

| Div. Num     |              | Type of Memo  |                     |
|--------------|--------------|---------------|---------------------|
| Loan Request | Renewal      | Loan Type     | CRF-commercial land |
| Loan #       | 72434956     | Note # ID     |                     |
| Parent CIS # |              | Parent Name   | Moody's ID          |
| Prepared By  | Mark Britton | Date Prepared | 9/19/11             |

| Borrower Information  |                                        |                        |                           |
|-----------------------|----------------------------------------|------------------------|---------------------------|
| Borrower Name         | Gateway Centre LLC                     | Customer Number        |                           |
| Signer Name and Title | Bill Helms and Randy Roark, as members | Type of Entity         | limited liability company |
| Street Address        | 121 Conroy Street, Suite 200           | Telephone #            | 334-401-0515              |
| City, State, Zip Code | Montgomery, AL 36104-2636              | State of Incorporation | Alabama                   |
| Line of Business      | Commercial real estate developer       | Taxpayer ID #          | 26-1969961                |
| Related Entities      | Douglasville Store All, North Hixson   | Probability of Default | Risk Calc                 |

| COMMITMENTS & OUTSTANDINGS           |                                                               |                     |                    |                    |        |                        |                    |
|--------------------------------------|---------------------------------------------------------------|---------------------|--------------------|--------------------|--------|------------------------|--------------------|
| Facility                             | Purpose                                                       | Original Amount     | Committed Amount   | Current Balance    | Rate   | Collateral             | Loss Given Default |
| <b>Under Consideration:</b>          |                                                               |                     |                    |                    |        |                        |                    |
| Gateway Centre<br>72434956-10        | renew loan originally for land development<br><i>10/25/11</i> | \$2,680,000         | \$1,180,047        | \$1,180,047        | 6.000% | Commercial lots        |                    |
| <b>All Other Commitments</b>         |                                                               |                     |                    |                    |        |                        |                    |
| Douglasville Store All<br>69359637-1 | develop mini-warehouse in Douglasville, GA                    | \$1,480,250         | \$765,000          | \$765,000          | 3.750% | FREM on mini-warehouse |                    |
| North Hixson, LLC<br>69360047-12     | CRF land purchase                                             | \$290,957           | \$256,609          | \$256,609          | 5.250% | FREM on commercial lot |                    |
| Decatur Marketplace<br>69363559-10   | CRF development                                               | \$5,389,000         | \$1,347,500        | \$1,347,500        | 7.250% | unsecured              |                    |
| Tellus Hixson<br>69362432-10         | develop mini-warehouse in McCalla, AL                         | \$2,800,000         | \$2,721,585        | \$2,721,585        | 3.000% | FREM on mini-warehouse |                    |
| <b>TOTALS</b>                        |                                                               | <b>\$12,441,256</b> | <b>\$6,273,741</b> | <b>\$6,273,741</b> |        |                        |                    |

**INTERIM ACTION SUMMARY**  
 Request for a four month extension to assess potential sale of land to Tractor Supply. Borrower will need to pay part of sales proceeds toward road and sitework improvements, but bank should receive upwards of \$500,000 in a release payment. Updated financial information has been requested. Loan to be received at ~~6.00%~~ *6.4%* fixed with interest ~~paid monthly~~ *due 5 payable* on the 5th day of ~~September~~ *October* with maturity on ~~10/25/11~~ *10/25/11*.

| Loan Approval                                                 |                     |               |       |      |          |
|---------------------------------------------------------------|---------------------|---------------|-------|------|----------|
| Loan Officer's Signature                                      | <i>Mark Britton</i> | Officer #     | 83063 | Date | 09/19/11 |
| Loan Officer's Typed Name                                     | Mark Britton        |               |       |      |          |
| Approving Officer Signature                                   | <i>[Signature]</i>  | Officer #     | 82878 | Date | 9/21/11  |
| Approving Officer Signature                                   | <i>[Signature]</i>  | Officer #     | 82001 | Date | 9/23/11  |
| Approving Officer Signature                                   | <i>[Signature]</i>  | Officer #     | 8479  | Date | 9/21/11  |
| Committee Name                                                |                     | Date Approved |       |      |          |
| BY:                                                           |                     | BY:           |       | BY:  |          |
| Regional Credit Officer Signature                             | <i>[Signature]</i>  | Officer #     |       | Date | 9/30/11  |
| Regional CEO Signature                                        |                     | Date Approved |       |      |          |
| Is Synovus Senior Credit Committee Required?                  |                     | Date Approved |       |      |          |
| Is loan closed using Incremental Authority?                   |                     | Date Approved |       |      |          |
| Approval Authority Conditions for This Action (if applicable) |                     |               |       |      |          |

(ATTACH MOST RECENT FULL WRITE-UP; ALSO NOTE BORROWER DEFAULT GRADE OF ANY "OTHER COMMITMENTS" RELATED ENTITY.)

# SYNOVUS

## C&I LOAN APPROVAL - CREDIT MEMORANDUM

### I. Loan Request Summary as of 9/19/11

- Gateway Centre, LLC
- Renewal of \$1,180,047 loan originally funded to develop a shopping center in Saraland, AL. The loan originated on 2/22/08 with the intent of the borrower to develop a strip center with 3 out parcels. Due to the declining economy the borrower sold 2 out parcels to Hancock Bank and Regions Bank and have decided not to develop the retail center. As a result the borrower has redesigned the site for four additional commercial lots. Borrower is presently in discussions with Tractor Supply about purchasing one of the parcels for approximately \$650,000.
- Request is for a temporary renewal from 7/5/11 to 11/5/11. During this time the MAD officer will assess a potential sale of part of the property to Tractor Supply. At this point the borrower indicates that the net sales proceeds, after monies needed to complete an access road, should be approximately \$500,000 which will be used to repay principal.
- The property was appraised again as of 8/11/11 by Gaylord C Lyon & Co., Inc. in the amount of \$1,552,000, thereby establishing a LTV of 76%. The property consists of 11.5 acres located on Industrial Parkway (AL Highway 158) approximately 1/4 mile east of I-65 in Saraland, AL. The site has been cleared, graded, and compacted with all utilities having been run to future lot sites.
- Updated financial information has been requested from the guarantors along with information on their various developments and contingent liabilities to assess global cash flow and debt service coverage characteristics. However, the guarantors, Bill Helms and Randy Roark, derive their incomes from commercial real estate development which has been virtually non-existent since the subject venture commenced. It is unlikely that the receipt of current financial information will indicate significant improvement in the guarantors' economic circumstances, but they continue to pay the interest monthly on a current basis.
- Therefore, this loan continues to be rated 7A.

### II. Background

- The history of the property is presented above. Bill Helms and Randy Roark, long time CRE developers, owned 100% of the LLC. Helms and Roark were well known locally during the 1980s and 1990s for being one of Winn-Dixie's preferred developers during its heydays during that time period. However, as Winn-Dixie began its decline approximately 10 years ago and ultimately filed for Chapter 11 bankruptcy, many of the Helms Roark developments lost their anchor tenant and the smaller retail tenants moved away. As a result, Helms Roark was saddled with large debt service obligations and declining rental income with which to repay it. During this time period neither Helms nor Roark has filed for personal bankruptcy.
- Helms and Roark are also guarantors on several other problem loans at First Commercial Bank Birmingham. These loans are indicated on the interim approval request attached.

### III. Financial Analysis of Borrower

- Updated financial information has been requested, however, the property securing the loan is not income producing. Therefore, recent financial information on the borrower is relatively meaningless.

### IV. Financial Analysis of Guarantor in (000's)

| Guarantor   | Date     | Liquidity | Assets  | Liabilities | NW      | Contingent Debt |
|-------------|----------|-----------|---------|-------------|---------|-----------------|
| Bill Helms  | 11/30/10 | \$57      | \$5,643 | \$3,940     | \$1,703 | \$1,367         |
| Randy Roark | 11/30/10 | \$2       | \$5,707 | \$3,835     | \$1,871 | \$1,352         |

- The guarantors' statements reflect personal debt relative to their % interest ownership in each property. However, they are typically joint and several and the contingent debt amount would represent the additional indebtedness they are actually obligated on.

### V. Strengths of Loan Request

- Though offering little financial strength the guarantors have managed to keep interest current in very tough economic times.
- Two out parcels have sold to Hancock Bank and Regions Bank which would seem to indicate a viable location for the property.

# SYNOVUS

## C&I LOAN APPROVAL - CREDIT MEMORANDUM

- A potential sale of another lot is pending to Tractor Supply which will almost reduce the loan by half of its outstanding balance.

### **VI. Weakness of Loan Request**

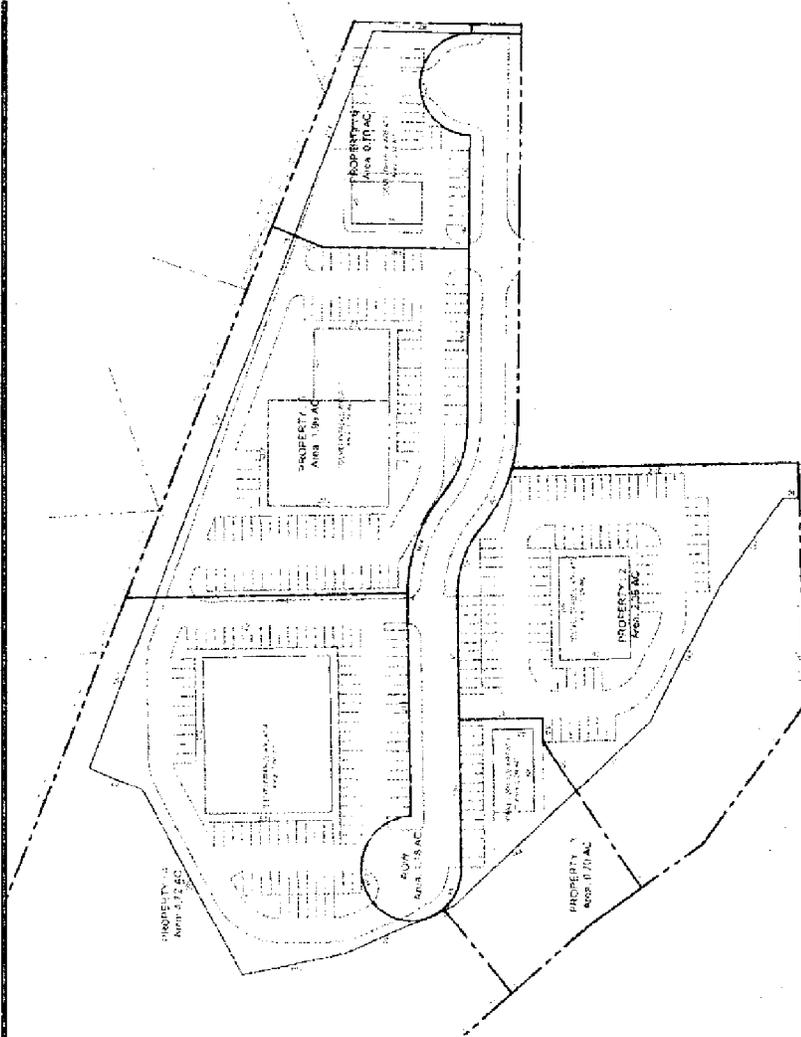
- Guarantors are commercial real estate developers whose sole income presently relies on sale and leasing commissions.
- Collateral securing the loan is vacant commercial land which will require the completion of an access road to further stimulate sales. If the Tractor Supply sale can be finalized, the access road will be completed from some of the sales proceeds and still pay approximately \$500,000 toward a principal reduction.

### **VII. Conclusion & Recommendation**

- MAD officer recommends the temporary renewal until 11/5/11 with interest paid monthly.
- Action Plan
  1. Borrower has previously paid interest monthly with subsequent renewals in anticipation that the remaining commercial lots would sell and repay the loan.
  2. It appears that a lot sale will occur soon and a substantial reduction occur.
  3. MAD officer recommends same course of action with interest paid monthly and monitoring of the potential lot sale.

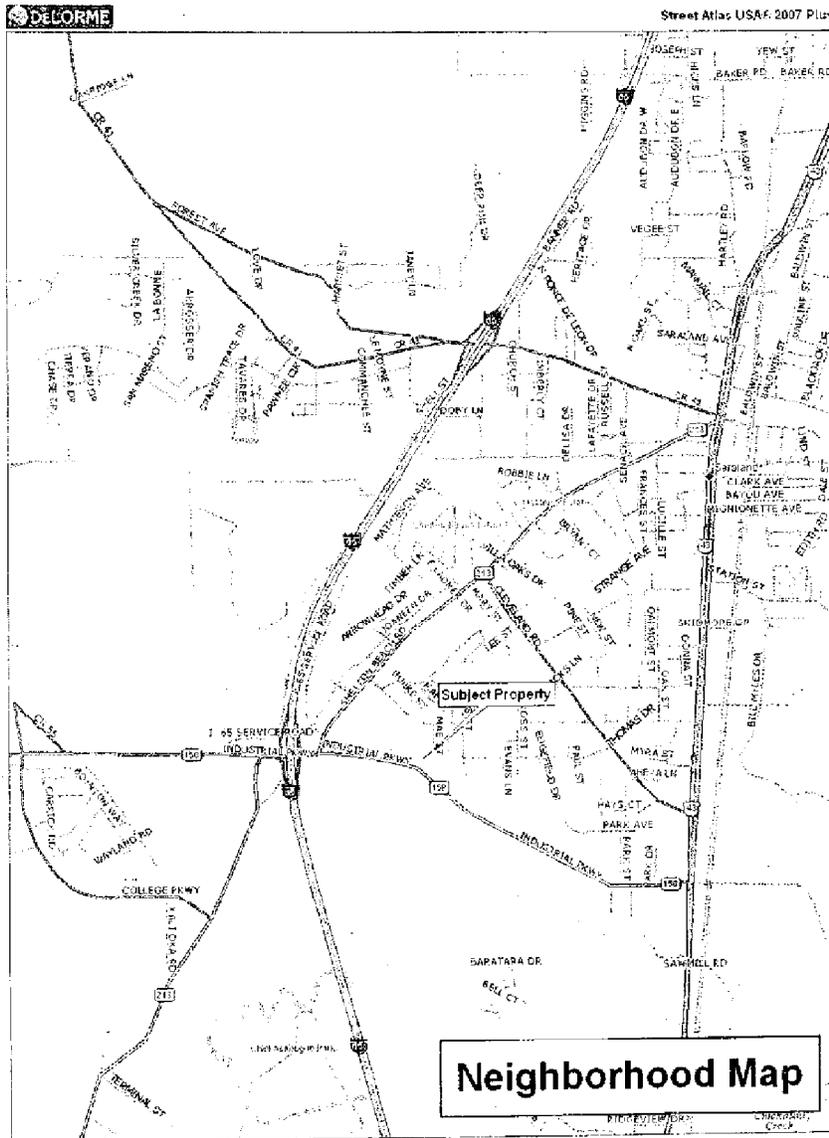
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