



**STARWOOD CAPITAL GROUP, TPG CAPITAL AND PERRY CAPITAL LEAD
ACQUISITION OF \$4.5 BILLION CORUS BANK REAL ESTATE ASSETS**

GREENWICH, CT AND FORT WORTH, TEXAS – October 7, 2009 – Starwood Capital Group, TPG Capital, Perry Capital and WLR LeFrak today announced that they have reached a definitive agreement with the Federal Deposit Insurance Corporation (FDIC) to acquire an equity interest in a limited liability company (LLC) which will hold the construction loans and real estate owned (REO) assets formerly owned by Chicago-based Corus Bank, NA. The \$4.5 billion portfolio consists of more than 100 loan and REO assets linked to high-quality condominiums, multifamily housing, office properties, and land, representing nearly 23 million square feet.

The transaction, which represents one of the largest acquisitions of distressed commercial real estate assets, is valued at approximately \$2.77 billion. This equates to approximately 60% of unpaid principal balance (UPB) and a significantly greater discount to total construction costs. The portfolio consists of three major components: first, a significant number of loans which are performing and expected to stay performing; second, a group of owned real estate which includes multifamily, office as well as completed condominium projects; and third, a subset of loans which may or may not be performing but on which title is expected to be recovered.

Under the terms of the deal, the FDIC will own a 60 percent equity interest in Corus Construction Ventures, LLC, and will provide financing with a 0% coupon for 50% of the purchase price to the LLC. The FDIC will also extend up to a \$1 billion facility for working capital purposes and to fund project completions. The majority of the new equity capital will be provided equally by Starwood Capital and TPG Capital, with Perry Capital and WLR LeFrak contributing the remainder. Starwood Capital will oversee the day-to-day management of the portfolio, an area where the firm has a wealth of experience dating back to the 1990s when it was an active owner of distressed loan portfolios. The newly-formed company's board of directors will have five members, with Starwood nominating two members, TPG two members, and Perry one member.

The investor group has extensive experience in real estate investing and in the turnaround of distressed assets, and plans to actively manage each property according to an asset-specific business plan.

“We are excited to partner with the FDIC in acquiring the assets of Corus Bank. The portfolio is unique - not only because of the average loan size - but also due to the exceptional quality and geographic diversity of the assets,” said Barry Sternlicht, chairman and CEO of Starwood Capital. “The financial structure of this transaction affords the buyer to be exceedingly patient to protect, maintain and enhance the assets while maximizing profit potential for the equity participants.”

“This is a unique opportunity to purchase a sizeable portfolio of high-quality assets with strong recovery potential in key U.S. markets,” said Kelvin Davis, a partner at TPG. “A number of TPG principals were very active in real estate investing during the last distressed cycle in the early 1990s, and we are excited to be participating in this promising opportunity as part of our broader real estate interests.”

“Along with the FDIC and the rest of our partners, we will work diligently to most effectively manage this portfolio of real estate assets,” added Richard C. Perry, president and co-founder of Perry Capital. “Perry Capital plans to devote the time, energy and resources to make this investment successful for all constituents.”

Corus Bank was seized by the FDIC on September 11, 2009. Its deposits were sold and the FDIC had been conducting a private auction for the remaining assets.

Corus Bank historically provided senior construction loans to high-end developments in major markets. The 102 properties in the portfolio include 79 condominium buildings, 14 multifamily complexes, eight office buildings and one land development project. Properties are located in a number of markets, including Los Angeles, Miami, Washington, D.C., New York, Chicago and Atlanta. There are over 12,000 condominium units, accounting for 15 million square feet.

About Starwood Capital Group

Starwood Capital is a private, US-based investment firm with a core focus on global real estate. Since the group’s inception in 1991, the firm, through its various funds, has invested more than \$6 billion of equity capital, representing \$21 billion in assets. Starwood currently has approximately \$13 billion of assets under management. Starwood maintains offices in Greenwich, Atlanta, San Francisco, Washington, D.C., London, Mumbai and Tokyo. Starwood has invested in nearly every class of real estate on a global basis, including office, retail, residential, senior housing, golf, hotels, resorts and industrial assets. Starwood and its affiliates have successfully executed an investment strategy that includes building enterprises around core real estate portfolios in both the private and public markets.

About TPG Capital

TPG Capital is the global buyout group of TPG, a leading private investment firm founded in 1992 with approximately \$45 billion of assets under management and 15 offices in 10 countries around the world. Since inception TPG has invested in approximately 140 companies across diverse industries, investing more than \$30 billion of equity capital across a number of different economic and credit cycles. Currently, TPG has approximately 70 active investments throughout the world, including such real estate intensive businesses as Harrah’s, Neiman Marcus, ParkwayLife REIT, PETCO and Surgical Care Affiliates. Please visit www.tpg.com.

About Perry Capital

Perry Capital is a private investment firm founded in 1988. It currently manages approximately \$7 billion across a variety of asset classes including publicly traded equity and debt securities, private equity and real estate. Perry Capital has offices in New York, London, and Hong Kong.

About WLR LeFrak

WLR LeFrak is a joint venture of the LeFrak Organization and WL Ross & Co LLC. Founded in 1901, the LeFrak Organization is recognized as one of the world’s leading real estate firms with a

wholly owned portfolio in excess of 20,000 residential units and nine million square feet of office and retail space, primarily in the New York and Los Angeles metropolitan regions. The company historically has focused on large-scale, mixed-use development, but is active in all aspects of real estate investing and ownership as well as in securities, oil and gas, merchant banking and other alternative investments. WL Ross & Co. LLC, founded by Wilbur L. Ross, Jr., based in New York City, has sponsored more than \$8 billion of equity-linked investments since its inception in 2000. Many of these investments have been in the financial sector, such as banking, loan servicing and insurance and the industrial sector, such as the steel, automotive, coal and rail space.

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