



Shorenstein Properties Acquires Redwood City, Calif. Office Complex

San Francisco – (April 16, 2007) – Shorenstein Properties LLC, a leading sponsor of private real estate investment funds and owner, developer and operator of office properties throughout the United States, announced the purchase of 1400 and 1500 Seaport Boulevard, a pair of five-story office buildings in Redwood City, Calif. Terms of the purchase were not disclosed. The seller was Starwood Capital Group of Greenwich, Conn., represented and advised by Eastdil Secured and Cornish & Carey.

Completed in 2002, the two buildings – which total 447,747 square feet – are 100 percent leased as the headquarters of PDL Biopharma, a biopharmaceutical company focused on discovering, developing and commercializing innovative therapies for severe or life-threatening illnesses. PDL Biopharma, currently headquartered across the San Francisco Bay in Fremont, Calif., executed the long term leases in July 2006.

The buildings sit within the 1.7 million square foot Pacific Shores Center, a 106-acre master-planned office development on the waterfront in the mid-Peninsula community of Redwood City. The office campus is home to several “next generation” companies including DreamWorks Animation, Inc., OpenWave Systems, Inc., and Eidos Interactive.

Shorenstein Properties LLC made this purchase for its eighth investment fund, Shorenstein Realty Investors Eight, L.P., formed late last year with \$1.1 billion in

committed capital, including \$100 million from Shorenstein. In the last 30 days, Shorenstein has closed on purchases totaling more than five million square feet for the fund, including a

portfolio of properties in Portland, Ore., and office buildings in Boston and Washington, D.C.

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About Shorenstein Properties LLC:

San Francisco-based Shorenstein Properties LLC (www.shorenstein.com) is one of the oldest and most successful private real estate investment companies active throughout the United States in the acquisition, development, ownership and management of office and mixed-use properties. Since its beginning in 1924, the company has evolved from a regional real estate operating company to an active national investor and manager of commingled institutional capital. Since 1992, Shorenstein has sponsored eight closed-end real estate investment funds. Shorenstein's substantial co-investment, integrated investment and operating strategy, and strong performance have positioned the company as an experienced leader in the value-added arena.

About Starwood Capital Group:

Starwood Capital Group has been a leader in real estate investments since 1991. Its international investor base includes some of the United States' largest state and corporate pension funds, endowments and foundations and high-net worth families from around the world. During the past fifteen years, Starwood Capital and its affiliates have invested approximately \$6 billion of equity capital in transactions representing over \$30 billion of asset value. Starwood has closed and/or advised on over 215 transactions ranging in size from \$1 million to \$14.6 billion, and has acquired equity interests in residential and multifamily, hotels, office, retail and industrial space, golf and leisure-related properties. Starwood's past and current investments include the acquisition or formation and growth of several market leading companies including Groupe Taittinger and Societe du Louvre, Europe's second largest hotel network; iStar Financial (NYSE: SFI), the leading publicly traded finance company specializing in commercial real estate mortgage, mezzanine and net lease financing; Starwood Hotels & Resorts Worldwide (NYSE: HOT), a leading global owner/operator of hotels; and National Golf Properties/American Golf Corporation, the largest owner/operator of golf courses and related facilities in the U.S. Starwood Capital Group no longer owns an equity stake in either iStar Financial or Starwood Hotels.