

# DISTRESSED PROPERTIES, WORK-OUTS, ASSET LIQUIDATION, AND CAPITAL RECOVERY PROGRAM SERVICES

Provided by Delta Associates

## WHAT CALLS FOR THIS SERVICE?

- Non-Accruals
- Distressed Property Workouts
- REO's
- Bankruptcy
- Selective Liquidations

## SERVICES OFFERED

**Market/Submarket Overview** represents a preliminary look at a metro market and submarket economy and metro real estate demand/supply variables including submarket employment growth, construction, vacancy, rental rate growth, and the like.

### DOCUMENT REVIEW AND FACT FINDING

- Survey of file material to understand the asset(s).
- Supervision of legal due diligence.

### ANALYSIS OF ASSETS

- Site visit.
- Market analysis.
- Categorize assets: Ready-to-dispose, investment-required-first, litigation, completion, etc.
- Analysis of highest and best use.
- Prepare capital expenditure program for items that protect or add value.

### EVALUATION OF PERFORMANCE

- Estimate achievable prices/rents per unit/SF.
- Project lease-up/sell out pace and related revenue stream over time.

### VALUATION OF ASSETS

- Project cash flow.
- Comparison to similar properties that have recently sold.
- Establish net realizable value.
- Set selling prices and/or bid-in prices for foreclosure.

### ACTION PROGRAMS: LOAN WORK OUTS

- Prepare realistic budgets.
- Recommend marketing actions to optimize performance.
- Coordinate negotiations between borrower/lender for realistic debt restructure.

### ACTION PROGRAMS: DISPOSITIONS

- Prepare budgets for disposition.
- Set timetable of disposition.
- Establish a holding strategy, when appropriate
- Preparation of marketing package for each asset and/or portfolio of assets that contain material needed to solicit buyer interest.
- Identification of brokers and key buyers.

## SELECTED LIST OF RECENT ASSIGNMENTS AND CLIENT REFERENCES

The principals of the firm have provided services to portfolios with multiple billions of dollars of aggregate value.

### SWAP OF PARTIAL INTERESTS: BANKRUPT REIT

Valuation of the partial interests in the realty assets of Continental Mortgage Investors that were jointly owned with Diversified Mortgage Investors. Bankruptcy court appointed. Purpose: Equitably swap partial interests to make only whole interests for ease of administration and liquidation. Land as well as industrial, resort, and office improvements all over the U.S.

### MERGER: INSURANCE COMPANY PORTFOLIO

Evaluation and appraisal of the real estate portfolio of the Financial Services Group of I. C. Industries. Purposes: Potential merger with AGO Verzekeringen, the giant Dutch insurance concern. Hotel, subdivision, office and farm properties, as well as loans on same in Texas and the Midwest.

### LIQUIDATION: UNION PENSION FUND

Extensive document reconstruction program, property valuation, preparation of offering packages, screening and selection of brokers, and the identification of potential buyers including key tenants. Purpose: Evaluate and liquidate diverse real estate portfolio scattered throughout the eastern United States.

### LIQUIDATION: S & L UNDER SUPERVISION

Portfolio analysis for a major Texas Savings and Loan with a \$1 billion loan/REO portfolio. Services include extensive loan document review, economic feasibility of partially completed projects and assessment of potential loss exposure under various hold or sell scenarios.

### REO/WORKOUT: CONSTRUCTION LENDER

Market analysis to establish the potential sales revenues and value of a partially completed 24-unit townhouse project on Capitol Hill, Washington, DC. Key issue: Impact of government second trust and related sales price restrictions.

## CLIENTS/REFERENCES FOR THIS SERVICE

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