

News Release

For Immediate Release
January 9, 2006

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Hines

HINES PURCHASES LA JOLLA LAND PARCEL TO DEVELOP OFFICE TOWER

(SAN DIEGO, CA) — The San Diego office of Hines, the international real estate firm, announced today that it has purchased a three-acre office development site in the University Town Center (UTC) submarket of San Diego, on which the firm plans to develop a high-rise landmark office building, with construction to commence in the third quarter of 2006. Hines acquired the fully entitled parcel from an affiliate of Makar Properties LLC, for an undisclosed amount. Buchanan Street Partners advised both the seller and buyer in the transaction, and will be providing capital structuring advisory services to Hines on the project.

The office tower site is part of La Jolla Commons, a 12-acre mixed-use campus that also incorporates high-rise hotel and condominium components in a campus-style landscaped setting. Hines' new development will be the first high-rise office building built in the UTC submarket since 1991. The project will combine highly efficient floorplates, state-of-the-art operating systems, panoramic office views, and excellent visibility from La Jolla Village Drive and Interstate 805. Amenities for the office tower will include the luxury hotel and luxury high-rise condominium residences that Makar plans to develop on the site, nearby restaurants and the University Towne Center super-regional mall which is a one-block walk from the site.

“We are thrilled to have acquired the only entitled high-rise office building site in UTC and look forward to delivering an efficient, high-quality product with national-caliber architecture,” said Hines' lead manager in San Diego, Paul Twardowski. “This project is consistent with Hines' track record of developing exceptional projects in premier locations in major cities around the U.S. We expect the San Diego market to continue to solidify its standing as one of the best places to live and work in the country.”

Hines entered the California market in San Francisco in the late 1970s and opened its Southern California office nearly two decades ago. More recently the firm opened new offices in

San Diego and Orange County to coincide with recent developments including PETCO Park in San Diego and 2211 Michelson in Irvine; and acquisitions including Golden Eagle Plaza and Pacific Plaza, both in San Diego. Hines' West Region currently controls over 18 million square feet of office property.

Hines is a privately owned real estate firm involved in real estate investment, development and property management worldwide. The Hines portfolio of projects completed, underway, acquired and managed for third parties includes almost 900 properties representing more than 345 million square feet of office, mixed-use, industrial, hotel, medical, sports facilities and residential properties, as well as large, master-planned communities and land developments. With offices in 68 U.S. cities and 14 foreign countries, and controlled assets valued at approximately \$12.5 billion, Hines is one of the largest real estate organizations in the world. Access www.hines.com for more information.