



Holliday Fenoglio Fowler, L.P.

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**HFF arranges \$4.1 million recapitalization
for foreclosed mixed-use property in National City (San Diego), CA**

SAN DIEGO, CA – The Indianapolis and San Diego offices of HFF (Holliday Fenoglio Fowler, L.P.)

announced today that they have arranged a \$4.1 million recapitalization of Harborview Mixed-Use Development in National City, California.

Working on behalf of Pedcor Commercial Development (“PCD”), HFF associate directors David Ross and Zach Koucos placed the three-year construction loan with Embarcadero Bank. The borrower will use loan proceeds to complete construction on the property, which it will then operate as a for-rent multi-housing complex until the condo sale market returns. PCD seeks to acquire and reposition distressed assets throughout the midwestern and western United States and will have acquired approximately \$20 million in distressed assets by the end of the fourth quarter of 2009.

“We were thrilled to have the opportunity to work with PCD,” said Ross. “The issues that inherently accompany any foreclosure combined with the development, construction and lease-up risk made this assignment particularly challenging in today’s risk-averse lending market.”

“We faced a difficult capital market landscape and were pleased to identify a local lender who truly understood how PCD would reposition the Harborview development to fill a need for Class-A rental product in National City,” added Koucos.

Due for completion in early 2010, Harborview Mixed-Use Development will have 75 multi-housing units and 12,000 square feet of office and retail space. The property features one-, two- and three-bedroom units and once complete will offer condo-quality finishes at market rental rates. The Harborview Development is located at 404 East 8th Street in National City, close to Interstate 5 and downtown San Diego.

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