

Younan Properties Announces New Finance Group

Younan Properties Announces New Finance Group; Unit to Acquire Non-Performing and Sub-Performing Loans for Commercial Real Estate

Los Angeles, April 1, 2008 ---Younan Properties, Inc. announced today that it is establishing a new commercial debt group and opportunity fund to acquire underperforming commercial loans backed by Commercial Real Estate. The Younan Finance Group initially will invest up to \$200 million in underperforming loans and distressed office properties throughout the country in transactions ranging from \$5 million to \$50 million. The fund will acquire mis-priced mezzanine loans, B notes, whole loans and nonperforming first mortgages backed by Commercial Real Estate.

Zaya S. Younan, chairman and CEO of Younan Properties said, "The current instability in the debt markets and the inability of lenders to hold an underperforming loan while the property is stabilized provides an excellent opportunity for our company to acquire debt at discounted prices for key assets in major markets. We intend to acquire debt instruments where we can actively assist in the management of the property. Increasing cash flows for the property will ultimately contribute to the asset's ability to meet its debt obligations and provide our investors with superior returns on their investments," Younan added.

The acquisition of underperforming debt is a natural extension of Younan's business. "One of our primary strengths is our ability to assess a property's operating efficiencies and identify opportunities to reduce costs and increase an asset's value. Historically, we have significantly reduced operating costs by applying proven efficiencies and process controls. Using our proprietary practices, we have generated positive cash flow in buildings even where there is a combination of low occupancy and high leveraged debt ratio," said Younan.

Since January of 2008, the market for commercial mortgage bonds has frozen, as spreads on top-rated paper have swelled to levels customarily seen in the high-yield - debt market. Many investment banks are looking to sell a huge inventory of commercial mortgages that were originated before the credit crunch took hold and now are under significant pressure to perform.

Younan Properties has significant experience with distressed assets in both acquisition and turn-around situations. The company employs a proprietary operational strategy that differentiates it from traditional lenders and owners. Younan's size and reputation as one of the leading real estate owners and investors also gives it access to unsurpassed deal flow. Its substantial financial resources ensure its ability to support ongoing investment in both real estate assets and debt market note acquisition.

"Commercial Real Estate has been negatively impacted by the current debt market meltdown, which has initiated a negative growth cycle. Unfortunately, these cycles move very slowly and traditionally we've seen a significant lag between the adoption of

new incentives and their manifestation in the market place," Younan noted. "We believe Commercial Real Estate has entered into a period where there will be fewer opportunities to acquire premium assets directly on acceptable terms. We are going to utilize this time to establish and grow our new Finance unit using the same proprietary practices and disciplines for which we have become recognized in order to continue to deliver superior returns to our investors," Younan concluded.

Headquartered in Los Angeles, Younan Properties, Inc., a privately-held real estate investment group, specializes in acquiring Class A office properties in high-growth markets throughout the United States. Known for its detailed, hands-on approach to improving operational efficiencies while maintaining top building standards for tenants, the company is recognized for its success in turning around undervalued assets and maximizing the value of stabilized assets. Through the application of proprietary technologies and proactive management, Younan has accumulated nearly 12 million square feet of well-located Class A office buildings in key markets in Texas, Illinois and Arizona. Additional information about Younan Properties, Inc. can be found at www.younanproperties.com.