



Holliday Fenoglio Fowler, L.P.

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HFF secures \$120 million recap for W Hotel & Residences in Austin

DALLAS, TX – The Dallas office of HFF (Holliday Fenoglio Fowler, L.P.) announced today that it arranged a \$120 million recapitalization for the W Hotel & Residences, a luxury mixed-use project under construction in Austin, Texas.

Working on behalf of Stratus Properties, Inc. and the Canyon-Johnson Urban Fund, HFF senior managing director Whitaker Johnson placed a new five-year construction loan originated by CLG Hedge Fund, LLC, a hedge fund affiliated with Beal Bank Nevada. This loan is replacing an original \$165 million construction financing through Corus Bank that HFF secured on behalf of the borrowers in 2008. As part of the recapitalization, Stratus and Canyon-Johnson are also contributing \$45 million to the project.

Due for completion in December 2010, the W Hotel and Residences will have 252 guest rooms and suites. In addition, approximately 159 residential units, in one- to four-bedroom layouts, will be located on floors 18 to 37 and will feature views of Lady Bird Lake, the Hill Country and the city skyline. Hotel guests will have access to the W's signature Living Room experience and Whatever/Whenever, the hotel's 24-hour concierge service that provides guests with the ultimate in amenities at any hour. On-site amenities will include an elevated garden incorporating a swimming pool and bar, a spa, and approximately 54,000 square feet of retail and office space. There will also be an entertainment venue operated by Live Nation and a new studio for KLRU-TV's Austin City Limits show. The W Hotel and Residences is located at 2nd Street and Lavaca in downtown Austin's 2nd Street District.

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“HFF was pleased to line up new construction financing to mitigate any risks associated with the health and stability of the in-place senior construction lender, Corus Bank. Construction never wavered throughout the process and upon completion, the W is going to be an outstanding addition to the downtown Austin area,” said Johnson.

Stratus Properties is a diversified real estate company engaged in the acquisition, development, management and sale of commercial, multifamily and residential real estate properties located primarily in the Austin area.

CLG Hedge Fund, LLC is a hedge fund affiliated with Beal Bank Nevada that focuses on commercial real estate lending. CLG originates loans from \$10 million to more than \$550 million on all types of collateral, including income properties, raw land, land development and construction, with emphasis on individual pricing based on each asset’s specific characteristics and risk profile.

Beal Bank Nevada is a well-capitalized financial institution with capital in excess of \$1.8 billion and assets in excess of \$5.5 billion as of June 30, 2009. Beal Bank Nevada is a member of the FDIC.

HFF (NYSE: HF) operates out of 17 offices nationwide and is a leading provider of commercial real estate and capital markets services to the U.S. commercial real estate industry. HFF offers clients a fully integrated national capital markets platform including debt placement, investment sales, advisory services, structured finance, private equity, loan sales and commercial loan servicing. www.hfflp.com.

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