISTIC BRIDGE LOAN PROGRAM

### PROGRAM DESCRIPTION

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Higher-leverage, fixed-rate bridge lending program for commercial real estate assets that have a substantial value-creation component. The loan includes a small equity component in the form of a higher LTC in exchange for exit fees and a higher interest rate.

### WHY CONSIDER THIS PROGRAM?

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- You need additional financing to complete a property acquisition or development project
- You're seeking short-term funding to rehabilitate an asset
- You need flexible, non-permanent capital to implement an expansion, renovations or conversion on a core commercial real estate asset

### WHY CHOOSE RED OAK?

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Red Oak can, depending on the upside potential, provide a higher loan-to-cost (thereby equity the borrower does not have to raise) than many other small-balance bridge lenders in the market.

**GARY BECHTEL, Chief Executive Officer**

[gbechtel@redoakcapitalholdings.com](mailto:gbechtel@redoakcapitalholdings.com)

[www.RedOakCapitalHoldings.com](http://www.RedOakCapitalHoldings.com)

# OPPORTUNISTIC BRIDGE LOAN PROGRAM

<b>PROPERTY TYPES</b>	Multifamily, Office, Industrial, Retail, Self Storage, Hospitality, Manufactured Housing
<b>LOAN AMOUNT</b>	\$1 Million to \$15 Million
<b>LOAN PURPOSE</b>	Acquisition, Stabilization, Refinance, Conversion, Rehabilitation, Situational
<b>ASSET LOCATION</b>	Primary, Secondary & Select Tertiary Markets with a Minimum Population of 50,000 to 100,000
<b>MAXIMUM LTV / LTC</b>	Up to 75% LTV (based on stabilized value) Up to 90% LTC (based on transaction underwriting)
<b>INTEREST RATE</b>	Starting at 9.99% (interest only)
<b>LOAN TERM</b>	1 to 3 Years (fully extended)
<b>EXTENSIONS</b>	Dependent on business plan
<b>ORIGINATION &amp; EXIT FEES</b>	3 to 5 points to lender, interest accrual Exit fees based on required yield (on higher LTC transactions)
<b>LIEN POSITION</b>	Senior Position (secondary financing prohibited)
<b>CAPEX HOLDBACK</b>	Full funding with holdback
<b>RECOURSE</b>	Full/Limited Recourse
<b>TIMING TO CLOSE</b>	30 to 45 days from acceptance of LOI and receipt of deposits
<b>AMORTIZATION</b>	Interest only, more structure/sweeps may be required on case-by-case basis
<b>DEBT SERVICE RESERVE</b>	Below 1.0x DSCR acceptable if supported by a debt service reserve (cash-flowing assets preferred)
<b>MINIMUM INTEREST</b>	Minimum interest pre-payment penalty, generally half of initial term
<b>TI / LC / REHAB FACILITY</b>	Future funding facility toward tenant improvements, leasing commissions and rehab costs
<b>DEPOSITS</b>	Expense deposit adequate to cover third-party reports, legal fees and other customary due diligence or underwriting costs

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