



## COMMERCIAL REAL ESTATE (CRE) CREDIT MEMORANDUM

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**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

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### 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**