

NEWS

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For: **LOWE ENTERPRISES**

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LOWE ENTERPRISES MAKES MAJOR INVESTMENT IN LOS ANGELES HOTEL MARKET WITH ACQUISITION OF SHERATON UNIVERSAL

LOS ANGELES – Lowe Enterprises, a Los Angeles-based national real estate management, investment and development firm, has acquired the Sheraton Universal Hotel, a prominent 436-room hotel in Universal City, for \$122 million. The company's investment management affiliate Lowe Enterprises Investors acquired the property from a venture consisting of affiliates of Walton Street Capital LLC and SCS Advisors, Inc on behalf of Lowe Hospitality Investment Partners, a \$266 million discretionary fund that invests solely in hotel and resort properties. Lowe plans to invest an additional more than \$20 million for a comprehensive top-to-bottom renovation.

"We have been looking for a solid acquisition opportunity to take advantage of the strong Los Angeles hotel market," said Bob Lowe, chairman and CEO, Lowe Enterprises. "The Sheraton Universal is an ideal fit with our investment strategy that targets well-located hotels in growth markets where we can apply our extensive hospitality experience to enhance the value and performance of the property."

"The Sheraton Universal is situated in one of the most dynamic markets in Los Angeles. It attracts a significant number of business and leisure travelers due to its location within Universal City which is both a business center and recreation destination," said Bleecker Seaman, managing director of Lowe Enterprises Investors. "With NBC Universal announcing plans to expand its studio operations and build a new business campus, the hotel is uniquely positioned to benefit from future growth in the market."

Sheraton Universal, built in 1969 and expanded in 1978, sits on an 8.5-acre hilltop site and has tremendous visibility as it rises 20-stories above the 101 Hollywood Freeway, one of the region's major thoroughfares. Enhancing its appeal to travelers, it is within walking distance of a Metro Redline Subway station that connects Universal City to North Hollywood, Hollywood and downtown Los Angeles. Guests enjoy the hotel's spacious resort-style outdoor pool and sundeck, fitness center and three restaurant and lounge venues. In addition, they are offered free shuttle service to Universal's CityWalk with its collection of restaurants, specialty stores and large cinema multiplex.

The hotel has a large amount of flexible meeting space and is well known within the local community as it is a popular location for a variety of events. Well-suited to conferences as well as social functions, the Sheraton offers 31,000 square feet of indoor meeting and banquet facilities and 9,000 square feet of outdoor space.

"The Sheraton Universal is an attractive option for business travelers. It offers a convenient location in the hub of Los Angeles' entertainment industry with the headquarters of NBC Universal, the Walt Disney Company, Warner Brothers and host of other media companies nearby," noted Mike Everett, senior vice president in charge of acquisitions for Lowe Hospitality Investment Partners. "Our extensive property improvements will significantly refresh the hotel and its amenities and services creating greater appeal to the discerning traveler."

Lowe will begin refurbishing the hotel later this year with completion scheduled for early 2008. The guest rooms and bathrooms will be modernized with a fresh, contemporary yet comfortable design scheme including new furniture, fixtures and flat screen televisions, as well as adding the latest technologies. The new look will continue throughout the hotel's public spaces including the lobby where a coffee shop will be added and the bar area expanded to provide guests improved service and convenience. In addition to the visible changes, Lowe also will invest in upgraded systems and property maintenance.

"The hotel already posts strong occupancies and we believe we can build on that base as we improve the guest experience," added Everett.

Lowe will continue the management agreement with Sheraton, a Starwood Hotels & Resorts brand.

Lowe Enterprises is an experienced owner and developer of hotel and resort properties. In Los Angeles it is developing the Terranea Resort on a 100-acre coastal property in Rancho Palos Verdes. The company also develops master-planned resort

communities including the Stone Eagle Golf Club in Palm Desert, Calif. and The Reserve, a 780-acre residential and golf community in Palm Desert and Indian Wells, Calif.

About Lowe Enterprises

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm. Over the past 35 years, it has developed, acquired or managed more than \$8.5 billion of real estate assets nationwide. The firm is currently developing six million square feet of commercial projects nationwide. Through its investment management affiliate, the firm currently manages in excess of \$3 billion in real estate assets on behalf of investment clients. In addition to its Los Angeles headquarters, Lowe Enterprises maintains regional offices in Denver, Irvine, Phoenix, San Francisco, Sacramento and Washington D.C.

About Walton Street Capital and SCS Advisors

Walton Street Capital, LLC was founded in 1995 and is a premier, private real estate investment company. Through its series of opportunistic and value-added funds, Walton has invested and/or committed to invest approximately \$3 billion of equity in approximately 150 separate transactions in U.S. and international real estate, including the development and acquisition of office, hotel, retail, industrial, multi-family, senior and student housing, and golf assets through both individual, portfolio and company-level transactions with a gross asset cost of approximately \$9 billion.

Formed in 1997, SCS Advisors, Inc is a multi-discipline lodging investment firm that provides development, transactions, and asset management services to investors targeting the hotel industry. Since its formation, SCS Advisors has been responsible for hotel acquisitions in excess of \$1.4 billion, hotel development totaling \$300 million and oversight of a hotel portfolio comprising 14,237 rooms in 34 primarily luxury and upper upscale properties.

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