

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

PARTICIPATING 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 includes an equity component in exchange for a percentage of the value creation realized in the project at sale or refinance.

WHY CONSIDER THIS PROGRAM?

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

WHY CHOOSE RED OAK?

Red Oak will take on a substantial amount of the project risk, while your loan is fully, or almost fully, financed in exchange for a participation in the property's value creation.

GARY BECHTEL, Chief Executive Officer

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PARTICIPATING BRIDGE LOAN PROGRAM

PROPERTY TYPES	Multifamily, Industrial, Retail, Mixed Use, Hospitality, Office, Medical Office, Self-Storage, Manufactured Housing
LOAN AMOUNT	\$1 Million to \$15 Million
LOAN PURPOSE	Acquisition, Refinance, Rehabilitation, Situational, Stabilization
PROPERTY LOCATION	Primary and secondary markets only
MAXIMUM LTV/LTC	Up to 75% LTV (based on stabilized value) Up to 100% LTC (based on transaction underwriting)
INTEREST RATE	1-Month Term SOFR plus 700BPs (interest-only)
LOAN TERM	1 to 3 Years (fully extended)
FLOOR / RATE CAP	The rate/floor will be set at the closing of the loan. No Rate Cap will be required
EXTENSIONS	Up to four (4) extensions up to 6 months each, at market extension fees
ORIGINATION FEES & EXIT FEES	Market competitive fees based on the loan size, leverage, complexity and timing of the transaction
EXIT FEES	15% to 25% participation in value creation (based on specific transaction) subject to returns
LIEN POSITION	Senior Position (secondary financing prohibited)
FUNDING STRUCTURE	Full funding with holdback
RECOURSE	Non-recourse, other than standard “bad boy acts” or recourse structure for higher-risk transactions
TIMING TO CLOSE	Typically 30 to 45 days from acceptance of LOI and receipt of deposits
DEBT SERVICE RESERVE	Below 1.00x DSCR acceptable if supported by a debt service reserve (cash-flowing assets preferred)
PREPAYMENT PENALTY	Minimum interest, generally half of initial loan term
TI/LC & FUTURE ADVANCES	Future funding facility toward tenant improvements, leasing commissions and rehabilitation costs
DEPOSITS	Expense deposit adequate to cover costs for third-party reports, legal fees and other customary due diligence or underwriting costs

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