



SAROFIM REALTY ADVISORS

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Press Release

SAROFIM REALTY ADVISORS COMPLETES INVESTMENT IN & RECAPITALIZATION OF MARRIOTT COURTYARD JOINT VENTURE ON BEHALF OF INSTITUTIONAL INVESTOR

DALLAS, TX – March 31, 2005 - Sarofim Realty Advisors announced that it has completed the \$1.3 billion recapitalization of CBM Joint Venture on behalf of an institutional investor. CBM Joint Venture owns 120 Courtyard by Marriott hotels containing over 17,000 guest rooms and includes two portfolios of properties.

In addition to the acquisition of 85% of Host Marriott Corporation's existing ownership, Sarofim's client invested a total of \$332 million in order to recapitalize the joint venture and reduce its capital costs. While assuming \$262 million of existing debt on the Courtyard I portfolio, Lehman Brothers provided \$550 million of long-term financing on the Courtyard II portfolio owned by the joint venture. Marriott International, Inc. retained its ownership interest in the venture at 21%, while Host Marriott retained a 3.5% ownership interest, and Sarofim's client owns 75.5%.

The hotels, located in 29 states, will undergo extensive renovations as part of the Courtyard "Reinvention" program. Many of the hotels in the joint venture have already completed renovations, which include updated designs for the lobby and guest rooms. Marriott International provided a \$129 million mezzanine loan commitment to partially fund the renovation costs.

C. A. Galpern, President & CEO of Sarofim Realty Advisors said that, "This transaction will enhance our clients' portfolio by providing diversification and value added returns. We were able to negotiate this deal when interest in hotels was just beginning to return to favor with institutional investors."

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SAROFIM REALTY ADVISORS is a registered investment advisor with the Securities and Exchange Commission. The company manages real estate investments on behalf of institutional investors and has investments located throughout the United States. Sarofim Realty Advisors delivers investments that optimize the balance of risk and return.