

# NEWS

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For: **LOWE ENTERPRISES**

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## **LOWE ENTERPRISES AND O'CONNOR CAPITAL PARTNERS ACQUIRE SAN MATEO OFFICE CAMPUS**

LOS ANGELES – Lowe Enterprises, in partnership with O'Connor Capital Partners, has acquired the San Mateo Executive Park, a six-building, 270,000-square-foot office campus. Set on the hilltops overlooking the San Francisco Bay, the park is currently vacant allowing the partnership to quickly undertake a comprehensive renovation and have the project ready for occupancy by spring 2008. The plan will require an additional investment of approximately \$16 million to modernize the facilities to Class A standards and finishes.

“The peninsula area office market is steadily improving with rising demand for large blocks of space,” said Mike Sanford, senior vice president of Lowe Enterprises Real Estate Group. “This park is in an ideal, strategic location set on the hills above the Bay and adjacent to the major area freeways where we can quickly advance a significant program to improve both the appearance and functionality of the existing facilities.”

San Mateo Executive Park is set on 23 acres in northwest San Mateo on Clearview Way at the intersection of Highway 92 and West Hillsdale Boulevard, with easy access from both I-280 and H-101. Previously the regional headquarters for VISA, the property is comprised of six low-rise buildings ranging

in size from almost 38,000 square feet to 67,000 square feet with one single-story building of approximately 9,000 square feet.

Lowe's experienced development and management team will oversee the renovation. The renovation plan includes significant exterior work with modified exterior finishes and enhanced rooftops. Interiors will feature Class A finishes throughout including new stone and wood in the lobbies and elevator cabs, as well as new fixtures and tile work in the restrooms. The new lobby finishes will extend to the renovated outdoor entry, creating a cohesive indoor/outdoor office experience. In addition, all building systems will be upgraded to ensure that the property offers state-of-the art services.

"Office rents are rising at a rapid pace, matching the tenant demand that is driving down vacancy rates in a market where there has been no new construction for the past five years," noted Marty Caverly, principal, O'Connor Capital Partners. "Our partnership will be able to complete the renovation and accommodate tenancy within twelve months which effectively puts new space on the market well ahead of projected ground-up developments that are in the pipeline."

As part of the property improvements a two-story, 38,000-square-foot building that had served as a data storage facility for VISA will be modified for office use with a new glass curtain wall and interior. In addition, small buildings that served the data center will be removed and the land will be incorporated into an expanded and reconfigured parking plan to increase the number of spaces.

"With multiple buildings of substantial size we are well-positioned to accommodate large, single users seeking 50,000 or more square feet. The flexible building configurations also allow us to provide efficient space for multiple mid-size businesses," added Sanford.

Lowe has engaged Korth Sunseri Hagey Architects for the property's new design and The Guzzardo Partnership for landscape design. BCCI Construction has provided pre-construction services for the construction project, which is expected to begin in mid- 2007.

Lowe Enterprises is actively expanding its commercial property portfolio in the San Francisco Bay area. The firm is currently under construction on a 300,000-square-foot building in Mission Bay, which will be ready for occupancy in early 2008. Lowe also was selected by AEGON to spearhead the entitlement of a residential high-rise located adjacent to the landmark Transamerica Pyramid.

#### About O'Connor Capital Partners

O'Connor Capital Partners is a privately held, independent real estate investment firm focused on principal investing through private equity funds. O'Connor concentrates its efforts on making direct investment in high-quality assets in major metropolitan markets in North America and Europe. Over the past 20 years, the firm has acquired or developed more than \$10 billion of property on behalf of various investment funds, institutional clients and its own account, encompassing all major property types. The firm is headquartered in New York with regional offices in Los Angeles, Mexico City, London, Milan and Luxembourg.

#### 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.

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