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FOR IMMEDIATE RELEASE

**MOUNTAIN FUNDING CLOSSES \$10 MILLION
OCEANFRONT LAND LOAN**

Palm Coast, FL - January 8, 2003 - Mountain Funding, LLC, a direct lender and investor of high-leverage, senior mezzanine debt and equity to value-added income projects and entities, has closed a \$10 million land loan on an oceanfront property in Palm Coast, Florida.

The borrower, Bay Communities, is approved to construct a 190-unit luxury hi-rise condominium project on the property, at which time Mountain Funding will subordinate its loan to a construction loan. The condominiums known as Surf Club III are valued at \$66 million.

Bay Communities, an experienced condominium developer and converter headquartered in Lynnfield, Massachusetts, is currently constructing a similar project on the adjacent parcel. Both projects are located within a gated community directly on the beach in beautiful Palm Coast, FL. All units have ocean views and direct beach access, and homeowners are entitled to use any of the five local championship golf courses.

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“Land loans are often tricky, but this was the perfect situation despite the short timeframe presented to us for closing,” noted Peter J. Fioretti, Mountain Funding’s CEO. “The property is breathtaking and, being beachfront, an increasingly rare commodity. Plus, Bay Communities has not only expertly entitled and designed the project, but it has successfully pre-sold the majority of the units in both buildings.”

Mountain’s \$10 million loan has a 12-month term and may be extended for an additional six months.

Mountain Funding LLC, headquartered in Charlotte, NC with additional offices in Princeton, NJ and Boca Raton, FL, provides high-leverage “one-stop” senior/mezzanine/equity financing to value-added residential and commercial projects and special situations requiring quick closings. 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.

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