



For: Mountain Funding, LLC

Contact: Leeza Hoyt [lhoyt@hoytorg.com](mailto:lhoyt@hoytorg.com)  
Vanessa Amin [vamin@hoytorg.com](mailto:vamin@hoytorg.com)  
(310) 373-0103  
(310) 378-9805 Fax

**FOR IMMEDIATE RELEASE**

**MOUNTAIN FUNDING ENTERS FINISHED LOT TAKEDOWN PROGRAM  
WITH K. HOVNIANIAN IN SOUTHERN CALIFORNIA**

Riverside County, Calif. - September 25, 2002 - Mountain Funding, LLC, a major nationwide provider of mezzanine and joint venture capital to real estate developers, announces a \$34.0 million financial commitment to K. Hovnianian of California on a new project in Riverside County, California with projected sales of \$230 million.

“We are pleased to expand our home-building finance business in California and believe the company’s relationship with national builders like K.Hovnianian and its ability to creatively structure a variety of structured finance products for residential and commercial builders will lead to additional business within the state,” said Peter Fioretti, CEO of Mountain Funding.

Mountain Funding has executed a structured lot financing program that includes the phased acquisition of 1,100 single-family lots in Heartland Village, a 670-acre gated master-planned community. The K. Hovnianian “Four Seasons” community will feature age-restricted homes with a range of styles and pricing with four product

- more -

types that include lot sizes of 3300, 4000, 5000, and 6000 square feet. The homes will range from 1300 SF to 2800 SF, with average prices for each lot size of \$170,000; \$190,000; \$210,000 and \$250,000 respectively. It will also include a luxurious 15,000 SF clubhouse to accommodate various homeowner activities.

Heartland Village will deliver up to 1,435 homes, which will include a championship 18-hole, daily fee golf course and a variety of additional upscale amenities. Another national builder, KB Homes, has acquired the remaining 345 non-age restricted lots and has commenced construction.

"Our commitment to Heartland Village furthers our strategy of delivering top quality homes to sophisticated buyers in Riverside County and Southern California," said Nick Pappas, President of K. Hovnanian of California. "The flexible lot financing offered by Mountain Funding allowed us to make a longer-term commitment to the Heartland Village community while moderating our financial risk and gave us the advantage of structuring a deal with the land developer before the property went to the market for sale. This helped our commitment to such a large project, with projected sales of \$230 million."

Headquartered in Charlotte, North Carolina, with offices in Princeton, New Jersey, and Boca Raton, Florida, Mountain Funding, LLC provides high-leverage (up to 95%) senior/mezzanine debt and equity to value-added income projects and entities. Established in 1993, Mountain Funding has closed equity and debt transactions involving real estate projects valued in excess of \$2.8 billion. The firm targets situations that are undervalued or under-performing and have realistic potential for significant value and/or cash flow enhancement. Typical value-added projects include condominium conversions, commercial/residential repositionings, expansions and improvements, and low-leverage land. For more information visit [www.mountainfunding.com](http://www.mountainfunding.com).

-end-