

FOR IMMEDIATE RELEASE

Channel West Group and Arris Investments Acquire Los Angeles Area Hotel

LOS ANGELES, CA - July 05, 2012 - Channel West Group, LLC, along with capital partner Arris Investments LLC, announced today the acquisition of a 122-room hotel in Calabasas, CA, which took place on July 3rd. The hotel, currently branded as Country Inn & Suites by Carlson, is centrally located within walking distance from the Commons at Calabasas and multiple other dining and shopping options near Old Town Calabasas. The acquisition represents Channel West's first property purchase in the city of Calabasas, an attractive market known for its upscale residential status and convenient proximity to both Los Angeles and Ventura county communities.

Channel West's plans include a complete renovation of guest rooms and significant upgrades to public spaces in order to reposition the asset as an upscale independent hotel in the heart of the city's shopping and business district. Once repositioned, Channel West expects the property to provide a welcome alternative in an affluent sub-market which is primarily served by branded select service hotels.

The hotel will be managed by Evolution Hospitality, a Southern California based manager with a strong track record in executing significant management turnaround strategies. Members of the Evolution management team are also investors in the hotel acquisition. Financing was provided by LEI Senior Finance, LLC, a fund managed by Lowe Enterprises Investors.

Channel West Managing Partner Steve McKenzie stated, "We believe that our transformational renovation plan along with having a manager with the full service, high touch approach of Evolution at a 122-room asset is a significant and differentiating advantage. We are excited to execute the business plan for this extremely well located hotel and eager to identify more opportunities with these same partners." "We view this as a unique opportunity to revive a distressed asset in a market with large barriers to entry and strong demand characteristics. We believe that Channel West's business plan will enable this asset to capture a disproportionate market share", added David Parsky, Managing Principal of Arris Investments.

About the ownership and management teams

Channel West Group is a real estate investment and advisory firm focused on the West Coast and Hawaii markets where the firm's principals each have over twenty years of real estate experience. The firm provides to its partners and clients a disciplined focus on the West Coast and Hawaiian markets along with comprehensive real estate experience rooted in a variety of skill sets – including principal investing, asset management, investment banking, restructuring and development. Channel West acts primarily as a joint venture partner in the acquisition, ownership, and operation of commercial real estate. The company also provides advisory services for owners and lenders on complex real estate

transactions on either a short term or long term basis. Channel West works with institutions, commingled funds, family offices, and lenders.

Arris Investments is a real estate investment management firm focused on providing joint venture equity across asset types in the western United States. On behalf of both institutional and private capital sources, Arris partners with proven operating sponsors to acquire real estate with value-added business plans. Principals, Greg Galusha and David Parsky, with over 35 years combined of institutional, real estate investment management experience have collectively been responsible for over \$5 billion of real estate investments across asset types, markets and strategies.

Evolution Hospitality is a Newport Beach based hotel management company which offers the expertise to position or reposition an asset through a talented team of seasoned professionals that lead every discipline, including a full-service in-house ad agency. Evolution creates value at hotels it manages by combining a sales-driven culture with a proven ability to capture market share. Currently, as a member of the Tarsadia alliance of independent companies, Evolution manages a portfolio of fourteen hotels. Examples of hotels under management include the San Mateo Marriott, Hotel Adagio in San Francisco, and Hard Rock Hotel San Diego.

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