
**Section 1: 8-K (INLAND RESIDENTIAL PROPERTIES TRUST, INC. - 8K
- 8/20/19)**

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 20, 2019

INLAND RESIDENTIAL PROPERTIES TRUST, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

000-55765

(Commission File Number)

80-0966998

(IRS Employer Identification No.)

**2901 Butterfield Road
Oak Brook, Illinois 60523**

(Address of Principal Executive Offices)

(630) 218-8000

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:

None

Trading Symbol(s)

None

Name of each exchange on which registered:

None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with

any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [X]

Item 2.01. Completion of Acquisition or Disposition of Assets.

On August 20, 2019, Inland Residential Properties Trust, Inc. (the "Company"), through IRESI Montgomery Mitylene, L.L.C., an indirect wholly owned subsidiary of the Company, completed the previously disclosed sale of a 376,968 square foot 332-unit apartment community known as the Verandas at Mitylene, located at 8850 Crosswind Drive, Montgomery, Alabama (the "Property") pursuant to an agreement dated December 21, 2018, as amended previously on January 23, 2019, February 19, 2019, June 7, 2019, June 25, 2019 and July 26, 2019 (the "Agreement"). The buyers of the Property are Mitylene MTG Holdings II, LP and RHM Oakdell LLC (assignees of the previously disclosed buyer, B & M Development Company, L.L.C.), unaffiliated third parties. At the closing, the Company received net proceeds of approximately \$17.5 million representing the purchase price of \$40.5 million, net of closing costs, commissions, and certain prorations and adjustments, and the full repayment of approximately \$21.9 million in mortgage debt that encumbered the Property.

For additional information, reference is made to the Agreement, which is attached hereto as Exhibits 10.1 - 10.6, and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(b) Pro forma financial information.

Unaudited pro forma consolidated statement of net assets as of June 30, 2019 reflecting the sale of the Property is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Purchase and Sale Agreement between IRESI Montgomery Mitylene, L.L.C. and B & M Development Company, L.L.C., dated December 21, 2018 (incorporated by reference to Exhibit 10.31 of the Company's Annual Report on Form 10-K filed with the SEC on March 29, 2019)</u>
10.2	<u>Amendment to Purchase and Sale Agreement between IRESI Montgomery Mitylene, L.L.C. and B & M Development Company, L.L.C., dated January 23, 2019 (incorporated by reference to Exhibit 10.32 of the Company's Annual Report on Form 10-K filed with the SEC on March 29, 2019)</u>
10.3	<u>Second Amendment to Purchase and Sale Agreement between IRESI Montgomery Mitylene, L.L.C. and B & M Development Company, L.L.C., dated February 19, 2019 (incorporated by reference to Exhibit 10.33 of the Company's Annual Report on Form 10-K filed with the SEC on March 29, 2019)</u>
10.4	<u>Third Amendment to Purchase and Sale Agreement between IRESI Montgomery Mitylene, L.L.C. and B & M Development Company, L.L.C., dated June 7, 2019 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on June 13, 2019)</u>
10.5	<u>Fourth Amendment to Purchase and Sale Agreement between IRESI Montgomery Mitylene, L.L.C. and B & M Development Company, L.L.C., dated June 25, 2019 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on June 28, 2019)</u>
10.6	<u>Fifth Amendment to Purchase and Sale Agreement between IRESI Montgomery Mitylene, L.L.C. and B & M Development Company, L.L.C., dated July 26, 2019 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on August 1, 2019)</u>
99.1	<u>Unaudited pro forma consolidated statement of net assets as of June 30, 2019</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INLAND RESIDENTIAL PROPERTIES TRUST, INC.

Date: August 23, 2019

By: /s/ Catherine L. Lynch
Name: Catherine L. Lynch
Title: Chief Financial Officer and Treasurer

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Section 2: EX-99.1 (UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS AS OF JUNE 30, 2019)

Exhibit 99.1

INLAND RESIDENTIAL PROPERTIES TRUST, INC. PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS

On August 20, 2019, Inland Residential Properties Trust, Inc. (the “Company”), through IRESI Montgomery Mitylene, L.L.C., an indirect wholly owned subsidiary of the Company, completed the previously disclosed sale of a 376,968 square foot 332-unit apartment community located at 8850 Crosswind Drive, Montgomery, Alabama, commonly known as “Verandas at Mitylene” (the “Property”) pursuant to an agreement dated December 21, 2018, as amended previously on January 23, 2019, February 19, 2019, June 7, 2019, June 25, 2019, and July 26, 2019 (the “Agreement”). The buyers of the Property are Mitylene MTG Holdings II, LP and RHM Oakdell LLC (assignees of the previously disclosed buyer, B & M Development Company, L.L.C.), unaffiliated third parties. At the closing, the Company received net proceeds of approximately \$17.5 million representing the purchase price of \$40.5 million, net of closing costs, commissions, and certain prorations and adjustments, and the full repayment of approximately \$21.9 million in mortgage debt that encumbered the Property.

The following unaudited pro forma consolidated statement of net assets is presented for illustrative purposes only and is not necessarily indicative of the net assets in liquidation that would have been realized had the Property been disposed of by the Company as of June 30, 2019. The pro forma consolidated statement of net assets (including notes thereto) is qualified in its entirety by reference to and should be read in conjunction with the Company’s historical audited consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2018 and the Company’s historical unaudited consolidated financial statements included in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019. In the Company’s opinion, all adjustments necessary to reflect the disposition have been made.

The accompanying unaudited pro forma consolidated statement of net assets as of June 30, 2019 (liquidation basis) is presented as if the disposition of the Property had occurred on June 30, 2019.

The accompanying pro forma consolidated statement of net assets is unaudited and is subject to a number of estimates, assumptions, and other uncertainties, and does not purport to be indicative of the actual results of liquidation that would have occurred had the disposition reflected therein in fact occurred on the date specified, nor does such financial statement purport to be indicative of the results of liquidation that may be achieved in the future.

INLAND RESIDENTIAL PROPERTIES TRUST, INC.
CONSOLIDATED STATEMENT OF NET ASSETS
(Liquidation Basis)
June 30, 2019

	<u>Historical</u>	<u>Sale of the Property (A)</u>	<u>Pro Forma</u>
<u>ASSETS</u>			
Real estate investments at fair value	\$ 40,000,000	\$ (40,000,000)	\$ -
Cash	4,904,655	17,508,837	22,413,492
Total assets	<u>44,904,655</u>	<u>(22,491,163)</u>	<u>22,413,492</u>
<u>LIABILITIES</u>			
Mortgages payable	\$ 21,930,000	\$ (21,930,000)	\$ -
Due to related parties	5,399,441	-	5,399,441
Transaction costs payable	425,751	(425,751)	-
Liabilities for estimated costs in excess of estimated receipts during liquidation (B)	667,495	(404,896)	262,599
Total liabilities	<u>28,422,687</u>	<u>(22,760,647)</u>	<u>5,662,040</u>
Commitments and contingencies			
Net assets in liquidation	<u>\$ 16,481,968</u>	<u>\$ 269,484</u>	<u>\$ 16,751,452</u>

NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS
June 30, 2019

The unaudited pro forma consolidated statement of net assets has been adjusted as discussed in items below.

- (A) Adjustments have been made for the sale of the Property to the buyers for \$40.5 million. The Company would have received pro forma net cash proceeds of \$17.5 million, after paying off the mortgage loan, prorations, closing costs and other transaction expenses.
- (B) As a result of the pro forma sale as of June 30, 2019, the liabilities for estimated costs in excess of estimated receipts during liquidation would have decreased by \$0.4 million.