

## Avon's Gates development changes hands

Boulder company purchases the \$40 million loan currently in default

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AVON, Colorado — A Boulder company that invests in distressed real estate is acquiring the Gates Residences in Avon.

Real Capital Solutions said Monday it has purchased the \$40 million loan — currently in default — on the 49-unit, 133,406-square-foot development at the base of Beaver Creek.

The company plans to start selling condos in December. The property includes underground parking, indoor pool and spa, steam room, exercise facilities and outdoor fireplace and spa. The property was completed in 2008, is fully operational.

Real Capital Solutions began foreclosure proceeding on July 14 and expects to receive title to the property by the end of November.

“Most of our acquisitions have been in distressed markets nationally, but this project reflects our continued commitment to investing in our own Colorado backyard,” said Peter Wells, senior partner of Condo Capital Solutions, the condo branch of Real Capital Solution.

Real Capital Solutions sold nearly \$300 million of apartment, retail and office investments — about 80 percent of the company's 140 properties. In late 2008, the company returned to buying by focusing on distressed real estate. In the past two years, it has acquired \$200 million of distressed residential projects in Colorado, Arizona, and Florida.

The company is now targeting an additional \$500 million to recover value lost in no-performing assets and in distressed markets across the country.

“Banks are sitting on many non-performing loans,” said Marcel Arsenault, founder and CEO of Real Capital Solutions. “Although they have more money than we do, they don't have the experience. They don't know how to fix the pipes or deal with homeowners associations. But that's exactly what we do, our staff and partners know how to add value to condos and troubled homebuilders.”

The project was built by Dallas-based JMJ Holdings, which took over the development in 2004. The on-again, off-again development had languished on drawing boards in various forms starting in 1996.

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