

CAPSTONE ADVISORS –2010 YEAR END ASSET MANAGEMENT HIGHLIGHTS

CARLSBAD, Calif. – Capstone Advisors reports that 2010 was marked by several new asset management engagements – a trend the company expects will gain momentum in 2011 as a growing number of real estate lenders, owners and institutional investors look to reposition their assets in a highly challenging economic climate.

Since its founding in 1996, Capstone Advisors has served as advisor and asset manager for institutional investors in hundreds of complex real estate investments and developments; has purchased 4.1 million square feet of multi-tenant retail, industrial and office properties; provided third party asset management for 1.5 million square feet of value added commercial real estate projects; and provided consulting and asset management services for 10 large-scale master-planned communities. Through its partnerships, Capstone Advisors has entitled or developed 27,000 residential lots and built and sold 5,000 homes – experience that is proving invaluable to real estate owners and investors today.

“Many lenders, owners and investors have had their projects impacted due to severe market dynamics and need the assistance of a fully integrated asset management and development firm to perform detailed project analysis and operational execution in order to reposition their investments in today’s environment,” said Zikakis. “While this is clearly a very tough time for real estate across almost all asset classes, there is opportunity in every cycle. Our number one priority is to help our clients develop appropriate strategies that are tailored to their specific situation and objectives.”

This focus is leading to a wave of new asset management engagements for Capstone Advisors. “The markets are still struggling to find balance and for many assets the recovery will be a slow process in the near term,” he said. “Our services can help real estate owners and institutional investors stabilize their assets, minimizing losses and positioning them for future upside.”

Examples of the company’s new 2010 asset management assignments include:

- **Asset Management/Entitlements** – Capstone Advisors was engaged by several large international financial institutions to preserve and perfect existing entitlements and approvals for numerous large scale development projects. The projects included an urban land parcel for a 2.8-million-square-foot office park as well as an urban infill site for a 400-unit apartment complex. Other responsibilities consist of performing day-to-day oversight of the projects including real estate tax assessment appeals, site maintenance and preservation, SWPPPS compliance, securing the sites and maintaining adequate insurance for commercial and residential land assets. Capstone successfully obtained one of the largest real estate tax reassessments in California.
- **Commercial Development Consulting** – Capstone Advisors was hired to perform a detailed development study for a public agency to help detail the constraints and opportunities of a high profile suburban infill surplus commercial use land parcel in a highly desirable Southern California coastal market. The engagement included deriving development strategies that focus on the agency’s objectives and the appropriate commercial real estate uses for the property to maximize land value.

- **Master-plan Communities Consulting** – Capstone Advisors was engaged by a large institutional lender to provide pre-foreclosure due diligence, underwriting and exit strategy analysis for three master planned communities that had ceased development but were planned for 11,300 lots with complex amenities such as lakes, golf courses, clubhouses, equestrian centers and trails. In all three cases the developer had initiated development of the first phase of lots, including a significant amount of the backbone infrastructure before financial difficulties halted development.
- **Value Engineering Consulting** – Capstone Advisors was contracted to analyze the current development plan for a 1,500-plus lot community in Riverside County for an institutional real estate lender. The project consists of a to-be-built master planned community designed to have a large assisted living component and a golf course. Capstone Advisors provided entitlement modification recommendations to maximize the property’s marketability and value.
- **Dispositions** – Capstone Advisors was hired to assist a financial institution in selecting and managing a brokerage firm to market for sale a high profile REO multi-family property. The scope of the multi-family engagement included overseeing the marketing of the property, providing analysis and input in the selection of a winning bidder, overseeing the sell-side due diligence process, and assisting with the negotiations and closing of the transaction. Capstone Advisors was also selected to oversee the successful sale of substantially completed residential lots and standing model home complexes in Riverside County.
- **Construction** – Capstone Advisors was also chosen to asset manage the homebuilding completion of a stalled residential community in Eastvale, Calif. The project consisted of the remaining lots held by an investor after their homebuilding partner had ceased operations. Capstone Advisors developed the business plan detailing appropriate product, selected and hired an appropriate fee builder, and oversaw the successful construction and sale of the project.
- **Leasing** – Capstone Advisors completed a new 38,000-square-foot anchor tenant lease with a NYSE-traded retailer to fill a vacant anchor building in a shopping center in North Carolina and managed the ground lease for the largest retailer in Canada.

About Capstone Advisors

Capstone Advisors was founded as a diversified real estate investment, development and advisory firm. The company provides third party asset management and receivership services to a variety of banks, investors and private lenders. The company has served as advisor, capital provider, asset manager, operating partner, and developer for some of the world’s largest financial institutions. The company is one of the most recognized and respected residential investors in the western United States.

Capstone Advisors is headquartered in Carlsbad, CA at 1545 Faraday Avenue. The phone number is 760-804-6900. The company’s web address is www.capstoneadvisors.com.