

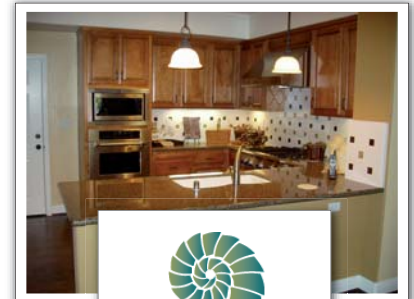
RECEIVERSHIP CASE STUDY

Mare Island Townhomes, Vallejo, CA

Wells Fargo Bank had filed a Notice of Default on the 8 remaining townhomes and condominiums built by bankrupt builder, John Laing Homes. Four of the units were completed models; the remainder were 75% complete.

It was clear that a bulk sale would result in a heavily discounted price and that retail sales to homeowners would generate the maximum return of capital to the bank. Wells Fargo recognized that with relatively little additional capital, the unfinished units could be completed and individual units sold to homebuyers resulting in the greatest return of the banks investment and the least liability to homeowners claims. To implement the process, Wells Fargo requested the appointment of a Receiver. Robert Upton of Campus Properties LLC was appointed Receiver by Solano Superior Court. Campus Properties provided support services.

Appointment of a Receiver allowed the project to be finished and sold without completing the foreclosure process, keeping the bank out of the chain of title and exposure to SB 800 homeowner claims lasting 10 years, and out of the home building business.



Acting with the protection and authority of the Court, the Receiver:

- Secured the property.
- Worked with the manager of the existing Homeowner's Association.
- Checked existing insurance policies. Put in place property and casualty insurance and negotiated competitive Wrap insurance covering contractors and subcontractors claims for 10 years, a prerequisite to contractors working on an attached residential project.
- Prepared budgets for completion and sale of the units.
- Revised specifications to bring them in line with current sales prices.
- Cleared title of Mechanics Liens.
- Hired a General Contractor to complete construction.
- Ensured DRE compliance
- Analyzed the market and prepared a market analysis report with pricing recommendations. This was complicated by the lack of comparable condominium sales and a number of short sales.
- Redirected the Sales Program to current market conditions.
- Hired a marketing team to implement the marketing plan.
- Put in place a 12 month Home Warranty program with escrowed funds so that it can function after the Receivership is terminated.
- Secured additional funding from Wells Fargo to complete the units.

All units were sold at listing prices or above and well in excess of appraised values, within five months. As a result, the bank was returned 100% of its loan balance together with all additional funds advanced.

About Campus Property Group

Campus Property Group principals, Robert Upton and Michael Hooper, have both been real estate professionals for over thirty five years. Their hands on experience includes building, managing, leasing, financing and selling office, retail, industrial properties as well as both multi family and single family residential. They have advised a variety of clients on real estate matters including lenders, individual owners, public companies, international investors and the UK government.

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