

PRESS RELEASE

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STRATHMORE DEVELOPMENT COMPANY ANNOUNCES “LOWER TOWN” URBAN LIFE-STYLE CENTER GROUNDBREAKING

Strathmore Development Company, through affiliate Lower Town, L.L.C., is pleased to announce the commencement of construction on the Lower Town project at the intersection of Maiden Lane and Broadway, Ann Arbor, Michigan. Construction will commence November 28, 2007 with project completion planned for the fourth quarter, 2009. A ceremonial groundbreaking is planned for later in December.

Lower Town is an urban life-style, mixed-use, Brownfield redevelopment located adjacent to the University of Michigan Health System medical campus in Ann Arbor, Michigan. The \$171,000,000 project will consist of 185 upscale residential dwellings, 138,275 square feet of prime retail space, 152,689 square feet of general and medical office, together with a 760 car parking structure. The Lower Town urban lifestyle center will offer residents a unique opportunity to live, work, play and shop in a thriving upscale urban environment within walking distance to one of the nation's foremost teaching hospitals and universities. The project will receive tax increment financing through the Michigan Economic Development Corporation and the Washtenaw Brownfield Redevelopment Authority in order to remediate preexisting environmental contamination to residential standards.

Project joint venture equity funding has been arranged through Morgan Stanley Real Estate on behalf of a client. Construction financing will be syndicated through Key Bank Real Estate Capital together with mezzanine financing from National City Commercial Real Estate. Lower Town will be constructed by Clark Construction Company, founded in 1946, which is ranked as one of the top 100 construction management firms in the nation by Engineering News Record.

Strathmore Development Company is an East Lansing, Michigan based real estate investment, development, and management company with offices in Michigan and Florida. Strathmore works closely with communities on all aspects of commercial and residential real estate, including the redevelopment of environmentally challenged sites, repositioning of existing projects, and historic renovations. Strathmore Development Company maintains numerous professional affiliations, including memberships in the United States Green Building Council, National Trust for Historic Preservation, Urban Land Institute, American Bar Association, American Institute of Certified Public Accountants, National Society of Professional Engineers, and the International Council of Shopping Centers.

Strathmore Development Company has a solid track record of successfully completing challenging projects while benefiting its clients, partners, and the communities it serves.

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