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Gatehouse Capital Breaks Ground on Largest Privately Financed Real Estate Project in California's History

\$600 Million W Hollywood Hotel & Residences Project Begins

DALLAS (February 12, 2007) — Gatehouse Capital Corp., one of the country's most innovative real estate investment and development firms, today broke ground on the largest privately financed real estate project in California's history—the W Hollywood Hotel and Residences. The \$600 million, mixed-use project, will transform one of Hollywood's most famous intersections—Hollywood and Vine—and will be L.A.'s first ever, ground-up, lifestyle hotel, retail and condominium development.

Joined by executives from project partners HEI Hospitality, LLC and Legacy Partners; Los Angeles Mayor Antonio Villaraigosa; and many other business, city and community officials, Gatehouse Capital president and CEO Marty Collins kicked off the celebratory groundbreaking, which was more than five years in the making.

“A project of this magnitude and profile requires enormous communication, coordination and planning, but we are thrilled to finally break ground on what we believe is Hollywood's brightest new star,” said Collins. “The W Hollywood Hotel and Residences will turn an area that had over the years become emblematic of urban blight into a premier destination for residents, visitors and workers.”

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The centerpiece of the project is the 305-room W Hollywood Hotel. Renowned for their “whatever, whenever” philosophy, W hotels offer guests the ultimate in design, comfort and cultural influences. Gatehouse Capital has developed W hotels in Dallas, San Diego, and Silicon Valley.

“With the W Hollywood, we have taken what we learned from previous projects to create our most unique combination of accommodations, dining, spa facilities and nightlife to date,” added Collins.

The development will also include 143 condominiums, 375 luxury apartments, and approximately 50,000 square feet of retail space, all of which is within a short stroll from the onsite transit station.

Slated for completion in 2009, W Hollywood Hotel and Residences will be the most visible symbol of the renaissance in what had become an unfortunate, blemish in one of the world’s most famous cities. “Taking a dream and shepherding it through so many hurdles to today’s groundbreaking is an accomplishment of which all the participants in this project can be proud,” said Collins. “This ‘greatest premiere of all time’ only begins to tell the ‘New Hollywood Story.’”

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About Gatehouse Capital Corp.

Gatehouse Capital Corporation is a real-estate investment and advisory services firm based in Dallas, Texas. The company specializes in mixed-use developments and hotels. Gatehouse utilizes best-of-class institutional partners to design, build and operate its properties. Gatehouse developments include W San Diego, W Silicon Valley, W Dallas-Victory Hotel and Residences, Hyatt Islandia in San Diego, the Kimpton Hotel in Milwaukee, and the Joule Hotel. For more information, visit www.gatehousecapital.com.