



**The Hoyt**  
Organization

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**MOUNTAIN REAL ESTATE CAPITAL ACQUIRES  
56-COMMUNITY PORTFOLIO FROM BANK OF NORTH GEORGIA**

ATLANTA—June 1, 2010—Mountain Real Estate Capital announces the purchase of a portfolio of 56 residential communities throughout the greater Atlanta area from Bank of North Georgia. The assets purchased by Mountain, which had a prior basis of approximately \$51 million, are composed of approximately 500 acres and over 700 home sites. The dual plan is to first sell some of the projects to builders, and second to build houses in joint venture with local and regional builders with whom the company has an existing relationship. Mountain underwrote and closed the purchase of this portfolio within 30 days from entering into a purchase agreement.

“What differentiated this bank portfolio from others that we have underwritten in Georgia is that the assets consist substantially of finished lots with a manageable amount of raw land, and the locations are clustered in the better counties surrounding Atlanta,” said Arthur Nevid, chief investment officer of Mountain Real Estate Capital. “We are confident that we will be able to quickly sell some of these quality projects on a retail basis to merchant builders, but realize even greater upside through the construction of houses in joint venture with qualified builder partners.”

Tom Mahathirath, senior investment manager, originated this transaction with Bank of North Georgia through an existing relationship. “We are already moving forward on the acquisition of two more portfolios from this same bank, which will help it improve its balance sheet. We are looking for win-win situations with financial institutions that need to sell portfolios quickly and need a buyer that is dependable, moves fast, and provides a high level of certainty with closing.”

Mountain’s effort to manage, sell or build out these communities will be spearheaded by its affiliate, Mountain Asset Management. “Our group is fortunate to include over a dozen professionals previously employed by GMAC-ResCap’s Business Capital Group who have been responsible over the past 30 months for the management

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and disposition of over 32,000 lots and homes valued at over \$2 billion in similar types of communities,” states Tom Clement, Mountain’s director of asset management and special servicing. “We are active in all major housing markets and have established working relationships with most national and regional homebuilders across the country which gives us a leg up in the underwriting, management and disposition of portfolios such as these.”

Mountain Real Estate Capital is the equity investment arm of the Mountain Real Estate Group, and is headed by industry veterans Peter Fioretti, CEO, Arthur Nevid, CIO, Joel Kaul, managing director, and Kevin Mast, CFO, each with over 20 years of experience investing in, developing and owning value-added real estate. Other affiliates include its lending group, Mountain Funding, and its management and special servicing group, Mountain Asset Management.

“We have been a leading private capital provider since 1993 with a focus on value-added residential and commercial opportunities,” says Fioretti. “In this opportunistic environment, our focus is entirely in assisting banks with the disposition of their distressed portfolios and individual assets, and providing equity capital in joint ventures with select developers and builders. With our underlying focus being relationships, we pride ourselves on being extremely responsive to our partners and sellers, and are generally able to close transactions within 30 days.”

Fioretti adds, “We intend to close on multiple bank NPL/REO portfolios this year, as many banks now have the reserves set aside to close on these types of transactions. We are also focusing on banks that need an additional equity infusion into Tier 1 capital in order to effectuate a larger portfolio sale.”

Mountain Real Estate Capital is organized to invest \$1 billion in the following types of investments:

- Acquisition of bank REO and NPL portfolios, residential and commercial
- Acquisition of opportunistic assets for its own account or in partnership with developers
- Joint ventures with national and regional homebuilders and developers.

Approximately \$100 million was invested in U.S. real estate by Mountain in the first quarter of 2010.

Headquartered in Charlotte, N.C., Mountain has origination and management offices in most major regions of the country, including Atlanta where this transaction originated. Many of its professionals joined in 2009 from GMAC-ResCap's Business Capital Group where they were responsible for the management and disposition of well over \$2 billion of residential assets. Today, Mountain's team is involved in the ownership or management of over \$1 billion of property throughout the U.S.

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**About Mountain Real Estate Group**

Since 1993, The Mountain Real Estate Group has been a leading private capital source for real estate developers, builders and operators seeking to enhance value in their existing projects or to take advantage of new opportunities. In the current environment, developers and builders have been teaming up with its investment affiliate Mountain Real Estate Capital nationally to capitalize on the opportunities currently available, either through the restructure of their existing equity or debt arrangements or the joint purchase of a newly identified distressed opportunity. For more information, visit [www.mountainregroup.com](http://www.mountainregroup.com).