

Younan Acquires 275,000 SF Office Building Located in Phoenix's Central Business District

PHOENIX, AZ October 11, 2004 Younan Properties Inc. (YPI), one of the fastest growing privately held commercial real estate investment firms in the United States, has purchased the Meridian Bank Tower -- a 275,000 SF, Class A office building from CS First Boston for \$11 million.

The 20-story office building is located at 3550 N. Central Avenue in the central business district of downtown Phoenix, AZ and was 55% occupied at the time of sale. This building is strategically located in the North side of Central Avenue and was significantly renovated in early 2001. The building's key tenants include: Make a Wish Foundation of America, Meridian Bank, Darcomm Supply Inc., Warner, Angle, Roper & Hallam, P.C. and CorVel.

We continue to see significant positive signs in the Phoenix office market which were supported by the last two quarters of market performance. As a result, we have been extremely successful in our ability to turn around office properties located in the Phoenix CBD market through increasing occupancy by 12% and reducing operating expenses by 31% in a short period of time, said Zaya S. Younan, chairman & CEO of Younan Properties. Due to our tremendous success in this market, we felt comfortable increasing our portfolio size from 400,000 SF to 675,000 SF. Today, we are one of the largest office landlords in the Phoenix CBD market.

The buyer, Younan Properties, represented itself. The seller, CS First Boston, was represented by Barry Gabel of Trammell Crow Company.

According to Mr. Younan, the Phoenix office market ranked #5 as the best performing market in the past two quarters and looking ahead, this market will outperform most major U.S. metropolitan markets due to an increase in job growth, population and demographic density growth.

Working with the Younan Properties' team has made this complex transaction seamless due to the Mr. Younan's creative thinking, responsiveness and diligent investigation of the property, said Gabel. I look forward to working with YPI again as they have identified Phoenix as a primary market for office market.

Younan Properties' goal for Meridian Bank Tower is to renovate and stabilize the asset as well as implement an aggressive leasing program in order to reach 90% occupancy by mid-2006. The firm intends on increasing its portfolio size in the Phoenix market from 675,000 SF to 1 million SF by the end of 2004.