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THE DISTRESSED ASSET ACQUISITION PROGRAM (DAAP)

The Bond Street Capital Companies (BSCCI) is pleased to announce the creation of the Distressed Asset Acquisition Program. This new BSCCI program will facilitate the acquisition of distressed commercial real estate and debt from institutional and non-institutional capital sources.

TARGET BORROWERS: BSCCI will provide the capital to the developer or asset management group that has identified a favorable acquisition opportunity and needs debt and/or equity to complete the purchase. This program will enable the developer or manager who has an opportunity to purchase a distressed at a great value to close very quickly.

FUNDING: BSCCI has created strategic alliances with Investors that have ready funds available in excess of \$200,000,000 for this program. This diverse group of capital partners will enable BSCCI to fund a wide variety of different asset and property types.

TRANSACTION TYPES: DAAP will focus on enabling the following kinds of transactions:

- the purchase of distressed commercial real estate from lenders.
- the acquisition of loans at discount from lenders.
- the funding of short pays.
- providing both debt and equity for outstanding turn-around opportunities.

PROPERTY TYPES/ISSUES

- Commercial, multi-family and residential development properties will be considered.
- No one-off single family homes will be considered.
- Condo's will be considered where the acquisition makes sense as a repositioning opportunity as rentals or in very robust markets.
- Partially completed construction projects will be considered where institutional lenders have ceased to fund.

CRITERIA FOR DEBT TRANSACTIONS

- The transaction is an outstanding opportunity to acquire either debt or a hard asset at a deep discount.

- The Borrower is experienced in developing and operating the asset type.
- The Borrower has a business plan that contemplates a pay-off to the Investor typically in less than 36 months.
- Transactions that solely rely on the passage of time for value creation will not be considered.
- The Borrower will put in a minimum of 20% to 30% of the cost of the transaction including redevelopment costs.
- The Borrower has excellent credit and is willing to personally guarantee the loan.
- Estimated costs for these funds are 4 to 6 points and 12% to 16% interest. Interest may be pre-funded for the term of the loan.

ADDITIONAL CRITERIA FOR EQUITY TRANSACTIONS

- The Borrower will put in a minimum of 10% of the cost of the transaction including construction or renovation costs.
- The Investor will realize an IRR of at least 22% on the equity component of the transaction.

WORKING WITH BROKERS

- BSCCI will accept submissions from brokers upon the following terms and conditions:
 - BSCCI will not typically consider transactions where there are multiple brokers involved (daisy chain.) The “submitting broker” must be working directly with the borrower and will be the sole point of contact in the transaction.
 - BSCCI will protect brokers up to 1 point on transactions for broker compensation. Additional broker compensation, if any, must be paid by the borrower outside of the loan escrow.
 - BSCCI will protect the “submitting broker” with a mutual Non-Disclosure/Non-Compete/Compensation Agreement. This Agreement will be executed prior to acceptance of the loan for detailed review.

This program is not available in all states. Terms and conditions are subject to change without notice and vary depending on transaction itself. For further information about the program, contact your local BSCCI representative or send an inquiry to info@bondstreetcc.com

