



# **TREMONT REALTY CAPITAL**

---

*COMMERCIAL REAL ESTATE  
SOLUTIONS TEAM*



[www.tremontcapital.com](http://www.tremontcapital.com)

## TREMONT REALTY CAPITAL

### COMMERCIAL REAL ESTATE SOLUTIONS TEAM

#### OVERVIEW

The Tremont Commercial Real Estate Solutions Team (CREST) provides real estate portfolio consulting services to creditors, banks, private lenders and institutional investors, including comprehensive strategy formulation, asset management, work-out and disposition services.

In today's challenging real estate environment the CREST team of real estate professionals has the multi-faceted background and experience to provide clients with a customized value-enhancement / realization program for individual real estate assets or entire portfolios.

Our financial, operating and legal expertise assists clients impacted by distressed real estate assets to improve asset value and maximize returns. The Tremont team of professionals will guide clients through the entire lifecycle of a work-out; from initial assessment and strategy formulation to asset management and the implementation of a disposition strategy.

Services include, but are not limited to:

- Valuation Analysis
- Portfolio/Property Strategy Formulation
- Asset Management
- Loan Work-Out
- ORE Management
- Restructuring / Recapitalization
- Asset Disposition / Liquidation

#### HISTORY

Since its formation in 2000, Tremont Realty Capital has been providing creative capital solutions for real estate projects nationwide. Whether as a direct lender or an investment advisor, Tremont has a well-earned reputation for skillfully executing complex financing transactions in all segments of the real estate industry.

Tremont personnel include seasoned professionals with strong real estate and credit skills. Seven senior staff are credit trained former bankers. Other senior staff have held senior positions at major national real estate equity firms.

Members of the Tremont CREST team have significant work-out experience, as well as, extensive real estate ownership, development and management track records. Combined, the CREST team's experience covers more than \$4 billion in commercial real estate work-outs. This high level of experience and expertise allows us to provide an un-paralleled level of service to our customers.

- ✓ \$1 Billion Under Management
- ✓ \$4 Billion in Career Work-Outs
- ✓ Dedicated Asset Management Team
- ✓ Superior Capital Markets Expertise
- ✓ National Market Presence

Tremont  
Commercial Real Estate  
Solutions Team  
(CREST)

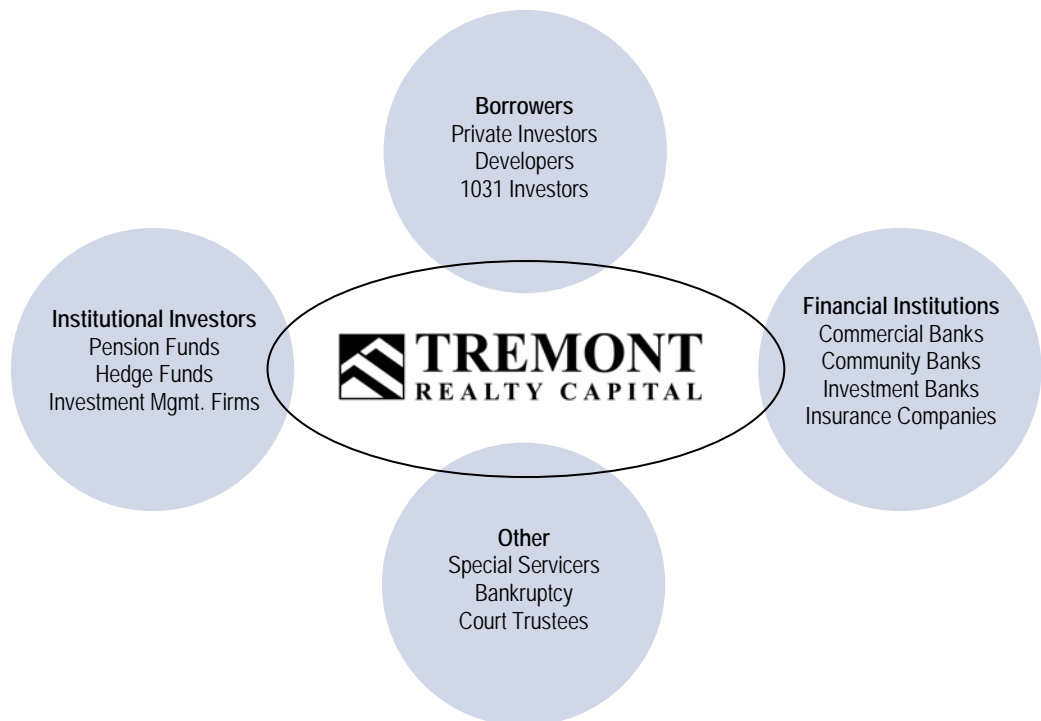
**Innovative Asset  
Management Solutions**



## SERVICES

Tremont can provide individual services on an a la carte basis or in a more comprehensive manner.

- Valuation Analysis
  - Competitive market surveys
  - Comparable sales study
  - Cash-flow modeling & analysis
- Portfolio/Property Strategy Formulation
  - Property repositioning
  - Marketing/leasing plan review
- Asset Management
  - Budgeting & financial reporting
  - Quarterly/annual valuations
  - Property manager oversight
  - Property inspection
  - Construction/renovation supervision
  - Requisition/development draw review and approval
  - Lease reviews/audits/abstracting
  - Expense reimbursement audits
- Loan Work-Out
- ORE Management
- Corporate Advisory
  - M&A due diligence & capital raising
  - Bank/Entity level recapitalization
- Restructuring / Recapitalization
  - Loan modification
  - Debt and equity placement
- Asset Disposition / Liquidation
  - Investment sales brokerage
  - Loan/Note sales advisory brokerage
- Receivership
  - Implementation of legal proceedings
  - Collateral protection



## PRELIMINARY REVIEW/VALUATION

- Value the asset and/or portfolio
- Quantify the risks
- Identify opportunities

## STRATEGY FORMULATION: ASSET ACTION PLAN (AAP)

- Conduct rigorous property level underwriting
- Prepare a detailed business plan designed to maximize asset value (AAP)
- The AAP will generally consist of three primary components:
  - Asset restructuring/recapitalization
  - Foreclosure/negotiate Deed-In-Lieu
  - Disposition/Liquidation

## ASSET MANAGEMENT & EXECUTION

- The Dedicated Deal Team undertakes and continues with the implementation and execution of the AAP
- Some assets may simply be marketed for sale; while others will undergo restructuring in preparation for sale
- The Deal Team and Relationship Manager provide consistent reporting on the status of the AAP

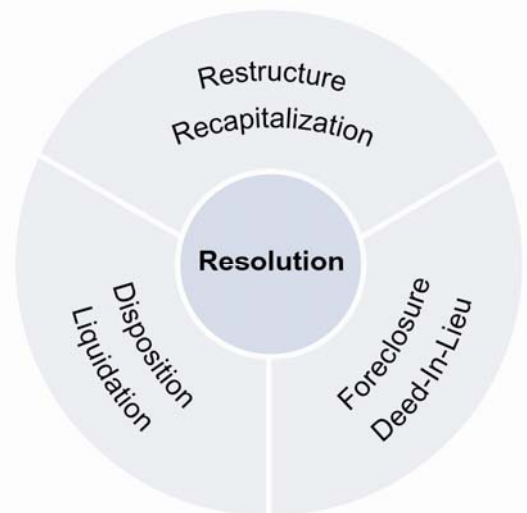
## APPROACH

Tremont will assign a Dedicated Deal Team consisting of a senior staff member to serve as the Relationship Manager, an Asset Manager and an Analyst to every engagement. The Tremont work-out philosophy is born from decades of senior staff's real estate experience. Our senior staff's experience pre-dates the recession of the late 1980's and early 1990's where hundreds of millions of dollars in distressed real estate investments were worked-out by key personnel.

Tremont's belief is that the central issue in developing a strong work-out strategy is sound property-level underwriting, an understanding of local market dynamics and a thorough understanding of the underlying borrower's business plan and motivations. No single work-out methodology is appropriate for all transactions rather Tremont will analyze and develop a multi-tiered, comprehensive strategy or "Asset Action Plan" consisting of three critical components including:

- 1) Restructuring / Recapitalization
- 2) Foreclosure / Deed-In-Lieu
- 3) Disposition / Liquidation

Once the appropriate course of action has been identified, the Asset Action Plan must be efficiently implemented in order to achieve maximum asset value upon disposition. Tremont has the personnel with the expertise and the technical skills to execute these strategies during these highly pressurized and turbulent times.



## EXPERIENCE

Some historical examples of Tremont's senior staff experience include:

### Asset Management

- Manager of approximately \$1 billion in various performing and non-performing debt related real estate loan assets.
- Regional director of asset management for an S&P 500, NYSE Real Estate Investment Trust that owned 30,000 multifamily units.
- Manager of a \$3 billion healthcare real estate portfolio.

### Asset Disposition

- Comprehensive asset management and liquidation of a 2.0 million SF portfolio of class-A office assets located in Southern California. The liquidation successfully recaptured approximately 90% of the then asset value.
- Successfully implemented a complete corporate reorganization plan for a health-care related corporation with over \$2 billion in real estate assets.
- Successfully negotiated the sale of several underperforming assets for \$24 million, exceeding senior management's expectations by \$6 million.

### Work-Outs

- Vice President of real estate loan services group worked to return \$250 million in non-performing loans to accrual status.
- Responsible for the work-out of a portfolio of distressed real estate assets primarily located on the East Coast including hospitality and multifamily assets. Managed several bankruptcy situations to satisfactory conclusion and liquidation of assets.
- Favorable resolution of over \$1 billion in FDIC assets.

## CASE STUDIES

### Bloomfield Hills

In early 2005, Tremont provided a \$35 million land loan for the purpose of refinancing existing debt and to facilitate the development of a 75-acre, 4.5 million square foot mixed-use, urban development. Tremont's original underwritten LTC and LTV were 75% and 50% respectively. Approximately six months after closing the borrower breached certain loan covenants which would have an adverse affect on our collateral position. Tremont approached the borrower with a work-out plan, but final terms could not be reached. The borrower's reaction was to pursue an aggressive defensive strategy via a lawsuit against the lender at which point Tremont implemented a foreclosure strategy. In the state where the property was located, a foreclosure triggers a six month redemption period. During this period Tremont successfully negotiated a settlement whereby the lender recaptured over 100% of its principal balance. The original loan terms provided the lender with a 13% IRR over a two year loan term. Despite the challenges posed by the borrower, and given the interest hold-back structured into the loan, Tremont's ability to negotiate a settlement in a timely manner, resulted in an IRR of 21% over an 18-month hold period.

### Columbia Savings & Loan

Columbia Savings & Loan, based in Beverly Hills, California was the sixth largest S&L with \$6.6 billion in assets. Due to the decline in value from \$4.3 billion to \$2.1 billion of a large portfolio of junk bonds purchased from Drexel, the S&L became insolvent and was taken over by the regulators under the auspice of the Resolution Trust Company ("RTC") in a unit managed by a senior Tremont executive. Part of Columbia's real estate portfolio consisted of joint ventures with local developers for the development of class-A office buildings. The portfolio held approximately 2.0 million square feet of properties located throughout Southern California. The assignment was to determine the value of the assets, manage the assets on behalf of Columbia Savings & Loan, maintain day-to-day operations, and dispose of the assets through the sale of the joint venture interest or the entire asset. The assets were eventually sold for approximately 90% of market value totaling \$630 million.

## PROFESSIONALS

### **Daniel Owen Mee** *Executive Director*

Mr. Mee is a founder of Tremont. He has over 30 years of real estate experience and serves on the Investment Committee where he is an active participant in asset restructuring decisions. Mr. Mee has extensive real estate investment and loan workout experience from the period 1988-1997. From 1992-1997, Mr. Mee was a Senior Liquidation Specialist with the FDIC where he gained substantial experience in the management of distressed debt, REO assets, and bank closings. From 1991-1992 he was head of Lending and Workout at a Boston-based savings bank reporting directly to the Board. There he managed troubled bank assets under Federal C&D Order. From 1988-1991 Mr. Mee performed workouts at a \$200 million private lending firm; managing restructures, foreclosures and asset sales. Mr. Mee began his career and was credit trained at the Chase Manhattan Bank in New York City. He has passed the Series 7 and 63 SEC Securities exams. Mr. Mee holds an AB in Economics and an MBA from Harvard University.

### **G. Douglas Lanois** *Senior Portfolio Manager*

Mr. Lanois is a member of the Investment Committee and supervises execution of asset restructuring directives. Mr. Lanois has over 26 years in the real estate industry, including significant down cycle experience. He has valued major office buildings, and large portfolios to determine investment potential. Previously, Mr. Lanois was SVP and CFO at Pembroke Real Estate, the real estate development and management division of Fidelity. He was formerly VP and Controller at Beacon Properties during the period in which Beacon converted to a REIT. He also has past experience at AEW in asset management and Laventhol & Horwath where he did his public accounting work and earned his CPA designation. He holds a BBA in accounting and a BS in Hotel/Restaurant Management from the University of Massachusetts at Amherst.

### **Richard C. Gallitto** *Executive Director*

Mr. Gallitto is a founder of Tremont. He is responsible for managing relationship officers. He serves on the Investment Committee where he is an active participant in asset restructuring decisions. Mr. Gallitto has worked in the commercial real estate and investment industry for over 26 years. During his career he has originated, structured and closed over \$2 billion in real estate transactions nationwide. Prior to Tremont, Mr. Gallitto was a Regional Director with an international finance company where he established and led the Northeast U.S. division. His duties included staffing and managing over six production offices and building relationships with a myriad of lenders. Previously, Mr. Gallitto started the New England office for CB Commercial's mortgage brokerage business. When CBRE acquired LJ Melody's mortgage brokerage business, he continued to manage and grow the offices origination volume under the new platform. Mr. Gallitto received his AB in Economics from Harvard University.

### **Thomas K. Morgan** *General Counsel / Senior Director*

Mr. Morgan is General Counsel / Senior Director of Tremont. He works out of the New York Metro region with significant time in the Boston office. His focus is general corporate legal matters, as well as, specific and general Tremont strategies. Previously, Mr. Morgan had significant legal experience in real estate, banking, lender liability and loan workout. In the late 1990's he represented a mid-Atlantic-based manufacturer in the acquisition of an insolvent competitor. There, in addition to legal advice, he oversaw business operations and negotiated new terms with suppliers /creditors. Mr. Morgan holds an AB in Economics from Harvard University and a Juris Doctor degree from Boston College School of Law.

**Thomas J. Lorenzini**  
*Managing Director*

Mr. Lorenzini is a founding member of Tremont and Managing Director for the Midwest Region. With over 21 years of real estate industry experience, he has structured complex bridge, mezzanine and equity transactions. He was previously Midwest Regional Director for an international finance company, managing loan generation and underwriting for offices in the Chicago, Cleveland, Indianapolis, Minneapolis and Washington DC markets. Prior thereto, Mr. Lorenzini opened the Chicago office and established the Midwestern operation for commercial loan production as Senior Director for Belgravia Realty Capital. He is a graduate of the University of Iowa (BA), holds an MBA with concentration in finance from the University of Chicago, and is an Illinois licensed real estate broker. Mr. Lorenzini is an active participant in, among other organizations, the Mortgage Bankers Association of America and the International Council of Shopping Centers.

**Steven C. Skelley**  
*Assistant Portfolio Manager*

Mr. Skelley is responsible for asset management on assigned investments. Mr. Skelley has over 16 years experience in the commercial real estate and finance industries. Prior to joining Tremont, Mr. Skelley was Director of Asset Management for the Northeast Region of AIMCO where he was responsible for a portfolio of multifamily properties. Previously, Mr. Skelley held positions of increasing authority from 1995-2002 at MediTrust. Mr. Skelley was responsible for all asset management functions for a \$3 billion portfolio of health care assets including long-term care, assisted living, independent, and rehabilitation facilities. In the early 1990's Mr. Skelley was a Global Internal Auditor for Stone & Webster Engineering Corporation. Mr. Skelley holds a BS in Accounting from Bentley College.

**David E. Ross, CFA**  
*Managing Director*

Mr. Ross has over 21 years of real estate finance experience. A founding member of Tremont, Mr. Ross works out of the Boston office and has developed a national reputation for closing highly structured transactions. Mr. Ross has worked in many facets of real estate lending. He has significant expertise in underwriting, workout, REO management and sales. Prior to Tremont he held various senior positions at several Boston-area banks. Direct experience includes; managing an underwriting task force that reviewed target bank portfolios, negotiating note and portfolio acquisitions, and managing major asset workouts. Mr. Ross is a Chartered Financial Analyst. He is credit trained and holds a Bachelors degree from the University of Rhode Island and an MBA from Northeastern University.

**Dennis P. Walsh**  
*Senior Director / Asset Manager*

Mr. Walsh is based in the Boston office where he manages certain portfolio assets. He has over 23 years of experience in the commercial real estate industry. Prior to joining Tremont, Mr. Walsh was a Principal with Lend Lease Real Estate Investments and its predecessor company, Equitable Real Estate Investment Management. There he headed new business activities for the Northeast Region including acquisition, equity JV, and bridge, term, and mezzanine financing opportunities. During his tenure with Lend Lease, he closed over \$600 million in principal transactions. Previously, Mr. Walsh was a Senior Investment Manager with Copley Real Estate Advisors where he managed a \$1 billion portfolio of various operating and developmental office, industrial, and residential real estate throughout the U.S. Mr. Walsh is a Chartered Financial Analyst, and is a graduate of the University of Massachusetts (BS), and the University of Georgia (MBA).

**Stephen T. Henderson**  
*Senior Director*

Mr. Henderson has over 16 years experience in commercial real estate. He works in the New York Metro market. He was formerly a Director at an international finance company. Mr. Henderson has previously worked in senior positions at several Northeast Regional savings banks. From 1988-1997 he was active in real estate workouts and led various teams resolving numerous assets. Mr. Henderson's workout expertise focused on hospitality, multifamily, and condominium real estate. He has coordinated note and OREO sales. Mr. Henderson is a current owner/operator of several multifamily properties in Connecticut and Massachusetts. He holds a BS from Drew University.

**Michael D. Hart**  
*Senior Director*

Mr. Hart has over 21 years experience in the real estate industry. He is a Senior Director working in the Chicago office. He was previously a Director with an international finance company and he has former experience with Koll Management Services, Inc. He formerly worked at USL Capital – Ford Financial Services, where he provided interim and participating debt for industrial, multifamily, retail, and office properties in the Midwest. Mr. Hart has significant asset management experience with Cabot, Cabot & Forbes as well as at Continental Bank where he was responsible for restructuring several bank loans on with borrower clients. Mr. Hart also worked at John Buck Company, a marketing firm based in Chicago. Mr. Hart holds a BBA with concentration in Real Estate and Marketing from the University of Wisconsin-Madison, and Masters in Management from the Kellogg School at Northwestern University.

**John C. Bauer**  
*Senior Director*

Mr. Bauer is a Senior Director in the Newport Beach office with over 26 years experience in the real estate debt and equity markets nationwide. He is based in the Newport Beach, CA office. Mr. Bauer has significant workout expertise. He was formerly with the Resolution Trust Corporation where he was responsible for a \$200 million portfolio of major commercial real estate assets in Southern, CA with values in excess of \$700 million. Mr. Bauer was previously a Vice President at Bank of America in its workout group where he restructured non-performing assets into accrual loans. There he managed a team of professionals working out and disposing of real estate loans and ORE. Mr. Bauer began his real estate career as a Project Manager for Tishman West Management in Los Angeles. Mr. Bauer has held a California Real Estate Broker License since 1982. He holds a BA in Finance from Whittier College and is fluent in German.

**CONTACT US**

Boston: 617.867.0700  
 Chicago: 312.236.2444  
 New York: 212.265.6622

Annapolis: 410.604.1744  
 Hartford: 860.548.9289  
 Newport Beach: 949.219.0400

[www.tremontcapital.com](http://www.tremontcapital.com)

