Borrower Credit Underwriting Memorandum

Calder Ridge Holdings LLC - Sample Deliverable

Item	Detail
Prepared for	Meridian Bridge Capital, LLC - Credit Committee
Borrower	Calder Ridge Holdings LLC
Guarantor	Marcus T. Calder and Priya N. Calder (jointly and severally)
Subject	Brookmere Apartments - 148-Unit Value-Add Multifamily Acquisition
Subject loan	$10,750,000 bridge acquisition, interest-only
Report date	July 31, 2026
Prepared by	Fernandes & Company LLC

1. Executive Summary & Recommendation

Recommendation: APPROVE WITH CONDITIONS. Risk rating 2 of 5 (1 strongest).

This is a strong sponsor. Twenty-two years operating in the Southeast, 9 assets at a 1.46x portfolio DSCR, verified net worth of $25,027,500 at 2.33x the subject loan, and vertically integrated management operating 1,240 units. Global cash flow carries the subject debt service with a $409,975 surplus even if the subject property produces no income at all.

The conditions below address execution risk rather than sponsor capacity. The transaction depends on achieving 76.4% of the business plan to refinance cleanly, and the conditions are designed to monitor that.

2. Borrower & Sponsorship Overview

22 years operating in the Southeast. 34 multifamily acquisitions, 19 full-cycle dispositions. Vertically integrated with an in-house management company operating 1,240 units. No defaults, no litigation disclosed. Strong credit profile.

The in-house management company is a genuine credit strength here. It removes third-party manager risk on a renovation program where execution speed drives the outcome, and it means the sponsor has direct visibility into unit turns rather than reporting lag.

3. PFS Analysis

Line item	Reported	Verified
Cash & equivalents	$4,120,000	$4,120,000

Marketable securities	$3,850,000	$3,272,500
Real estate equity	$21,400,000	$19,345,000
Closely held business interests	$2,600,000	$1,560,000
Retirement accounts	$2,180,000	$0
Other assets	$640,000	$320,000
Total assets	**$34,790,000**	**$28,617,500**
Liabilities	$3,590,000	$3,590,000
NET WORTH	**$31,200,000**	**$25,027,500**

Verification variance: ($6,172,500), or -19.8%. This is a narrower variance than we typically see and reflects a well-prepared statement. Retirement accounts of $2,180,000 are excluded as non-attachable. Real estate equity was restated from $21,400,000 to $19,345,000 verified. Business interests took a 40% haircut rather than the standard 50% because the management company is CPA-reviewed with three years of financial statements.

4. Liquidity & Post-Close Position

Item	Value
Cash and equivalents	$4,120,000
Marketable securities, post-haircut	$3,272,500
Total liquid assets	**$7,392,500**
Less sponsor cash equity due at close	($4,348,400)
Post-close liquidity	**$3,044,100**
Months of subject debt service	43.8
Months of all global obligations	10.8
Under an additional 25% securities haircut	$2,225,975 / 32.1 months

Post-close liquidity of $3,044,100 covers 44 months of subject debt service. It also exceeds the $400,841 takeout gap that would open at 60% business plan execution, which means the downside case is fundable from the sponsor balance sheet rather than requiring a capital call.

5. Schedule of Real Estate Owned

Portfolio (9 assets)	Value	Debt	Equity
Totals	**$51,190,000**	**$31,845,000**	**$19,345,000**
NOI / Debt service / DSCR	$3,376,100	$2,307,000	1.46x

Portfolio LTV is 62.2% and every asset clears 1.00x. Six of nine assets are multifamily, representing 74.5% of portfolio value - concentrated by product type, but that concentration is in the asset class the sponsor knows best and is directly relevant to the subject transaction.

The weakest asset is Millbrook Retail at 1.35x, carrying an obligation that matures 10/2027, inside the subject term. The full per-asset schedule is in the accompanying workbook.

6. Global Cash Flow

Item	Value
Portfolio NOI	$3,376,100
Business and other income	$420,000
Global income	**$3,796,100**
Less portfolio debt service	($2,307,000)
Less personal obligations	($246,000)
Global cash flow before subject	**$1,243,100**
Stress: surplus at $0 subject NOI	**$409,975**
Global DSCR including subject	1.48x

The stress line is the strength of this credit. Even assuming the subject property generates no income whatsoever, the sponsor other cash flow covers the subject debt service with $409,975 to spare. That is an unusually strong position for a value-add bridge borrower and it materially reduces the severity of the execution risk identified in the deal memorandum.

7. Red Flags & Mitigants

1. **Execution dependency.** The refinance requires 76.4% of the business plan. *Mitigant:* global cash flow carries the subject at $0 NOI, and post-close liquidity exceeds the downside gap. Condition on the rent achievement test below.
2. **Thin in-place coverage.** 1.151x DSCR at closing leaves little room. *Mitigant:* stabilized coverage is 1.47x. Condition on a bound rate cap and an interest reserve.
3. **1987-vintage asset with no PCA.** Deferred maintenance is unquantified. *Mitigant:* the $15,000 per unit budget is above typical for interior-only scope, suggesting room for building systems. Condition on a PCA before closing and a capital plan reconciled to it.
4. **Guarantee maturing inside the subject term.** Millbrook Retail, $1,597,750 exposure, matures 10/2027. *Mitigant:* asset is current at 1.35x. Condition on evidence of refinance or extension 120 days prior.
5. **Total contingent exposure of $15,620,750.** *Mitigant:* all four obligations are current and the underlying assets carry a weighted DSCR above 1.35x. Condition on quarterly contingent liability reporting.

6. **Renovation scope unbid.** *Mitigant:* in-house management with direct renovation experience across 1,240 units. Condition on contractor bids before the first draw.

8. Conditions of Approval

1. Loan amount not to exceed $10,750,000. The request of $11,000,000 is not supported by in-place coverage.
2. Renovation escrow funded at closing, draws tied to unit completion and certificate of occupancy.
3. Rent achievement test at month 18: 70% of projected market rents on renovated units before any equity distribution.
4. Property condition assessment before closing, with the capital plan reconciled to it.
5. Written confirmation of the reassessment methodology and timing from the county assessor.
6. Bound interest rate cap for the facility term, premium funded at closing.
7. Minimum liquidity covenant of $2,000,000 unrestricted, tested quarterly.
8. Evidence of refinance or extension on the Millbrook Retail obligation 120 days prior to its 10/2027 maturity.
9. Quarterly reporting: rent roll, operating statement, renovation progress, and contingent liability schedule.
10. Annual PFS, SREO, and tax returns prepared to a verification standard.

Contingent Liabilities

Deal	Type	Exposure	Maturity
Harborview Apartments	Full recourse	$6,720,000	06/2029
Granger Industrial	Payment guarantee	$2,688,000	02/2028
Millbrook Retail	Partial (55%)	$1,597,750	10/2027
Coleridge Commons	Full recourse	$4,615,000	03/2030
Total exposure		**$15,620,750**	

Open Items

1. **[MISSING - tri-merge credit report]** Referenced but not provided. Credit profile is borrower-stated.
2. **[ASSUMED - SREO values]** Borrower-reported PFS values, not independently appraised.
3. **[MISSING - management company financials]** Three years referenced as CPA-reviewed; only the most recent year was provided.
4. **[MISSING - LP commitment letter]** $4,500,000 of LP capital represented as committed. Obtain the executed subscription agreement.
5. **[MISSING - guaranty instruments]** Terms for the four disclosed guarantees are borrower-stated.

6. **[MISSING - 2025 tax returns]** Two-year average business income based on 2024 returns and 2025 draft K-1s.

Independence & Limitations

Prepared by Fernandes & Company as an independent third party. Fernandes & Company has no economic interest in this transaction, no compensation contingent on its outcome, and no relationship with the borrower outside this engagement.

This analysis is an underwriting opinion prepared for credit decision support. It is not an appraisal and does not constitute a determination of market value. Review of borrower-supplied documents is not a certification, audit, or attestation as to their accuracy or completeness. All lending authority, credit decisions, closing, and servicing remain with the lender.

Standard delivery on transactions of this scope is 24 to 48 hours from receipt of a complete file.

SAMPLE DOCUMENT - FICTIONAL TRANSACTION. Prepared to demonstrate deliverable format, analytical depth, and reporting standards. All parties, properties, and figures are invented.