



are maintained and of how to access those business records. From my personal review of the Lender's and LNR's books and records maintained in the ordinary course of business, I have knowledge of the facts set forth herein. I am authorized by the Lender to submit this Affidavit in support of its Motion for Relief from the Automatic Stay. Any capitalized terms used in this Affidavit shall have the same meaning as set forth in the Exhibits to this Affidavit.

**The Loan and Assumption:**

3. Attached as Exhibit A is a true copy of an Amended Complaint (the "Amended Foreclosure Complaint") filed by our attorneys against the Borrower in the Connecticut state court foreclosure action. I verify as true the factual allegations contained in Paragraphs 8 through 57 of the Amended Foreclosure Complaint related to the Loan and the Loan defaults. The Loan Documents attached to the Amended Foreclosure Complaint are true copies of the originals. Terms in this Affidavit have the same meanings as used in the Amended Foreclosure Complaint.

4. As set forth in detail in the Amended Foreclosure Complaint, the Loan in the original principal amount of \$11,500,000 was made to 300 Main Owner LLC, the Original Borrower, in 2007. Repayment of the Loan was secured by, among other things, a Mortgage and an Assignment of Leases pertaining to the Premises known as 300 Main Street, Stamford, Connecticut, and a security interest in certain Collateral, as perfected by the recording of UCC-1 financing statements. Through a series of assignments, the Lender became the holder of the Loan and the Loan Documents in or about June 2013. Also in 2013, the Original Borrower transferred title to the Premises to the Borrower and, pursuant to a Note and Mortgage Assumption Agreement dated September 10, 2013 (the "Assumption Agreement"), the Original Borrower assigned, and the Borrower assumed, the obligations under the Loan and the Loan Documents.

**The Defaults:**

5. I personally was involved in the negotiation and documentation of the Assumption Agreement. The Lender permitted the Borrower to assume the Note and Mortgage under certain conditions, one of which was valid guarantees by, among others, Thomas Kelly, Jr. and William A. Merritt, Jr. (collectively, the “Guarantors”). Since the Guarantors now claim they did not execute the Guarantees (a contention that the Lender rejects), the Lender is evaluating its rights regarding the validity of the Assumption Agreement and the resulting defaults under the Note as of September 10, 2013, the date of the Assumption Agreement.

6. It is undisputed that the Borrower defaulted on its obligations under the Note and Mortgage by failing to make payments due beginning on July 6, 2015 and all payments due thereafter. Shortly after this payment default, I was again assigned to handle the Loan.

7. In September and November of 2015, the Lender sent out Notices of Default, which advised the Borrower of the Lender’s entitlement to rents from the Premises and requested certain financial information about the Premises and the collection and use of the rents. To my knowledge, the Borrower did not respond. The Borrower’s failure to provide financial information required under the Loan Documents constitutes another default.

8. In addition, the Borrower failed to pay real estate taxes due on February 1, 2016 in the amount of \$126,228.58. The Borrower’s failure to pay real estate taxes is another default under the Loan Documents. The Lender was forced to advance unrelated reserve funds to cover the real estate tax payment.

9. The Lender obtained a title search in connection with the filing of the Amended Foreclosure Complaint. Upon review of the title search, I became aware that the Borrower encumbered the Premises with a Mortgage Deed dated September 9, 2013 in favor of First County Bank in connection with a loan from First County Bank, which is prohibited under the Loan Agreement and violates the representations stated in the Assumption Agreement. The existence of the First County Bank Mortgage Deed and the debt to First County Bank are additional defaults under the Loan Documents, which defaults are effective at least as of September 10, 2013.

10. The Borrower filed its petition in bankruptcy on February 3, 2016, which is also a default under the Loan Documents.

**The Premises:**

11. The Premises is an office building of approximately 92,000 SF with an attached parking garage located in downtown Stamford, Connecticut. The Premises is about 68% leased to approximately 20 tenants. Pleadings submitted by the Borrower in the bankruptcy proceeding reflect rental income of approximately \$115,000 per month.

12. The Lender obtained an appraisal of the Premises through Cushman & Wakefield of Connecticut, Inc. as of December 4, 2015 (the "Appraisal Report"). According to the Appraisal Report, the Premises has an "as is" value of \$11,650,000. The Appraisal Report is attached to the Affidavit of Eric D. Michel, which is submitted with this Motion.

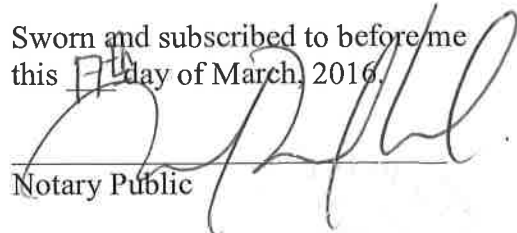
**The Indebtedness:**

13. As of the February 3, 2016 petition date, the amount due under the Loan was at least \$13,774,864.37, calculated as follows:

Principal Balance	\$11,500,000.00
Interest at the Contract Rate of 5.75% from 6/7/2015 to 2/3/2016 (\$1,835.21/day for 241 days)	\$ 442,285.61
Interest at the Default Rate of 5% from 9/10/2013 to 2/3/2016 (\$1,597.22/day for 876 days)	\$ 1,399,164.72
Late Fees	\$ 16,786.24
Prepayment fee	\$ 655,172.99
Attorney's Fees and Costs	\$ 57,571.44
Tax Advance	\$ 126,228.58
Less Reserves applied to Contract Interest and Taxes	(\$ 407,015.46)
Tax Advance Shortfall	17,482.67
Credit for remaining reserves	(\$ 40,762.42)
Appraisal Fees	<u>\$ 7,950.00</u>
<b>TOTAL DUE:</b>	<b>\$13,774,864.37</b>

Combined Contract and Default Rate interest accrue at a rate of \$3,432.43 per day.

  
Aaron P. Guillotte

Sworn and subscribed to before me  
this 14<sup>th</sup> day of March, 2016.  
  
Notary Public

