



## **Winthrop Joins With Pershing Square to Acquire Senior Mezzanine Debt on New York's Largest Residential Property**

### **Acquisition of Peter Cooper Village/Stuyvesant Town Mezz Loans Clears a Path to Greater Certainty for Tenants and the Future of the Property**

BOSTON, Aug 9, 2010 (GlobeNewswire via COMTEX News Network) -- Winthrop Realty Trust (NYSE:FUR) announced today that it has formed a joint venture with affiliates of Pershing Square Capital Management, L.P. that has acquired 100% of the \$300 million face amount of Stuyvesant Town Mezzanine Loans 1, 2, and 3, (the "Mezz Loans") which are indirectly secured by Peter Cooper Village/Stuyvesant Town. The joint venture, which is owned 22.5% by Winthrop and 77.5% by Pershing Square, acquired the Mezz Loans for a purchase price of \$45 million. The Mezz Loans represent the senior-most mezzanine loan interests in the property. They, along with the \$3 billion first mortgage loan secured by the property, are currently in default.

Peter Cooper Village/Stuyvesant Town is an 11,227 unit apartment complex consisting of 56 buildings comprising approximately 10.8 million of net rentable square feet on 80 acres from 14th to 23rd Streets, bounded by First Avenue and the East River in Manhattan. The joint venture has initiated foreclosure on the equity interests in the property's owner which, when consummated will make the joint venture the 100% controlling owner of the property.

William A. Ackman, CEO of Pershing Square Capital Management, L.P. stated: "We share the Tenants' Association objective to complete a non-eviction, affordable, co-op conversion of the property, which will require the restructuring of the property's first mortgage debt. Our recent experience leading the successful restructuring and recapitalization of General Growth Properties, Inc., the largest real estate restructuring ever, should prove valuable as we work to accomplish this critically important goal."

Michael L. Ashner, Winthrop's CEO stated: "Through this acquisition, Winthrop and Pershing Square will be working to resolve the future of Peter Cooper Village/Stuyvesant Town. We are looking forward to working with the Tenants Association, community leaders, creditors and other interested parties to ensure that our investment and our approach to recapitalizing Peter Cooper Village/Stuyvesant Town will bring long-term stability to the property and its residents. We understand the importance of this property in providing housing for moderate income New Yorkers. Among our goals is the continued supply of affordable housing for its residents for years to come."

The joint venture has retained The Carlton Group, Ltd. as its exclusive advisor in connection with the UCC foreclosure sale. For additional information regarding the public UCC foreclosure sale please contact Michael Campbell by telephone (212) 716-5633, e-mail [MJC@carltongroup.com](mailto:MJC@carltongroup.com), or facsimile (212) 656-1196.

Winthrop Realty Trust is a NYSE-listed real estate investment trust (REIT) headquartered in Boston, Massachusetts. Additional information on Winthrop Realty Trust is available on its Web site at [www.winthropreit.com](http://www.winthropreit.com).

Pershing Square Capital Management, L.P. is a New York-based, SEC-registered investment advisor with more than \$6.0 billion of equity capital under management.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. With the exception of the historical information contained in this news release, the matters described herein contain "forward-looking" statements that involve risk and uncertainties that may individually or collectively impact the matters herein described. These are detailed from time to time in the "Risk Factors" section of Winthrop's SEC reports. Further information relating to Winthrop's financial position, results of operations, and investor information is contained in Winthrop's annual and quarterly reports filed with the SEC and available for download at its website [www.winthropreit.com](http://www.winthropreit.com) or at the SEC website [www.sec.gov](http://www.sec.gov).

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