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PACIFIC HOSPITALITY GROUP ACQUIRES ESTANCIA LA JOLLA HOTEL & SPA FROM LOWE ENTERPRISES AFFILIATE

LOS ANGELES – December 1, 2011 - Pacific Hospitality Group, LLC (“PHG”) announced today that it has acquired the 210-room Estancia La Jolla Hotel & Spa from an affiliate of Los Angeles-based investment, development and management firm, Lowe Enterprises (“Lowe”). The Estancia La Jolla Hotel & Spa is located at 9700 N. Torrey Pines Road in La Jolla, Calif.

“Estancia La Jolla provides PHG the incredible opportunity to acquire one of the newest coastal California resort hotels. Estancia La Jolla is a beautiful hotel property in a prime location on Torrey Pines across from the world-renowned University of California San Diego (“UCSD”). We will continue to grow both the leisure and group conference business, especially given the volume of surrounding health and technology related companies,” said Kory Kramer, Vice President of Acquisitions and Development of PHG.

As an owner and operator, PHG will assume management of Estancia La Jolla. “We are very excited about Estancia La Jolla and look forward to taking the hotel to the next level. Estancia La Jolla is a perfect fit within our expanding portfolio of high-quality full-service conference/leisure hotel assets,” said Timothy Busch, CEO of PHG.

Estancia La Jolla features Spanish hacienda-style architecture with lush gardens, courtyards and outdoor seating areas across the 10-acre property. Among the hotel’s premier amenities are three restaurants and lounges including the popular Mustangs & Burros, the 8,000-square-foot Spa at Estancia, and San Diego’s only IACC-certified conference facility comprising 26,000 square feet. Located adjacent to UCSD, it offers guests easy access to La Jolla Village, beaches, golf and San Diego area attractions. Estancia La Jolla was developed by

Lowe and opened in 2004. It was included on the *Conde' Nast Traveler* "Hot List" of the best new hotels in the world for 2005-2006 and earned the prestigious Four Diamond rating from AAA.

John Strauss of Jones Lang LaSalle represented Lowe Enterprises in the transaction. PHG was advised by Bruce Baltin of PKF Consulting and assisted by Eagle Four Equities, LLC.

About PHG

Founded in 1997, Irvine-based Pacific Hospitality Group, LLC ("PHG") maintains a long-term strategic vision and a strong sense of core values as guiding principles for its business success. PHG manages, develops, finances, and owns hotel assets located in California including The Meritage Resort and Spa in Napa, the Doubletree Irvine Spectrum, the Doubletree Santa Ana / Orange County Airport, and the Crowne Plaza Anaheim Resort. PHG currently operates seven resorts, hotels and properties representing more than 1,400 rooms and 90,000 square feet of indoor meeting and event space. PHG successfully operates its hotels by consistently growing revenue while effectively managing costs, thereby maximizing each hotel's NOI. By using a cluster strategy, PHG is committed to growing its market share and adding value to its portfolio through renovations, repositioning and expansion. To further this goal, PHG enjoys excellent relationships with major lodging companies including Hilton, Intercontinental Hotels Group and Preferred Hotel Group. www.pacifichospitality.com

About Lowe Enterprises

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm. Over the past 39 years, it has developed, acquired or managed more than \$16 billion of real estate assets nationwide. Lowe is currently responsible for more than \$5 billion of commercial, hospitality and residential assets. Its hospitality management subsidiary, Destination Hotels & Resorts, was ranked the third largest independent hotel manager by a leading hospitality publication. Through its investment management affiliate, Lowe currently manages \$1.5 billion of real estate assets on behalf of investment clients. In addition to its Los Angeles headquarters, Lowe Enterprises maintains regional offices in Washington DC, Denver, Southern California and Northern California. For further information on Lowe's activities, please visit: www.LoweEnterprises.com