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PEMBROOK CAPITAL MANAGEMENT PROVIDES \$48.2 MILLION OF FINANCING FOR MULTIFAMILY AND RETAIL PROPERTIES

Pembrook Delivers Bridge Loans, Mezzanine Financing and Preferred Equity for New Development, Acquisition, and Repositioning of Properties in Locations Throughout U.S.

November 30, 2012 – New York, NY – [Pembrook Capital Management LLC](#) (Pembrook), a commercial real estate investment manager that provides financing throughout the capital structure including first mortgages, mezzanine, bridge loans, note financings, and preferred equity for most property types, as well as tax-exempt bond financing for the acquisition, construction and rehabilitation of multifamily housing, announced the recent closing of five real estate loans. Pembrook works with real estate developers and investors to deliver financing for new construction, acquisition, and repositioning, focusing on primary and secondary markets with high barriers to entry.

“These transactions show Pembrook’s national reach and knowledge of local real estate markets, as well as our understanding of borrowers’ needs in the current financing environment,” said Stuart J. Boesky, Pembrook’s President and Chief Executive Officer. “We consistently demonstrate the ability to provide financing solutions at all levels of the capital stack, and this flexible approach has, in our opinion, attracted quality deals from strong sponsors.”

Pembrook provided a total of \$48.2 million of financing in five transactions, comprised of a preferred equity investment, two bridge loans, and two mezzanine loans, for properties that had a total capitalization of approximately \$122 million.

Multifamily:

- **San Jose, CA** – \$16.5 million preferred equity investment for construction of 218-unit Class A multifamily rental apartment complex (Pembrook previously provided an \$8.37 million first mortgage bridge loan for site acquisition).
- **Denver, CO** – \$18.3 million first mortgage bridge loan for acquisition and renovation of 345-unit garden-style rental apartment complex.
- **Sacramento, CA** – \$5.35 million first mortgage bridge loan to fund the acquisition from court-appointed receiver and the planned repositioning of 218-unit garden-style affordable rental housing complex.

Retail:

- **Santa Fe, NM** – *\$4.0 million mezzanine loan for recapitalization of successful outlet mall.*
- **Jackson, MS** – *\$4.05 million mezzanine loan for acquisition of an existing high-end boutique shopping center and construction of a new Whole Foods store at the property.*

At Pembroke, Mr. Boesky leads a team of 12 professionals in managing the firm's investments. Since inception, Pembroke has originated or participated in 50 investments totaling in excess of \$500 million, including properties with a total capitalization over \$1.5 billion, and continues to invest in new senior mortgage, mezzanine, and preferred equity positions as well as tax-exempt multifamily housing bonds nationwide.

Meridian Apartments – San Jose, CA

Pembroke provided a \$16.5 million preferred equity investment in conjunction with a \$42 million senior loan for the construction of a \$69.3 million, 218-unit luxury rental apartment project in San Jose, CA. Earlier this year, Pembroke provided the developer with a bridge loan of \$8.37 million for land acquisition and site assembly. San Jose is the 10th largest U.S. city, and ranks as the largest and most influential high-tech center in the world according to a 2009 Milken Institute study. In addition, according to the Wall Street Journal in a September 2012 article, the City of San Jose has the highest median income of any major city in the U.S.

Villas at Parker Apartments (formerly Windsor Court Apartments) – Denver, CO

Pembroke provided an \$18.3 million first mortgage loan for the acquisition and repositioning of a 345-unit garden-style apartment complex in Denver, CO that was 76% occupied at the time the loan closed. The sponsor will address deferred maintenance and overhaul the property, bringing vacant units back online, and restoring the appeal and value of this well-located property in Denver's thriving Southeast submarket. The sponsor is an experienced multifamily owner with a strong presence in the local sub-market.

Lotus Landing Apartments (formerly Azure Park) – Sacramento, CA

Pembroke provided a \$5.35 million bridge loan to fund the acquisition and repositioning of the former Azure Park Apartments in Sacramento, CA (now renamed Lotus Landing Apartments). The property is a 220-unit, 100% affordable apartment community that is 84% occupied. The property previously suffered from excess leverage, leading to deferred maintenance, and, consequently, declining occupancy, which caused the property to ultimately be transferred to receivership. The new sponsor will implement a renovation program designed to address deferred maintenance, upgrade unit interiors and make cosmetic enhancements with a focus on improving tenant quality. The sponsor is an experienced owner of affordable housing with approximately 3,000 units on the West Coast. Pembroke's understanding of affordable housing financing

structures enabled both a quick closing to preserve as many of the remaining low-income housing tax credits as possible and the sponsor to commence the planned renovation/turn-around as soon as possible.

Fashion Outlets of Santa Fe – Santa Fe, NM

Pembrook provided a \$4.0 million mezzanine loan in conjunction with a new \$11 million first mortgage for the recapitalization of a successful outlet center in Santa Fe, NM. Fashion Outlets of Santa Fe is currently 88% leased, primarily to national brand retailers including Polo and Nike. The Pembrook loan enables the borrower, a successful developer of outlet centers, to refinance the existing loan after negotiating a discounted payoff and ultimately complete its ongoing business plan to upgrade and reposition the property.

Highland Village – Jackson, MS

Pembrook provided a \$4.05 million mezzanine loan in conjunction with a new \$20.5 million first mortgage for the acquisition of a well-established boutique shopping center in Jackson, MS, and the subsequent construction of a 30,500-square-foot Whole Foods store at the site. Highland Village sits on 15 acres located directly off Interstate 55 offering the center high visibility. The center is 92% occupied by mostly local, specialty, high-end soft goods retailers and several high-end restaurants that appeal to the local population. The sponsor of the asset is one of the largest privately-owned retail development firms in the country.

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Pembrook Capital Management, LLC

Founded in 2006 by Stuart J. Boesky, Pembrook Capital Management invests in and originates commercial real estate debt to finance all parts of a capital structure including first mortgages, mezzanine, bridge loans, note financings, and preferred equity across the United States. The firm invests in most commercial real estate property categories, including multifamily, office, retail and industrial.

Pembrook Capital Management has offices in New York and Boston.

<http://www.pembrookgroup.com/>