



**The Hoyt**  
Organization

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**MOUNTAIN REAL ESTATE CAPITAL ACQUIRES ASSETS  
IN \$15 MILLION JOINT VENTURE WITH SHEA HOMES**

ORLANDO, Fla.—July 28, 2010—Mountain Real Estate Capital (MREC) continues the success of its opportunistic investment platform during 2010 with the closing of a \$15 million joint venture with Shea Homes Active Lifestyle Communities. The joint venture purchased the Cascades Community located in Groveland, Florida, just west of Orlando, from Bank of America. The Cascades Community is a 1,000-unit active adult project located in the highly successful U.S. 27 corridor of Orlando. The project will be developed as a Shea Trilogy community. Recreational amenities will include tennis and basketball courts, state-of-the-art exercise and pool facilities and one of the largest clubhouses (38,000 square feet) of its kind in the Orlando marketplace. Home prices in the community will range from \$195,000 to \$275,000. Under the joint venture, Shea Homes plans to construct 750 homes on the remaining home sites at the Cascades project, with a total projected sellout value in excess of \$175 million. Mountain was able to underwrite and close the joint venture in 30 days.

“We view this transaction as a great opportunity for our group to partner with one of the premier private home builders in the United States,” said Peter Fioretti, chief executive officer of MREC. “We are convinced that this community will successfully appeal to the active adult buyer looking for the right mix of diverse amenities and quality housing in the Orlando area. We are even more excited to establish a relationship with an experienced builder like Shea Homes, who we fully expect will be our partner on many projects in the future. I’ve personally known members of the Shea family for some 10 years, and they are truly a class act with tremendous success in being the best homebuilder in their specific market niches.”

Joel Kaul and Eric Bialke of MREC worked directly with the Shea team to establish the new joint venture. “We believe the Cascades Community will be a great success for our partnership and for the current and future homeowners of the community,” says Kaul. “The Shea Trilogy brand has been very successful all over the United States and their implementation of this brand at Cascades will create value for everyone associated with the community.”

Shea Homes Active Lifestyle Communities division is led by Rick Andreen and Jeff McQueen as president and EVP. Andreen and McQueen have led the Active Lifestyle Communities division for the past 10 years and have developed and sold over 10,000 homes to active adults since 1999.

“We are extremely excited to kick off our relationship with Mountain Real Estate Capital,” states Andreen. “We believe that there will be great home building opportunities over the next few years and to team up with an aggressive and creative equity group like Mountain is exactly what we need to continue to grow our Lifestyle Communities division.”

Mountain Real Estate Capital is the equity investment arm of the Mountain Real Estate Group. Other affiliates include its lending group, Mountain Funding, and its asset management group, Mountain Asset Management. The new investment entity is focused on three types of investments:

- Acquisition of bank REO and NPL portfolios and bank equity recapitalizations
- Acquisition of opportunistic assets for its own account or in partnership with developers
- Joint ventures with national and regional homebuilders to develop and sell residential lots and houses

The Mountain Real Estate Group, headquartered in Charlotte, N.C., has origination and management offices in most major regions of the country. Many of its professionals joined Mountain 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 worth of property throughout the U.S. Joel Kaul, who manages the origination effort for Mountain Real Estate Capital Partners, also headed the group of professionals who came over from GMAC-ResCap.

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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 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. Mountain’s equity fund is organized to invest up to \$1 billion in these types of opportunities, with approximately \$130 million having been invested in the first half of 2010.

### **About Shea Homes Active Lifestyle Communities**

Known in the Orlando area for its Victoria Gardens Community, Shea Homes offers premium resort communities under the Trilogy brand giving consumers a new choice in living revolving around wellness,

exploration, continued learning, and close personal connections. Architecturally superior product design and amenities reflect the changing needs of the baby boom generation, including business services, world-class clubs, state-of-the-art fitness facilities and a diverse range of recreation and education opportunities. Shea Homes Active Lifestyle Communities is committed to addressing Boomers' growing concerns about energy usage and the environment, and offers Shea Green Certified™ Homes across its portfolio with numerous "green" features and solar power systems that are available on all homes. J.D. Power and Associates ranked Trilogy by Shea Homes "highest in customer satisfaction" in 2007 and 2008.

### **About Shea Homes**

For more than 125 years, members of the Shea family and their companies have accomplished many extraordinary milestones including work on the foundation of the landmark Golden Gate Bridge, San Francisco Bay Area's Rapid Transit System (BART) and managing the construction of the Hoover Dam. Shea Homes introduced its Trilogy brand to the market in 1999 as the centerpiece of its Active Lifestyle Communities division. Today, SHLC is the fastest growing component of Shea Homes business with 11 active lifestyle communities currently open and plans to expand nationally. For more information, visit [www.TrilogyLife.com](http://www.TrilogyLife.com) or by calling 800.685.6494