

Press release

Hypo Real Estate Capital Corporation closes \$105 million loan to refinance a retail and entertainment facility in Harlem, NY

Munich, New York, 5 November, 2007: Hypo Real Estate Capital Corporation (HRECC), a member of Hypo Real Estate Group, today announced that it closed a \$105 million loan for the Harlem USA entertainment and retail center in Harlem, New York. The transaction closed on October 11, 2007.

The sponsors of this deal are Gotham Organization Inc. and Grid Properties Inc. This is the first time Hypo Real Estate Capital Corporation has worked with Grid Properties.

Harlem USA, located at 300 West 125th Street, was built in 2000. The \$105 million loan will be used to refinance the 285,000 gross square foot multilevel urban retail complex currently occupied by a broad range of national and regional specialty businesses. Current tenants include Old Navy, Modell's Sporting Goods, New York Sports Club, Chase Bank, Commerce Bank, and a nine screen, 2,700 seat multiplex cinema leased to AMC/Magic Johnson Theatres.

“Gotham and Grid Properties have played a major role in the revitalization of 125th Street in Harlem. They are among the most reputable companies in this field and we welcomed the opportunity to work with them,” said **Evan F. Denner, Deputy CEO of Hypo Real Estate Capital Corporation**. “As the need for financing in this area continues to grow, we look forward to opportunities to provide Gotham and Grid with additional financing alternatives to support their projects in the future.”

Samuel Kirschner, Managing Director and Head of Origination at Hypo Real Estate Capital Corporation said, “This area of Harlem has gone through a massive transformation over the past ten years, giving local residents access to shops and entertainment that were previously only available in other parts of Manhattan. We are pleased to have been involved in the refinancing of Harlem USA as it will continue to improve what 125th Street can offer the community.”

Notes to editors:

About Gotham Organization Inc.

Gotham Organization Inc. has been a major force in the real estate industry in the New York City metropolitan area for more than 70 years. In addition to its role as a co-developer for Harlem USA and DC USA, Gotham is a builder/developer for its own account as well as a builder for others. Gotham’s diverse portfolio as a principal includes residential, commercial and retail properties. Over the past 25 years, Gotham has been consistently ranked as one of Engineering News Record’s 400 Largest Contractors and has been responsible for the construction or development of more than 26,000 units of housing.

About Grid Properties Inc.

Grid Properties Inc. is a privately-held real estate developer and development advisory firm. The company has been involved in \$7.5 billion worth of projects and transactions including housing, hotels, retail, office, hospitals, large-scale mixed use projects, and facilities for the arts, education and various not-for-profit uses. In addition to Harlem USA, affiliates of Grid Properties are developing DC USA, a 550,000 square foot retail building currently under construction in Washington DC. Tenants for DC USA include Target, Best Buy, Bed Bath & Beyond, Staples, Marshalls, Washington Sports Club and others.

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 of loans. Headquartered in New York, Hypo Real Estate Capital is active in all markets across the U.S.

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