



ORPUT

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PROPERTY MANAGEMENT

Case Study — Position the Asset for a Successful Sale

Orput Companies, Inc (OCI) was appointed by the Mortgagor and approved by the court system as Receiver for a 19 acre foreclosed property consisting of 213,000 SF of Gross Leasable Space. OCI immediately requested copies of all leases, vendor contracts and met with each tenant to evaluate income and cost saving opportunities.

The careful evaluation of each lease allowed OCI to collect \$350,000 in rental income and \$197,000 in CAMIT recovery costs that were not previously collected. OCI spent \$142,000 on parking lot repairs and brokered the settlement of a major zoning issue and the settlement of a lawsuit previously filed by an existing tenant. The property realized a net loss of -\$27,000 but was now poised for success.

In years 2 and 3 the property realized a net income of \$100,000 and \$105,000 respectively. The property was positioned for sale and was purchased by a national retailer with the intent to redevelop the property within 5 years. The purchase price of the property exceeded the expected net sale by over 100%. The fact the property was attaining a positive cash flow allowed the buyer to hold the property and manage the redevelopment process while maintaining a positive cash flow.

OCI successfully followed their corporate strategy of increasing revenues and decreasing costs, retaining tenants while managing & filling vacancies and out managing the competition in order to position the asset for a successful sale.