

Red Oak is debt fund sponsor that specializes in providing short-term, structured financing solutions on commercial real estate projects in primary, secondary and select tertiary markets. Our experienced team of capital markets and lending experts applies institutional-caliber underwriting standards to small-balance sheet loans.

50

Years of Licensed  
Lending Experience

230

Years of Combined  
Commercial Real  
Estate Experience

\$5B

Originated,  
Underwritten & Closed  
in Past 10 Years

8

Down-Cycles  
Managed

## OPPORTUNISTIC BRIDGE LOAN PROGRAM

### PROGRAM DESCRIPTION

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

### WHY CONSIDER THIS PROGRAM?

- You're seeking short-term funding to rehabilitate, convert, reposition or stabilize an asset.
- You need financing with an equity component provided by the lender.
- You need flexible, non-permanent capital to implement a conversion, expansion or renovation of a core commercial real estate asset.

### WHY CHOOSE RED OAK?

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

**GARY BECHTEL, Chief Executive Officer**

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# OPPORTUNISTIC BRIDGE LOAN PROGRAM

<b>PROPERTY TYPES</b>	Multifamily, Industrial, Retail, Mixed Use, Hospitality, Office, Medical Office, Self-Storage, Manufactured Housing
<b>LOAN AMOUNT</b>	\$1 Million to \$15 Million
<b>LOAN PURPOSE</b>	Acquisition, Refinance, Conversion, Rehabilitation, Situational, Stabilization
<b>PROPERTY LOCATION</b>	Primary, Secondary & select Tertiary markets with a minimum population of 50,000 to 100,000 people
<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>	1-Month Term SOFR plus 600BPs - 700BPs (interest only)
<b>LOAN TERM</b>	1 to 3 Years (fully extended)
<b>FLOOR / RATE CAP</b>	The rate/floor will be set at the closing of the loan. No Rate Cap will be required
<b>EXTENSIONS</b>	Up to four (4) extensions of 6 months each, at market extension fees
<b>ORIGINATION FEES &amp; EXIT FEES</b>	Market competitive fees based on the loan size, leverage, complexity and timing of the transaction
<b>LIEN POSITION</b>	Senior Position (secondary financing prohibited)
<b>FUNDING STRUCTURE</b>	Full funding with holdback
<b>RECOURSE</b>	Non-recourse, other than standard “bad boy acts” or recourse structure for higher-risk transactions
<b>TIMING TO CLOSE</b>	Typically 30 to 45 days from acceptance of LOI and receipt of deposits
<b>DEBT SERVICE RESERVE</b>	Below 1.00x DSCR acceptable if supported by a debt service reserve (cash-flowing assets preferred)
<b>PREPAYMENT PENALTY</b>	Minimum interest, generally half of initial loan term
<b>TI/LC &amp; FUTURE ADVANCES</b>	Future funding facility toward tenant improvements, leasing commissions and other approved costs
<b>DEPOSITS</b>	Expense deposit adequate to cover costs for third-party reports, legal fees and other customary due diligence or underwriting costs

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