

NEWS

For Immediate Release:

Latitude Management Real Estate Investors, Inc. Closes \$12,000,000 Bridge Loan for 63,558 sq ft retail building in Lahaina, HI

LOS ANGELES, September 22, 2011 – Latitude Management Real Estate Investors, Inc. (Formerly Legg Mason Real Estate Investors) recently closed a \$12,000,000 bridge loan to refinance a retail center located at 505 Front Street, in Lahaina, Hawaii. The loan was made through Legg Mason Real Estate Capital II, a discretionary bridge mortgage real estate fund.

The subject loan is collateralized by a 63,558 square foot, fee simple ocean front retail center located at 505 Front Street. The borrower purchased their existing note for a 45% discount to face value from Capmark, who went bankrupt. As a result of the lenders bankruptcy, the borrower was unable to gain access to the necessary funds to continue the renovation or maintain the property. The borrower will use the renovation funds to complete the renovation and improve the buildings' aesthetics and deferred maintenance that has accrued.

The property was built in 1975 and was renovated in 2007. The property has over 570 feet of beach frontage with a large outdoor dining patio. The property consists of ground floor retail and second story office. The borrower is currently in negotiations with a tenant to take 13,000 square feet of the office space which would bring occupancy to over 87%.

The floating rate loan represents approximately 66% of value. The loan includes a capital expenditure reserve to improve the property's aesthetics and cure the deferred maintenance, as well as a tenant improvement and leasing reserve to allow the lease-up of the property. The term of the loan is 36 months with two one-year extension options and is pre-payable without penalty at anytime, subject to yield maintenance for the initial 24 months.

Latitude Management Real Estate Investors, Inc. is a real estate fund manager that originates, invests in, and manages commercial real estate loans and value-add real estate assets throughout the United States. Specific investments include first mortgages, distressed debt and real estate equity. For further information please contact Craig Oram at (310) 234-2107, or Mark Milovic at (310) 234-2144, or refer to the company website, www.lmrei.com.