



**COMMERCIAL DEFEASANCE**  
DEFEASE WITH EASE®

## **FOR IMMEDIATE RELEASE**

### **Commercial Defeasance Structures \$22 Million Transaction for HVM Management Company, Inc.**

Greensboro, NC. – March 5, 2008 – Commercial Defeasance, LLC recently facilitated a \$21,800,000 multi-property defeasance transaction for HVM Management Company, Inc. based in Greensboro, North Carolina. The defeasance included five loans secured by multifamily properties located in North Carolina and South Carolina. The defeasance was accomplished in connection with a sale of a portfolio of apartment properties totaling \$81,500,000. The defeasances enabled HVM Management Company, Inc. to sell the properties to Berkshire.

The first loan was for the 144 unit Sedgefield Apartments located at 4755 Country Club Road Winston-Salem, NC 27104. The second loan was for Chambers Ridge, a 100 unit property located at 1700 Chambers Drive Matthews, NC 28105. The third loan was for the 200 unit North Cove located at 7950 Crossroads Drive North Charleston, SC 29406. The fourth loan was for the Farrington Place which has 168 units and is located at 7927 St. Ives Road North Charleston, SC 29406. The fifth loan was for the 200 unit property called The Oaks located at 1850 Ashley Crossing Lane Charleston, SC 29414.

H. V. McCoy, Jr., President, of HVM Management Company, Inc. said, “Your firm’s expert management and execution of this process were a critical part in the timely closing of our sale. In addition you also produced over \$502,000 in combined savings to us in lower defeasance costs and in the purchase of the replacement securities. Commercial Defeasance certainly exceeded our expectations, and we’re delighted with the results.”

### **What is Defeasance?**

Defeasance is a substitution of collateral in which a portfolio of government securities replaces the real estate as the collateral for a commercial loan. Redemption of principal and interest from the securities pays all remaining debt service, so the promissory note technically remains in place but is repaid from the proceeds of the securities purchased. The securities are typically purchased with a portion of the proceeds of a sale or refinance, so the defeasance transaction is usually coordinated with a related real estate transaction. Nearly all fixed-rate commercial conduit loans originated since 1998 require a borrower to defease in order to sell or refinance.

### **About Commercial Defeasance, LLC**

Commercial Defeasance, LLC is the market leader in commercial real estate loan defeasance. The company actively manages all aspects of the 30 day defeasance process, so borrowers and their attorney and broker can focus on the related real estate transaction with confidence that the defeasance will close on time. Commercial Defeasance has continuously led the defeasance market since pioneering the CMBS defeasance business in 2000. The company has facilitated thousands of defeasance transactions in the United States and Canada for all property types from million dollar single loan transactions to billion dollar multi-loan transactions coordinated with multiple loan servicers and rating agencies to close on the same day. For more information or a free defeasance cost estimate, please visit [www.defeasewithease.com](http://www.defeasewithease.com) or call 1-800-624-4779.

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