

**Press release**

**Hypo Real Estate Capital Corporation closes \$167.1 million first mortgage for the acquisition and conversion of 574-unit condominium complex in La Jolla, California**

**New York, Munich, December 22<sup>nd</sup> 2005:** – Hypo Real Estate Capital Corporation (“HRECC”) – the New York-based subsidiary of Hypo Real Estate Bank International and one of the leading financial institutions in the United States commercial real estate industry – closed an 18-month, \$167.1 million first mortgage on December 15 to Montecito Regents, LLC, for the acquisition and conversion of a 574-unit condominium complex in La Jolla, California.

Completed in 2000, Regents La Jolla is a 574-unit residential complex located on eight acres in the University Town Center area of La Jolla, the premiere submarket of the greater San Diego area. Regents La Jolla boasts numerous amenities, including a 12,000-square-foot clubhouse, full-time concierge services, communal kitchen and sports bar, TV room, fitness center, two resort-style pools and ten-screen, stadium-style movie theater. Each unit features private balconies, private alarm systems, wood-burning fireplaces, walk-in closets, top end appliances and high-speed Ethernet access.

“We are extremely proud to again represent Montecito in a major conversion project,” said Evan F. Denner, Deputy CEO of Hypo Real Estate Capital Corporation. “This transaction is a reflection of our expertise in servicing the residential market.”

**Notes to editors:**

**About Hypo Real Estate Capital Corporation**

Hypo Real Estate Capital Corporation, a subsidiary of Hypo Real Estate Bank International, is one of the leading lenders in the United States commercial real estate marketplace. Hypo Real Estate Capital provides innovative financial solutions for a prestigious client base throughout the U.S. Over the last five years the firm has closed more than \$22 billion in construction, fixed rate, floating rate and mezzanine loans. Headquartered in New York, Hypo Real Estate Capital is active in all markets across the U.S.

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