



COMMERCIAL REAL ESTATE (CRE) CREDIT MEMORANDUM

BORROWER(S): Milkyway
corporation

DATE: 2021-07-01T04:00:00.000Z

PROJECT NAME: Milkyway Giants

OFFICER: William Hawking

PROPERTY TYPE: Hotel/Motel

ANALYST: Michelle Smith

1) BORROWER LOAN REQUEST:

Borrower: Conway North Salem LLC

Project Name: Conway North Salem Storage Company

Loan Amount Requested: 30,000,000

2) SPECIFIC PURPOSE:

Purpose of the loan.

3) TERMS:

Loan Amortization (months): 340

Balloon Term: 60

Interest Rate: 3.95

Proposed Monthly Payment: \$146,764.32

Fees:

Other:

4) LOAN AGREEMENT, STRUCTURE AND CREDIT ENHANCEMENTS:

Loan Agreement Terms "From page 86 ""potential gross income field"" or keyed in "

Single Asset or Special Purpose Entities "From page 86 ""potential gross income field"" or keyed in "

Recourse/ Guaranty Considerations "From page 86 ""potential gross income field"" or keyed in "

Reserves and Escrows "From page 86 ""potential gross income field"" or keyed in "

5) CRE COLLATERAL DESCRIPTION AND ANALYSIS:

Market Analysis

Market Analysis. - **Insert Pages 18-30 (From Appraisal)**

Economic and Demographic Trends

Supply and Demand Issues

Competitive Set

Collateral Site and Improvement Analysis

Collateral Description – **Insert Pages 31-39 (From Appraisal)**

A brief description about the property collaterals

Property Address: 910 Deerfield Crossing Dr Apt 7303

Purchase Price:

Appraised Value: 32,500,000

Property Type: Hotel/Motel

Property or Site Inspection Photos and Condition Report. – **Insert Pages 3-5**

Insert Photos Maps from Appraisal or File

Appraisal Reconciliation of Value Conclusion – **Insert Page 89**

LTV Calculation 30,000,000

Reserves Required or Repairs Suggested by Appraiser – N/A

6) SOURCE OF REPAYMENT:

Property Cash Flow Analysis

Rental Income Information -

Tenant/ Lease Information -

Appraiser's Income Approach

Insert Income Approach – Direct Capitalization Conclusion Page 82

Will include the following.....

Gross Rents

Occupancy – Vacancy Allowance

Expense Reimbursements

Effective Gross Income

Evaluating Operating Expenses

Management Fees

Real Estate Taxes

Insurance

Ground Rent

Leasing Costs

Replacement Reserves

Net Operating Income – NOI

Historical Net Operating Income

FREE FIELD TO INSERT

Final Underwritten Net Operating Income - NOI

Final Underwriter Comments Free Text Field

Standard Property Credit Metrics Automatically calculated

Debt Service Coverage Ratio NOI/Proposed Loan Payment x 12

Maximum Sustainable Loan Amount. [NOI/DSCR(=PMT)](i)(n)Solve for (PV)

Loan to Value Ratio. 32,500,000

Capitalization Rate 7.50%

Cap Rate Sensitivity? + or – 100 bp

Debt Yield. 1.81%

Break Even Rental Rate

Break Even Occupancy Rate 256.03%

Interest Rate Sensitivity

7) BORROWER ANALYSIS:

Equity Contribution (Sources & Uses): Free Filed

Management Information Subject Property: Free Feld

Organizational Structure: Free Field Insert Docs

Reputation/Credit: "From page 86 ""potential gross income field"" or keyed in "

Financial Overview

Insert Documents

Liquidity "From page 86 ""potential gross income field"" or keyed in "

Secondary Sources of Repayment – Global Cash Flow Calculations and Discussion

"From page 86 ""potential gross income field"" or keyed in "

Insert Documents

8) GUARANTOR FINANCIAL SUMMARY:

"From page 86 ""potential gross income field"" or keyed in "

Insert Documents

9) BANKING RELATIONSHIPS:

FREE FIELD TO INSERT

10) LOAN POLICY EXCEPTIONS/MITIGATION

Exception2

FREE FIELD TO INSERT

11) STRENGTHS/WEAKNESSES & OFFICER RECOMMENDATION:

"From page 86 ""potential gross income field"" or keyed in "

FREE FIELD TO INSERT

12) ADDITIONAL BUSINESS TO SOLICIT:

FREE FIELD TO INSERT