

RED Refinances Texas and California Affordable Multifamily Properties via Conduit Loans

Columbus, OH, February 22, 2006 – **Red Mortgage Capital, Inc.** arranged and placed a **\$13,860,000** conduit loan for Balboa Court Apartments and a refinanceconduit loan for Hunter's Run Apartments. Balboa Court was structured with a 10-year term, of which the first five years will be interest only followed by a 30 year amortization schedule while Hunters Run was financed for 10 years utilizing a 30 year amortization schedule.

Balboa Court Apartments ("Balboa Court") is located in Northridge, California, approximately 25 miles northwest of Los Angeles. The property was built in two phases in 1963 and 1970 and renovated in 1996-1997. Balboa Court has one two- and one three-story apartment building with 151 studio, one-, two-, and three-bedroom units. The property features two pools, a fitness room, tot lot, dry sauna, community room and a secured entry with parking.

Proceeds from the new loan for Balboa Court will pay off an existing Fannie Mae MBS credit enhanced tax-exempt bond funded under the Housing LA Pilot Program, a city of Los Angeles program to rehabilitate properties damaged by earthquakes. The Housing LA Pilot Program also focused on providing additional low-income housing. Under the Housing LA Pilot Program, Balboa Court elected to rent-restrict 20% of its units to tenants earning less than 50% of Area Median Income. At that time, the borrower also received a 4% tax credit allocation for the property. The property currently also accepts Section 8 voucher recipients.

Todd Shaw, Vice President of the borrowing entity said *"We appreciated RED's help in getting this loan closed and the bonds defeased. Everyone told us how complicated this sort of defeasance can be, but RED guided us through flawlessly. RED's bankers are real pros."*



Balboa Court Apartments
(Northridge, California)



Hunter's Run Apartments
(Dallas, Texas)

Hunter's Run Apartments is located ten miles east of the Dallas, Texas business district and offers 240 one-, two- and three-bedroom units housed in 15 three-story buildings. Built in 1986-1987, the complex features a pool, fitness center, sport court and playground. Approximately 35% of the tenants are Section 8 voucher recipients.

Jack Spirt, Key Principal of the borrowing entity said, "It was a pleasure to work with RED CAPITAL on the financing of Hunter's Run Apartments. We achieved our goals with the financing and RED's team was always in control throughout the entire process. RED delivered what they promised and we look forward to working with them on future opportunities."

* * * * *

About RED CAPITAL GROUP

RED CAPITAL GROUP provides debt and equity capital to multifamily housing, seniors housing, and other real estate projects. **RED CAPITAL GROUP** consists of three operating companies which provide a full range of capital executions and solutions: **Red Mortgage Capital, Inc.**, a top ten Fannie Mae DUS™ lender, and the nation's top Fannie Mae DUS lender for Seniors Housing in 2003, 2004, and 2005, and a top ten FHA/MAP mortgage lender; **Red Capital Markets, Inc.** (member NASD/SIPC), an active underwriter of developer-driven multifamily housing bonds, syndicator of low income housing tax credits, and provider of debt capital and investment banking services through its Asset-Backed Securitization Group to a wide variety of organizations that accumulate financial assets; and **Red Capital Advisors, LLC**, the proprietary investment and asset management arm. In addition, **RED CAPITAL GROUP** provides construction financing for affordable housing projects nationwide.

RED CAPITAL GROUP is headquartered in Columbus, Ohio, employs approximately 200 people and maintains nine offices nationwide. Since 1990, the bankers of **RED CAPITAL GROUP** have provided over \$30 billion in taxable and tax-exempt first mortgage debt, mezzanine level capital and equity to multifamily and seniors housing properties nationwide. **Red Capital Markets, Inc.** currently has approximately \$730 million in third party real estate equity investments under management. **Red Mortgage Capital, Inc.** services more than \$7.5 billion in real estate mortgage loans, while **Red Capital Markets, Inc.** remarkets approximately \$1.5 billion in adjustable rate, tax-exempt and taxable, tender option debt securities employed to finance real estate projects.

The **RED CAPITAL GROUP** companies are members of the National City Corporation family of companies (NYSE: NCC). National City Corporation is a multi-bank holding company and is ranked among the Top Ten U.S. banks, with more than \$12.6 billion in capital and \$142.4 billion in assets as of December 31, 2005.

DUS™ is a trademark of Fannie Mae

For more information, please contact:

RED CAPITAL GROUP

Linda L. Mackov, Managing Director

Columbus, Ohio

(614) 857-1404

llmackov@redcapitalgroup.com