

### **SBA 504 Loan Requests**

I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan requests. The Big Sky EDC Loan Committee has reviewed the requests and recommends approval to the full EDC Board for submission to the SBA for final approval. The requests meet all the underwriting and eligibility requirements of the EDC.

1. **Springhill Suites by Marriot (Kings Avenue Hotels, LLC)** – Request is for the acquisition of the Springhill Suites hotel property located in Billings, MT. Purchase includes both the real property and personal property (FF&E) associated with the hotel, along with the financing of the franchisor required Property Improvement Plan (PIP) in order to bring it up to date with the Marriott franchise specifications. This is a 79-room, limited service plus hotel. Facility was built in 2004 and has only had a single owner until this purchase. Total project cost includes land & building \$5,973,000, FF&E \$1,427,000, PIP cost \$1,453,400 and professional fees of \$45,495, for total of \$8,898,895.

Nasima and Iftikhar Khan will be the owners of the hotel. They currently have purchased 18 hotels throughout MT, WY, NE and CO. They have over 15 years' experience in hotel operations. Big Sky EDC has financed two other hotels for them in the past, one which has paid off and the other still on our books in good standing. They do currently own four other hotels in Billings, and reside in one. Borrowers demonstrate strong overall liquidity and global debt service coverage of all entities is positive. They have a good track record of hotel management.

There are projected to be six new jobs created resulting from this purchase. The total SBA debenture will be \$3,011,000 on a 20-year note comprising 33% of the total project costs. Amount is limited to 33% as borrowers have other outstanding SBA debt related to separate projects. Big Sky EDC and the SBA will be in a 2nd lien position on the real and personal property behind Stockman Bank – Billings. One SBA Public Policy goal is achieved – Minority Owned Business.