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JER PARTNERS AND SAGE HOSPITALITY RESOURCES ACQUIRE PORTLAND, OREGON OFFICE BUILDING FOR COURTYARD BY MARRIOTT REDEVELOPMENT

McLean, Virginia – JER Partners, the private equity investment arm of the J.E. Robert Companies, and Sage Hospitality Resources, announced today the acquisition of an office building in Portland, Oregon. JER plans to redevelop the former TN Building located at 300 SW 6th Street into a 256-room Courtyard by Marriott Hotel.

The redevelopment plans for the TN Building include a complete interior renovation and the build-out of three additional floors. The façade of the TN building will also be completely renewed. As part of the redevelopment, an adjacent building will also be rebuilt. The hotel has a planned opening date of April 2009.

The hotel site is located in the heart of Portland's financial, entertainment and retail district with access to high-end shopping, restaurants and over 16 million square feet of office space. It is adjacent to the largest office building in Portland, the US Bancorp Tower.

The Portland hotel market has experienced positive growth trends over the last two years. The transaction is compelling to JER and Sage due to limited new hotel supply projected in the Portland market and a lack of suitable competitive developable sites. "Portland is one of the few major urban markets where there are no upscale limited service hotels," stated Cia Buckley, President of U.S. Fund Business at JER. "This important hotel segment caters to business travelers and has done extremely well in other central business districts. We believe the addition of a Courtyard by Marriott to Portland's downtown will be extremely well received by the city's residents and business travelers alike."

The hotel will be developed and managed by Sage, one of the nation's leading hotel management and development companies. Sage has previous experience developing hotels in Portland, and is currently redeveloping the top nine floors of the former Meier & Frank Department Store into The Nines, a 331 room Starwood Luxury Collection Hotel.

"Sage has had a great experience in working with the City of Portland, Portland Development Commission, and the business community in redeveloping the Meier & Frank Building into a luxury hotel. We are thrilled that we could find another opportunity to make an investment in the community," stated Ken Geist, Executive Vice President of Sage.

About JER

JER Partners is the private equity investment arm of J.E. Robert Companies, a real estate investment management company with over 26 years of experience in sourcing, underwriting and managing a broad spectrum of real estate equity investments and debt products in North America and Europe. JER Partners invests primarily in office, retail, multi-family, industrial properties and hospitality properties. Other areas of investment include commercial

mortgage-backed securities (“CMBS”), healthcare related real estate and mezzanine financing. For more information on JER, please visit www.jer.com.

About Sage Hospitality Resources

Founded in 1984, Sage Hospitality Resources has strategically grown into one of the largest privately held hotel management and development companies in the nation.

During the past five years, the Denver, CO-based firm has completed over \$1.1 billion in acquisition and development projects, using some of the most unique financing structures in the industry. Sage is a preferred franchise partner for Marriott International and Starwood Hotels and Resorts Worldwide. In addition to major international brands, Sage’s comprehensive management portfolio includes independent boutiques and hotels such as the visionary 21C Hotel/Museum in Louisville, KY (the signature hotel incorporates an art museum devoted to collecting and displaying living, contemporary artists from around the world).

Sage is also nationally recognized for converting historic properties into signature hotels. Since 1997, when the company pioneered its first urban redevelopment initiative, Sage has preserved and transformed five underutilized national landmarks into award-winning hotel properties that serve as an important catalyst for downtown revitalization. Currently, Sage is in the process of renovating three historic landmarks into luxury hotels: the Masonic Temple in Providence, RI; the Blackstone Hotel in Chicago, IL and the Meier and Frank Department Store in Portland, Oregon.

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