



Examples of Real Estate Client Assignments

(Approved for disclosure by clients)

Professional Management Company, LLC ("PMC") has dealt successfully with a variety of complex and challenging real estate projects for clients ranging from public real estate investment trusts to subsidiaries of major Wall Street banks. In every case, our variety of skill sets and our partners' experiences prior to joining PMC (finance, operations, general management and real estate) has been used to solve complex challenges.

Properties Managed and Sold for Baron Capital Trust (public apartment REIT client)

PMC was formed in Florida in July, 2005. It was initially composed of the **turnaround management team** leading Baron Capital Trust ("BCT") and Baron Capital Properties, L.P. ("BCP") (together "Baron"), two public companies operating in tandem as an umbrella real estate investment trust, an "UPREIT". **PMC** was created at the suggestion of Baron's legal counsel and Baron's Board of Trustees.

In December, 2004, at the recommendation of what was to become **PMC's** management (then serving as Baron's turnaround management team), Baron filed Chapter 11. In September, 2005, the U.S. Bankruptcy Court approved Baron's Plan of Reorganization without modification, and approved **PMC's** appointment as **managing agent** for the liquidating trustee (who lives in Michigan).

The Plan created Baron Liquidating Trust ("BLT") to sell Baron's assets (including over 1,500 apartments), pay its liabilities (in full) and distribute the remaining proceeds to its 1,400 investors (500 shareholders of BCT, 800 unitholders of BCP and 100 minority investors in many of the 80 underlying partnerships).

The **PMC** management team successfully restructured Baron by:

- Leading it through **Chapter 11** (eliminating the expense of two public companies).
- Substantially improving property **occupancy** and **net operating income** prior to sale.
- Managing the impact of **four hurricanes**, including \$1.5 million in **insurance claims** and **repairs** to nearly 50 buildings and 250 apartments.
- Improving operating cash flow and **negotiating and closing the sale** of all 25 properties (over 1,500 apartments) for over \$42 million, generating sufficient cash to reorganize.
- **Distributing payments** of \$11 million to investors, returning one-third of their initial investment – after most investors had thrown away their certificates, assuming they had no value.

PMC managed **shareholder relations**, including **transfers of shares**, liquidating **distribution payments** and **tax statements** for over 1,400 investors, during and after emergence from the Chapter 11 bankruptcy filing, which **PMC** managed.

Services Provided for Royal World Centre, LLC (condo hotel client)

For five months, **PMC** provided a **part-time CFO** and a **full-time Controller** to manage the financial affairs of the world's largest Howard Johnson hotel (including 435 rooms, 3 pools, exercise room, meeting room and a restaurant). The hotel's mortgage was in default, the property taxes were in arrears, the hotel was in foreclosure and the managing partner had been expelled from the partnership, among other issues.

PMC prepared a **budget** and **cash forecast** for the client, determining how much was available for needed capital expenditures. **PMC** oversaw the implementation of the capital expenditures, after paying the property taxes, interest and penalties. **PMC** also reconciled 18 months of bank statements (over 6,000 transactions) to provide the hotel's first **reconciled cash balance**. During this process, we discovered that multiple credit card deposits frequently were rejected, costing the property over \$7,000 per month. **PMC** recovered \$25,000 in rejected guest charges and corrected procedures that avoided future revenue losses.

PMC also supported the effort to reverse the **condo conversion**, which had numerous physical and legal issues. The condo conversion reversal dramatically decreased property taxes on the property.

Services Provided to Litton Loan Servicing, LP (a wholly-owned subsidiary of Goldman Sachs)

PMC managed, redeveloped and sold a multi-family rental parcel for a loan processing subsidiary of a major Wall Street bank, which became **debtor-in-possession**. The property included 71 mobile homes, four apartments and six rental houses on four separate parcels, located in two separate jurisdictions, the City of Orlando and Orange County, Florida.

Following the borrower's abandonment of the property, **PMC** immediately employed the property's on-site employees, took over as **property manager**, vacated the tenants without incident and, after **clearing and remediating the property**, successfully removed over \$4 million in liens placed on the property by the city and county. **PMC** located a buyer with an alternative use for the property and negotiated and closed the sale to a well-known Orlando company.

Services Provided to Reardon Opportunity Investments, Inc. (a land entitlement company)

Prior to the housing recession, **PMC's** CPAs and MBAs provided **financial modeling** services to Reardon Opportunity Investments, Inc. ("ROI"), which employed **private placement memoranda** to finance the purchase of raw land. ROI obtained entitlements and zoning for the properties, before selling them to national homebuilders.

PMC initially prepared financial forecasts and sophisticated models that were used in presentations to investors. We later were engaged to prepare the entire **offering package**, including writing the executive summary, collecting comparable sales data, maps, and all other content.

Please contact Stuart Jones, Managing Partner of **Professional Management Company, LLC**, for further details at (407) 688-7362.