Crescent Gateway Bridge Loan – Internal Underwriter Notes (OCR Extract)

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> "Crescent Gateway – request 48.0M brdg loan (6 mo extendable to 12).
> Prop type: mixed retail/office (Phoenix metro). Borrower: Kellen Holdings LLC (repeat client).
> Proceeds repay existing mezz (21.0M) + fund 6.8M TI/LC + fees."

Section 1 – Quick Table (partial)

Metric	As-Is	Stabilized	Note
Value (appraisal)	60.2M	66.4M	optimistic
Loan	48.0M	—	80 % LTV
NOI	2.55M	3.10M	model assumes 3 leases sign Q1
DSCR	0.93×	1.08×	preleasing risk
Exit Cap	=NOI×1.07 (?)	n/a	broken cell

Section 2 – Analyst Handwritten Margin Notes (OCR)

> "tenant 'Veridian Health' term 5yrs @ 18psf (opt 5 more) — LOI, not executed."
> "market rent 15.5–16.25psf not 18."
> "'IRR = (EquityG / EquityIn) ^(1/yrs) –1' → ~9.1 % base but prob 7 % true."
> "sponsor using old OM (2019 comps)."
> "borrower also owns Lakeside Center (cross-default)."

Section 3 – Observations (OCR partial loss)

- "Occ = 0.68 at closing; model uses 0.8."
- "Expns growth 3.5% vs. lease escal 2.0% → squeeze margin."

- “DSCR 0.88→1.1 if everything signs; else break even.”
- “Exit cap unrealistic. 6% → 7% more likely; revalue 44M not 66M.”
- “handwritten math: ‘Loan/Val = 0.80 = 48/60.2 ok?’ note ‘maybe 82 % true if adj.’”

Section 4 – Visual (text-generated diagram)

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Occ% vs DSCR trend
1.2 |                     █
1.0 |            ██
0.8 |█████
    65%   75%   85%   95%
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Section 5 – Conclusion
Bridge relies on unexecuted leases; valuation overstated. Borrower has history of extensions and cross-collateral issues. Credit team notes minimal downside cushion; recommend partial approval ≤ 40 MM with mandatory prelease test.
