

NEWS

Casey Sayre & Williams, Inc.

3110 Main Street, The Annex
Santa Monica, California 90405

For: **LOWE ENTERPRISES**

Date: August 8, 2007

Contact: Karen Diehl
(310) 396-2400

LOWE ENTERPRISES EXPANDS AUSTIN PORTFOLIO WITH INDUSTRIAL PROPERTY ACQUISITION

-- Lowe, in partnership with McShane Corporation, picks up 81,933-square-foot building and 19.4 acres for development in Tuscany Center at Walnut Creek –

AUSTIN, Texas – Lowe Enterprises Investors has acquired an existing, fully leased 81,933-square-foot industrial building along with 19.4 acres entitled for the development of up to three additional buildings in the Tuscany Center at Walnut Creek from McShane Corporation. McShane Corporation is partnering with Lowe in the transaction to maintain an ownership interest and will serve as development manager. Lowe Enterprises Investors (LEI) made the approximately \$9 million acquisition on behalf of Lowe Enterprises Real Estate Income and Growth Partners, a \$201 million value-added investment fund that targets commercial and multifamily investments nationwide.

“Northeast Austin is one of the area’s predominant industrial markets and the Tuscany Center in Walnut Creek is among the most attractive projects in the district. It offers convenient access to major thoroughfares and the airport and also is in a zone providing tax exemptions,” said Brad Howe, managing director, LEI. “We know the market well and have extensive experience in industrial property development and management. This is a strong addition to our diversified portfolio of commercial property investments.”

“The demand for industrial space has been on the rise throughout Austin,” noted Steve Nesterak, president of Lowe Enterprises Real Estate Group –

Central, Commercial Division. “The Northeast market has benefited from this trend, showing one of the lowest vacancy rates in the city at about 6 percent.”

The building acquired by the partnership was developed by McShane Corporation and constructed by Cadence McShane Corporation in 2002. It is currently fully leased to GTech Corporation and Glazer’s Wholesale Drug Co. The land included in the transaction is fully entitled for the development of up to three buildings totaling 333,287 square feet. The partnership plans to begin construction in July on two buildings – 72,154 square feet and 89,600 square feet. Both will be built to the same high standards as the existing building with 24-foot ceilings, large 40 x 40-foot bays, substantial natural light and a flexible design. Cadence McShane, the construction division of McShane Corporation, will serve as the design/builder for the development. The buildings are expected to be complete by the first quarter of 2008.

“Austin is one of the nation’s fastest growing markets with a burgeoning business community, a highly-educated workforce and an attractive quality of life. The demand for well-located, modern industrial space is rising and this project is positioned to quickly provide space for new and expanding distribution and light manufacturing businesses,” noted Jim McShane, CEO, McShane Corporation.

Located at 8520 Tuscan Way, the Tuscan Center in Walnut Creek is at the corner of Springdale Road and US Highway 290, the main east/west connection. It offers quick access to the primary north/south routes of Interstate 35 and US Highway 183 and the recently completed State Highway 130 to the Austin-Bergstrom International Airport, as well as the central business district, other business centers and area amenities. Another significant advantage is the center’s location within a Triple Freeport zone, a designation which provides businesses with a property tax exemption on inventory that leaves the state within 175 days.

Lowe Enterprises Investors also owns the historic Driskill Hotel which it acquired for an investment client in fall 2005. The firm also owns, on behalf of investment clients, the Hotel Icon in Houston, the Richardson Hotel in Dallas, and the Melrose College Station student housing property.

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 McShane Corporation

McShane Corporation is the integrated real estate development and investment arm of The McShane Companies. The firm is headquartered in Chicago with regional offices located in Austin, Houston, Phoenix, and Los Angeles. McShane Corporation is active on a local, regional and national basis in the development of master-planned industrial and office parks, speculative industrial and office developments and build-to-suit properties for lease or purchase, and real estate investment opportunities. For more information on The McShane Companies and its entities, visit the firm's web site at www.mcshanecorp.com.

###