

iCapital Helps NJEDA Close First New Markets Loan

iCapital Finance, Inc. and iCapital Development, LLC continues to help the State of New Jersey and New Jersey Community Development Entity (NJCDE) Fund Projects utilizing New Market Tax Credits (NMTTC). Previously, iCapital committed \$300 million in Equity which help the State of New Jersey and NJCDE receive \$125 million dollar tax credit allocation.

Matrix acquired the property at 32 East Front St. in October 2005 from the Economic Development Corporation for Trenton. The EDA funds were used to replace existing public funding commitments made by the EDA, the Capital City Redevelopment Corporation and the New Jersey Redevelopment Authority to the building's original developer. The loan was made for 10 years at a fixed interest rate of 3 percent, with interest-only payments due for the first seven years.

The EDA prepared its tax credit program application in partnership with the New Jersey Housing and Mortgage Finance Agency and the Casino Reinvestment Development Authority. NJCDE investors U.S. Bancorp Community Development Corporation and iCapital Finance, Inc. committed the investment capital that helped the NJCDE create its loan program.

The New Jersey Economic Development Authority (EDA) has finalized a \$5.3 million loan for a project in downtown Trenton. It was the first financing resulting from a \$125 million allocation under the federal New Markets Tax Credits program. The EDA, through its NJCDE, finalized a \$5.3-million loan to Matrix East Front Street Urban Renewal Associates, LLC, a unit of the Matrix Development Group. The loan was part of the permanent financing obtained by Matrix to purchase and complete a 66,500-square-foot building in downtown Trenton formerly known as Liberty Commons.

“This tax credit program generates a significant amount of capital that is being made available to businesses and community development projects in distressed areas of New Jersey,” says EDA Chief Executive Officer Caren S. Franzini. “The loans are offered at a very attractive interest rate and terms and are a great addition to the full box of financing tools offered by the EDA to reinvigorate communities and encourage new urban investments.

“In this case, an important project that had stalled was put back on track with the help of the low-interest New Markets loan, which is great news for the City of Trenton,” she continues. “It resulted in a major financial institution – Wachovia Bank – moving its southern New Jersey headquarters to the state capital and helped reinforce the commitments of Governor Corzine and Mayor Palmer to revitalize New Jersey’s downtown districts.”

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“The EDA’s commitment to stimulate economic development in downtown Trenton, and the drive and vision of Mayor Palmer, attracted my partners and me to pursue this investment opportunity,” says Matrix Development Group Executive Vice President and Chief Financial Officer Donald M. Epstein. “The use of the New Markets Tax Credits program gave us the ability to move quickly and consolidate various outstanding existing public funding obligations to the project into one comprehensive financing package that allowed us to meet Wachovia’s very tight occupancy needs.”

Wachovia has leased 43,500 square feet of office space on the top three floors of the five-story structure. In addition to the office space on the upper floors, the first floor offers up to 10,000 square feet of prime retail space with access from the street and within the building. It also features an adjacent parking garage. When fully leased, the building is expected to provide workspace for 300 full-time jobs.

The New Markets Tax Credits program was enacted in December 2002 as part of the Community Renewal Tax Relief Act and is administered by the U.S. Department of Treasury through the Community Development Financial Institutions Fund. It offers a seven-year, 39-percent federal tax credit for investments made through community development entities, which use the capital derived from the tax credits to make loans to or investments in businesses and projects in low-income communities. There are eligible areas in more than 175 New Jersey municipalities located throughout the state’s 21 counties.

ABOUT iCAPITAL FINANCE, INC: iCapital Finance, Inc. is a leading Investment Bank specializing in servicing Municipalities, Small Cap Public Companies and Middle Market Private Companies, offering a wide range of financial advisory services, including M&A, Equity and Debt Financing, Strategic Advisory, and Financial Consulting. iCapital’s industry experience and financial resources have helped public and private companies as well as municipalities in the business and community development projects. Contact Randall Letcavage, Managing Director of iCapital Finance and Managing Partner of iCapital Development, LLC at 949-260-8070.

ABOUT iCAPITAL DEVELOPMENT, LLC: iCapital Development, LLC has a mission to serve Low Income Communities, Persons, and Businesses with the Nation, by providing Investment Capital in the form of Equity or Loans, and Technical Assistance for the benefit of Low Income Areas. In addition, the incentives of the NMTC Program will encourage Investors to bring equity into those communities and the Real-estate development capital needed for the developing and established businesses located in qualifying zones.

The information in this Press Release includes certain “forward-looking” statements within the meaning of the Safe Harbor provisions of Federal Securities Laws. Investors are cautioned that such statements are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including the future financial performance of the Company. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will provide to be correct. Factors that could cause results to differ include, but are not limited to successful performances of internal plans, the impact of competitors, and general economic risks and uncertainties.

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