

Casey & Sayre, Inc.

11835 W. Olympic Blvd., Suite 1285
Los Angeles, California 90064

News

For: **LOWE ENTERPRISES**

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Contact: Karen Diehl
(310) 473-8090

LOWE ENTERPRISES INVESTORS ACQUIRES HOTEL DEREK IN HOUSTON

HOUSTON – Lowe Enterprises Investors (LEI) has acquired the Hotel Derek, a 314-room independent boutique hotel in the prominent Galleria area of Houston, on behalf of a national hotel investment venture LEI formed last year with The Guardian Life Insurance Company of America and a subsidiary of Allstate Insurance Company. The 14-story hotel is located at 2525 West Loop South. Concurrent with the sale, LEI affiliate, Destination Hotels & Resorts, will take over the hotel management.

“Hotel Derek is an ideal fit for our hotel investment venture, which targets well-located, full-service hotels in major metropolitan markets. It presents the opportunity to invest in a quality, modern boutique hotel property in an affluent submarket of Houston, one of the top hotel markets in the country,” said Bradford W. Howe, CEO of LEI.

LEI plans to make further improvements, investing at least \$4.5 million in the property. It will refresh the guest rooms and common areas and enhance the meeting space, including updating the technology.

The Hotel Derek, in the heart of Houston’s Galleria district, offers convenient access to a host of premier shopping, dining and entertainment venues as well as the city’s major businesses. Its spacious and luxurious loft-style rooms include 10 suites and 16 business studio rooms. The hotel provides guests with a business center, fitness center, outdoor pool and deck and the Valentino Restaurant and Vin Bar.

With 10,000 square feet of meeting space the hotel offers a variety of options for groups large and small. The 4,800-square-foot ballroom can accommodate dining seating for 360 or a reception for 500 and can be divided into smaller meeting rooms.

“In a market that is otherwise heavily concentrated with branded hotels the Hotel Derek stands out as a rare boutique property. Its convenient location and modern style coupled with its meeting space options make the Hotel Derek an ideal choice for groups

as well as business and leisure travelers,” noted Russell Munn, senior vice president of LEI.

LEI also owns, on behalf of an investment client, the Hotel Driskill in Austin. Destination Hotels & Resorts is known for operating premier boutique hotel properties.

The seller was represented by Eastdil Secured. Lowe Enterprises Investors represented itself in the transaction. Wells Fargo Bank provided debt financing in the transaction.

About Lowe Enterprises Investors

Lowe Enterprises Investors (LEI) provides real estate investment management services on behalf of a select list of institutional and high net worth clients and partners through individually managed separate accounts, commingled fund relationships and targeted investment programs. The firm has been responsible for \$6 billion in real estate assets, including commercial, hospitality and debt investments, since inception in the late 1980s. LEI has been a leading value-added investor through multiple cycles, employing equity and structured debt in its investment strategies. The firm is based in Los Angeles and is an affiliate of Lowe Enterprises, a national investment, development and management firm that is celebrating its 40th year in real estate. For more information about LEI, please visit:

www.LowelInvestors.com

About Destination Hotels & Resorts

Destination Hotels & Resorts is a privately held hospitality management company headquartered in Colorado. With 40 independent, luxury and upscale hotels, resorts and golf clubs, Destination is the fourth largest hospitality management company in the country. The company’s portfolio features more than 9,600 guest rooms, 18 golf courses and 16 full-service spas. Destination Hotels & Resorts properties are located in key metropolitan and resort markets including Los Angeles, Chicago, Boston, Phoenix, Santa Fe, Aspen, Lake Tahoe, Seattle, Denver, Austin and San Diego. The company is a subsidiary of Los Angeles-based investment, development and management firm Lowe Enterprises and the Lowe Hospitality Group. For a complete list of properties in the Destination Hotels & Resorts collection, please visit www.destinationhotels.com.

About The Guardian Life Insurance Company of America

A mutual insurer founded in 1860, The Guardian Life Insurance Company of America and its subsidiaries are committed to protecting individuals, business owners and their employees with life insurance, disability income insurance, dental insurance products, and offer funding vehicles for 401(k) plans, annuities and other financial products. Guardian operates one of the largest dental networks in the United States, and protects more than six million employees and their families at 115,000 companies. The company has approximately 5,000 employees in the United States and a network of over 3,000 financial representatives in more than 80 agencies nationwide. For more information about Guardian, please visit:

www.GuardianLife.com

About Allstate Insurance Company

Allstate Insurance Company is a subsidiary of The Allstate Corporation (NYSE: ALL), the nation’s largest publicly held personal lines insurer, serving approximately 16 million households through its Allstate, Encompass, Esurance and Answer Financial brand names. Widely known by its slogan “You’re In Good Hands With Allstate®,” Allstate offers insurance products (auto, home, life and retirement) and services through Allstate agencies, independent agencies, and Allstate exclusive financial representatives, as well as via www.allstate.com and 1-800 Allstate®.

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