



USAA, RXR and Broadway Partners form joint venture to recap 340 Madison Avenue

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U.S. Republic Core Fund, an affiliate of USAA Real Estate Co., RXR Realty and Broadway Partners have launched the recapitalization of 340 Madison Ave., a 750,000 s/f class A office building located in Midtown's Grand Central submarket.

The USAA affiliate is joining existing owners RXR and Broadway in a new joint venture and the three parties will share control of the asset. RXR Realty will continue to provide property management services.

As part of the recapitalization, the joint venture has obtained new 12-year first mortgage financing from Cornerstone Real Estate Advisers LLC.

340 Madison is 92% leased to a strong roster of tenants, including McDermott Will & Emery, SunGard, National Financial Partners, The U.S. Department of the Treasury's Office of the Comptroller of the Currency, PNC Financial Services Group and Massachusetts Mutual Life Insurance Company. Allen-Edmonds Shoes, Alden Shoes, Coach, PNC Bank, Starbucks, Van Laack and Verizon Wireless occupy ground-level retail space, including full block frontage on Madison Ave.

"Having evaluated this opportunity since the property was marketed in 2010, USAA Real Estate Co. is pleased to have formed with RXR Realty and Broadway Partners a co-investment joint venture to fully recapitalize 340 Madison with a debt structure at attractive terms," said Pat Duncan, chairman and CEO of USAA Real Estate Co. "Strong, long term anchor tenancy and an enduring location will continue to enhance the property's value. I congratulate RXR and Broadway Partners for working diligently over the past year with USAA and the previous and current lenders to structure this investment."

"We are pleased to have, in partnership with Broadway, successfully completed our planned recapitalization of 340 Madison Avenue and have the opportunity to invest additional capital alongside USAA to facilitate the de-leveraging of the property to an appropriate level for a core asset of this quality," said Scott Rechler, chairman and CEO of RXR Realty.

Broadway CEO Scott Lawlor said, "340 Madison is an excellent property in one of the nation's best office submarkets. We chose to remain invested in this asset on behalf of our investors through the recent market downturn because we firmly believed in its long-term value. As the market continues its current recovery, we look forward to working with RXR and now with USAA to realize strong returns."

RXR Realty LLC is a vertically integrated private real estate company with expertise in investment management, property management, development, design, construction, leasing and financing.

RXR's core growth strategy is focused on N.Y.C. and the surrounding tri-state area markets. The company is one of the largest owners, managers, and developers in the New York Tri-State area

with interests in approximately \$3.5 billion of assets, comprised of 104 operating properties containing approximately 14.9 million s/f. For information about RXR, visit www.rxrrealty.com.

Broadway Partners is a private national real estate investment and management firm headquartered in N.Y.C. Its partners represent a cross section of domestic and international private and institutional investors. Since its founding, the firm has invested in approximately \$15 billion in high-quality office properties in select markets nationwide.

USAA Real Estate Co. manages a multi-billion dollar portfolio including recent acquisitions of \$3 billion and under development assets of \$2 billion. The company provides co-investment asset management services to U.S. pension funds as well as foreign and domestic institutional investors. USAA Real Estate Co. also provides capital to partners across the country for development in virtually all product types. The portfolio consists of office, industrial, multifamily, retail and hotel properties as well as investments in real estate operating companies. USAA Real Estate is a subsidiary of USAA, a leading AAA rated financial services company, serving military families since 1922. For more information, visit www.usrealco.com.

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