



NEWS RELEASE

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CAPSTONE ADVISORS ACQUIRES LA QUINTA SHOPPING CENTER

SAN DIEGO -- Capstone Advisors, a San Diego-based real estate investment, asset management and advisory firm, has purchased a 10,749-square-foot retail project located in La Quinta, CA. The property was acquired from a lender at a 50% discount from the original loan that had been foreclosed.

"Capstone Advisors is on the lookout for properties just like this one – good real estate that has been negatively impacted by the economic downturn," said Alex Zikakis, President. "Our long successful track record includes the purchase and subsequent repositioning of nearly six million square feet of shopping centers, office buildings and industrial properties. We are using the same 'turnaround' expertise we used during the last down turn in the 1990s to acquire and reposition properties like this one center. We are seeing an increase in assets for sale that share many of the same characteristics – they became over-leveraged at the height of the market and, as such, the prior owners were unable to reduce rental rates to current market levels, resulting in high vacancy rates today. The vast majority of acquisitions we have completed since the economic downturn were bought from lenders. These properties are in need of strong property asset management, which is our core competency."

The La Quinta center was constructed in 2005 and is located on an outparcel within a larger retail center anchored by Wal-Mart, Marshalls and PetSmart on the corner of Highway 111 and La Quinta Drive. The building is currently 75 percent leased by Bright Now Dental, Revolution Ride Shop and Hamilton's Sports Bar and Grill.

"The center has a great infill location along La Quinta's primary commercial corridor and is home to a great roster of tenants," said Zikakis. "We are pleased to make our third investment in the city of La Quinta in the last 12 months".

Capstone Advisors was represented by Eldad Shemtov of Prime Commercial. The seller was represented by Wilson Johnson Commercial Real Estate. Silvergate Bank of La Jolla provided financing. Danielle Alexander at CBRE will handle leasing.

Capstone Advisors was founded as a diversified real estate investment, development and advisory firm. In addition to investing in a wide range of commercial property types, 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. Through its partnerships, Capstone Advisors has entitled or developed 27,000 residential lots and built and sold 5,000 homes.

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

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