

THE  
HOYT  
ORGANI-  
ZATION

Contact: Katie Rampen [krampen@hoytorg.com](mailto:krampen@hoytorg.com)  
Leeza L. Hoyt [llhoyt@hoytorg.com](mailto:llhoyt@hoytorg.com)  
The Hoyt Organization  
310-373-0103 Phone  
310-378-9805 Fax

Draft for approval 4/17/02

**Mountain Funding  
To Invest \$5.3 Million Preferred Equity  
For Houston Apartment Repositioning**

**Transaction to close in three weeks**

Charlotte, NC/Houston, TX- April 19, 2002- Mountain Funding LLC, a national real estate lending and investment company based in Charlotte, NC, today announced its commitment to invest \$5.3 million as preferred equity towards the acquisition and repositioning of an existing Class-A multi-family project in a western suburb of Houston.

The project, a 430-unit gated apartment community, has amenities that include a resort-style swimming pool, heated spa, clubroom, and business/computer center. The developer, one of the area's most successful and largest multi-family owners, plans to enhance the project's value through capital improvement, cost reduction and rental increases.

“Due to the high-leverage nature of its investment, the senior conduit lender required Mountain's investment to be a direct investment in the owning partnership, and

not a conventional mezzanine loan,” said Peter Fioretti, president and CEO of Mountain Funding. “This deal is a prime example of how a private financing company can help where traditional lenders cannot.”

Mountain’s 3-year investment bridges the gap in the capital structure from 79% to 96% loan-to-cost, with the senior loan being provided by a Wall Street conduit. In return for its preferred equity investment, Mountain will receive a 15% preferred return, a 2.5% commitment fee, and ultimately 45% of the profits projected to yield a 30% return in the aggregate. Financing has been arranged by The Carlton Group, (based where? \_\_\_\_\_). The deal is scheduled to close in three weeks.

Mountain Funding LLC, headquartered in Charlotte, NC with additional offices in Princeton, NJ and Boca Raton, FL, provides high-leverage senior/mezzanine debt and equity to real estate 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. For more information visit [www.mountainfunding.com](http://www.mountainfunding.com).

-end-