



Zegan of Madison Realty Capital closes \$12.75 million in financing; 71,000 s/f, 10-story mixed-use apartment and commercial development

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Madison Realty Capital (MRC) closed \$12.75 million in note financing for the third-party purchase of a defaulted note secured by the mixed-use development located at 3052 Brighton 1st St. Joshua Zegen, co-founder and managing member - investment committee of Madison negotiated the deal. Madison closed within three weeks of sourcing the transaction, working to meet the borrower's year-end 2012 timing needs.

"This transaction was all about speed and certainty of execution. Our platform enables us to quickly assess and underwrite transitional deals and ultimately deliver funds to developers and investors within their time constraints," said Josh Zegen, co-founder and managing member of MRC. "On this particular deal, the borrower's strategy was to acquire the note and we facilitated that with note purchase financing, which has become increasingly popular over the past year."

3052 Brighton 1st St. is a 71,000 s/f, 10-story mixed-use apartment and commercial development featuring 41 residential units, 7 commercial or community space units, and 34 parking spaces.

Originally conceived as a condominium, the project was financially distressed but is 95% complete with only finishing touches on construction needed. The borrower is acquiring the defaulted mortgage with funding from MRC and contributing new equity to the project, which cost in excess of \$24 million to build. The current business plan is to obtain a certificate of occupancy and proceed to market the units as condos or rentals in this prime Brighton Beach location situated near popular shops and restaurants.

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