



The Hoyt
Organization

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**MOUNTAIN REAL ESTATE CAPITAL ACQUIRES
WILMINGTON N.C. WATERFRONT COMMUNITY**

WILMINGTON, N.C.—Jan. 24, 2011—Charlotte-based Mountain Real Estate Capital (MREC) announces the acquisition of the TidalWalk seaside community in Wilmington, N.C. MREC will team with Raleigh-based LStar Land as its co-developer of the project.

TidalWalk is an exclusive 197-lot single-family development located on the Intracoastal Waterway south of downtown Wilmington. The community boasts a private beach, covered pier, nine boat slips, its own small island, clubhouse and homesites with panoramic water views. Additional planned amenities include a swimming pool, cabana and network of elevated boardwalks.

MREC acquired the project from a bank syndicate led by Southern Community Bank & Trust with a note of approximately \$31 million. The transaction closed on Dec. 30, 2010, just eight days after reaching an agreement with the bank group.

“TidalWalk was the third large residential asset in North Carolina that we acquired from banks in December,” states MREC’s chief executive officer, Peter Fioretti. “It is a magnificent waterfront community, which complements perfectly our other two acquisitions - a mountain resort community in Asheville and an infill project in Charlotte. These three projects contain approximately 1,000 lots, which we will sell to or venture with select large private and public homebuilders over the next five years. Additionally, we have hard deposits to close on two more sizable developments next week in the Northeast and California. Projected sales of these recent five acquisitions are

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approximately \$160 million.”

TidalWalk is MREC’s second project closed with co-developer LStar Land. “This is a tremendous opportunity for our firm, both in terms of being involved in the development of a truly unique piece of real estate in a great town, and also teaming up with an investor like Mountain,” says LStar’s president, Kyle Corkum. “It would not have been possible to close this acquisition if Mountain, in addition to having the ability to write a check, did not also possess hands-on development and homebuilding experience needed to quickly underwrite this complex project alongside our development team.”

MREC is organized to invest \$1 billion in bank REO/NPL with a focus on residential development loans/projects to be either acquired or restructured/recapitalized for existing borrowers. In 2010, MREC acquired over \$600 million of loans from 18 banks, including multiple transactions with Synovus and Bank of America. These NPL/REO acquisitions totaled over 7,750 lots plus another 7,400 acres of developable land. Its nationwide team of seasoned investment managers and local development and builder partners enabled MREC to close each of these REO/NPL transactions within 30 days from agreement.

MREC’s bank portfolio acquisition platform is headed by its chief investment officer, Arthur Nevid, located at the company’s Charlotte headquarters. Its homebuilder joint venture program is led by Joel Kaul, managing director out of the Minneapolis office. The national origination team has additional offices in Atlanta, Los Angeles, Richmond and Newport Beach. Most of the group is comprised of former bank REO managers who had been responsible for the management and disposition of 46,000 lots and homes valued at over \$2 billion, and currently manage over \$600 million of various residential and commercial assets for MREC.

“This acquisition was truly another challenging fire drill to close,” states Nevid. “There were entitlement, title, sewer and development issues to solve, all within eight days. Fortunately, we received a lot of cooperation from the city and from the selling bank, and of course from the development professionals on LStar’s staff. Although most

bank asset acquisitions come with issues and surprises, assessing TidalWalk's challenges within two weeks before year-end took some additional effort. But we knew the effort would be worth it, and we are already close to signing lot sale contracts with both national public and local private homebuilders for a significant portion of the subdivision."

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About Mountain Real Estate Group

The Mountain Real Estate Group is focused on expanding its acquisition program by purchasing large portfolios and NPL/REO assets direct from banks. Additionally, the group provides capital through flexible debt arrangements, joint purchases, and restructure of current debt to its builder/developer/investor partners. Mountain's equity fund is positioned to invest up to \$1 billion in these types of opportunities.

Since 1993 Mountain has been a leading private capital source to its partners. Mountain Real Estate Capital is the equity investment arm of the Mountain Real Estate Group. Other affiliates include its lending group, Mountain Funding, LLC, and its management and special servicing group, Mountain Asset Management Group, LLC. More information can be found at <http://www.mountainrecapital.com>.