

# RECOVERY ANALYSIS

## Parker Kline Finance & Investments

### CREDIT

Tenants	Lease Term/Renewal Opt	Occ Date	Exp Date	Rent \$	Square Ft	P.S.F.	Notes
Motel 6 (174 rooms)	N/A	N/A	N/A	\$343,724	43,352	\$7.93	
<b>Total:</b>				<b>343,724</b>	<b>43,352</b>	<b>\$7.93</b>	

#### Recovery Analysis

LOAN AMOUNT		\$ 8,450,000
DEFAULT INTEREST (6 mo's)	\$	295,750
FORECLOSURE COSTS (2% of In amt)	\$	169,000
LEGAL COSTS (1% of In amt)	\$	84,500
DEFAULT TAXES, INSURANCE (2 yrs)	\$	1,557,238
CAPITAL EXPENDITURES / TI'S (\$1.50 P.S.F.)	\$	65,028
BROKER FEES / LC'S (7% of In amt)	\$	591,500
VACANCY LOSS (3 months actual rent)	\$	1,031,174
<b>TOTAL IN</b>	<b>\$</b>	<b>12,244,190</b>

	Actual	Recovery	
Gross Revenue	\$4,154,531	\$4,154,531	
Vacancy		(415,453)	10%
<b>EGI</b>	<b>4,154,531</b>	<b>\$3,739,078</b>	
<b>Expenses</b>			
Salaries & Wages	664,165	664,165	17.76%
Payroll Taxes	63,154	63,154	1.69%
Employee Benefits	89,164	89,164	2.38%
Supplies	114,454	114,454	3.06%
Travel & Subscriptions	3,374	3,374	0.09%
Outside Services	112,723	112,723	3.01%
Guest Finances	77,472	77,472	2.07%
Other Operating Expense	99,648	99,648	2.67%
Advertising	727	727	0.02%
R&M	164,352	164,352	4.40%
Energy	166,409	166,409	4.45%
IT Expense	26,225	26,225	0.70%
Other Utilities	86,724	86,724	2.32%
Property Tax	170,000	170,000	4.55%
Insurance	41,510	41,510	1.11%
Franchise Fee	248,275	248,275	6.64%
FF&E & Reserve	164,988	164,988	4.41%
<b>Total</b>	<b>2,293,364</b>	<b>2,293,364</b>	<b>61.34%</b>
<b>NOI</b>	<b>\$1,861,167</b>	<b>\$1,445,714</b>	

#### Debt Yield Analysis

Current		Cap Rate:	Post-Recovery	
Current NOI:	\$1,861,167	10.00%	Post-Recovery NOI:	\$1,445,714
	x cap rate			x cap rate
	Equals			Equals
	\$ 18,611,669			\$ 14,457,139
Debt/sf	\$ 194.92		Rec. Debt/sf	\$ 282.44
Actual DCR	5.98		Rec. DCR	4.64

Value	Economic "As Is" Value	Sales Comparison	Stabilized	Recovery
	\$ 18,611,669	N/A	N/A	\$ 14,457,139

LOAN SCORE	Raw #	Weight	Weighted	Instructions	Notes
Asset Type	1.5	2.0	3.0	MF,ind=3, Ag_ranch,office=2, retail,spec=1	
LTV	2.0	1.5	3.0	<50=3, <60=2, <65=1	
Area/Market	1.5	1.5	2.3		
DCR	3.0	1.5	4.5	>1.4=3, ≥1.15=2, <1.15=1	
Recovery DCR	3.0	2.0	6.0	≥1.4=3, ≥1.15=2, <1.15=1	
Cash Flow Quality	3.0	0.5	1.5	tenant quality, vacancy risk, other	
Recovery Load	3.0	1.0	3.0	<.90=3, .91-.95=2, .96-1.00=1	
<b>Total</b>	<b>17.0</b>	<b>10.0</b>	<b>23.3</b>		