



NEWS RELEASE NEWS RELEASE NEWS RELEASE NEWS RELEASE

CONTACT:

Leslie Braunstein

Tel: 703.234.7762

info@lhbcommunications.com

**GROSVENOR-KEYBANK FUND FINANCES
MODEL HOME PORTFOLIO ACQUISITION IN COLORADO**

Philadelphia, PA, December 2, 2009- Grosvenor Residential Investment Partners I, LP (GRIP), sponsored by Grosvenor Investment Management (GIM) of Philadelphia, PA and Key Real Estate Equity Capital (KREEC), an affiliate of KeyBank of Cleveland, OH, has financed the acquisition of a portfolio of 41 existing model homes in Denver and Colorado Springs, CO.

The single-family homes are located throughout six master-planned communities developed by Oakwood Homes, the largest privately-held homebuilder in the Denver area. GRIP's investment was structured as a \$6.5 million mezzanine loan to finance the portfolio acquisition. The total acquisition cost was \$10.5 million. GRIP, along with a senior lender, capitalized a new entity which acquired the homes and will lease them back to Oakwood. Oakwood will continue to utilize the homes as models and will sell them over the next several years.

GRIP is a private partnership that invests in "for-sale" residential projects and associated debt across the United States. Investments may be made in the form of senior participating debt, mezzanine debt or equity. This is the fourth investment for the \$100 million fund, which is now approximately 22 percent invested.

"This investment provides GRIP with many valuable benefits, including attractive current cash flow, profit participation and excellent security while not having to take development or construction risk," said David Reiner, Managing Director of GIM. John Hay, Director of KREEC, added: "This is a great opportunity to work with very strong sponsorship in one of our target markets."

###

GROSVENOR INVESTMENT MANAGEMENT US INC.
TWO LIBERTY PLACE 50 South 16TH STREET SUITE 2600 PHILADELPHIA PA 19102
Telephone (215) 575 3700 Facsimile (215) 575 3701 Web www.grosvenor.com

About GIM:

Grosvenor Investment Management US, Inc. serves as Grosvenor's real estate investment management platform in North America. GIM is part of Grosvenor Fund Management, which was established in 2005 as a vehicle for third-party participation in Grosvenor-managed investments. As of year-end 2008, Grosvenor Fund Management had total funds under management of approximately USD\$6.0 billion internationally. Grosvenor is an international group of property businesses with total assets under management of USD\$18.1 billion as of December 31, 2008. Grosvenor has regional investment and development businesses in Britain & Ireland, the Americas, Continental Europe, Australia and Asia Pacific. The international fund management business operates across all of these markets. Unusually for a private company, Grosvenor publishes a full Annual Report and Accounts, available at www.grosvenor.com.

About KeyCorp:

Cleveland-based KeyCorp is one of the nation's largest bank-based financial services companies, with assets of approximately \$98 billion. *Business Week* Magazine named Key the top bank in its Customer Service Champ 2009 edition, ranking Key 11th out of the top 25 companies that include many known for their customer service acumen. Key companies provide investment management, retail and commercial banking, consumer finance, and investment banking products and services to individuals and companies throughout the United States and, for certain businesses, internationally. For more information, visit www.key.com.