



For Immediate Release
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RLJ DEVELOPMENT, LLC FOUNDED BY BET CEO, CLOSSES THE RLJ URBAN LODGING FUND, L.P. with \$315 Million in Equity Commitments

BETHESDA, MD (April 5, 2005) – Privately held RLJ Development, LLC (RLJ) controlled by Robert L. Johnson, founder and CEO of BET and owner of the NBA Charlotte Bobcats and the WNBA Charlotte Sting, is pleased to announce that it has completed the final closing of its first private equity fund, the RLJ Urban Lodging Fund, L.P. (RLJ Fund) with \$315 million in equity commitments. The RLJ Fund has ten institutional investors including several major public and corporate pension funds, financial institutions and two dominant hospitality entities. The RLJ Fund was oversubscribed and combined with leverage will have total purchasing power in excess of \$900 million. RLJ was exclusively represented by Presidio Partners, a real estate investment bank with offices in San Francisco and Chicago.

The RLJ Fund's strategy is to acquire and develop upscale, focused service hotels and compact full-service hotels in urban markets primarily under Hilton and Marriott brands. To date, the RLJ Fund has already closed on three investments with a total acquisition value of \$122 million:

- Residence Inn Anaheim Resort Area – Garden Grove, CA – The hotel features 200 suites, of which 101 are two-bedroom suites, including 70 specially-themed Kids' Suites and is strategically located three blocks from the Anaheim Convention Center and four blocks from Disneyland, Downtown Disney and Disney's California Adventure theme parks.
- Residence Inn San Diego – Mission Valley. The 192 all-suite hotel is located north of downtown San Diego and features 40 two-bedroom suites, of which 24

are specially-themed Kids' Suites. Additional amenities include 900 square feet of meeting space, high speed internet access, an exercise room and heated outdoor swimming pools.

- Washington Terrace Hotel – Washington, D.C. – The 220 room hotel is a compact, full-service hotel located near Scott Circle in Washington, D.C., nestled in a neighborhood populated by foreign embassies and the headquarters of several national associations.

The RLJ Fund has an additional \$48 million in assets under contract and expected to close in the next 90 days.

Robert L. Johnson, Chairman and CEO of RLJ, stated “We are thrilled with the launch of our first fund and delighted with the overwhelming response from the institutional investment community. We will diligently work hard to earn their continued trust in the months ahead.”

Thomas J. Baltimore Jr., President of RLJ added, “Our goal is to achieve superior risk adjusted returns for our investors with a highly focused investment strategy. There is a unique window in the lodging sector with accelerating demand and limited supply growth expected in the next few years, particularly in dense urban markets.”

RLJ Development, LLC is a privately held real estate investment company founded and led by Chairman and CEO Robert L. Johnson and President, Thomas J. Baltimore, Jr. The company currently owns 9 Hilton-branded hotels and two Marriott-branded properties in major markets around North America. RLJ is the largest African-American wholly-owned real estate investment company in the U.S. with approximately \$400 million in assets, and is actively seeking additional investment opportunities across North America in hospitality and related segments.

Presidio Partners (Presidio) is a real estate investment bank with a singular focus on providing capital raising and advisory services to real estate fund sponsors, operators, REITs and other real estate market participants. Presidio emphasizes individualized attention to its clients, working with only a few quality sponsors at any given time. Presidio leverages its relationships with public and corporate pension funds, foundations, endowments, insurance companies and other institutional investments to raise capital for its clients, which include sponsors from all segments of investment style, experience and property focus continuums. Products include real estate private equity funds, programmatic joint ventures and entity-level investments. Presidio's principals have completed over \$8.3 billion of private equity assignments; including \$6.0 billion of equity capital.

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Note: Certain matters discussed herein are forward-looking statements within the meaning of the Private Litigation Reform Act of 1995. Certain, but not necessarily all, of such statements can be identified by the use of forward-looking terminology, such as “believes,” “expects,” “may,” “will,” “should,” “estimates” or “anticipates” or the negative thereof or comparable terminology. All forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual transactions, results, performance or achievements of the Company to be materially different from any future transactions, results, performance or achievements expressed or implied by such forward-looking statements. These may include: (i) national and local economic and business conditions or governmental regulations that will affect demand, prices, wages or other costs for hotels; (ii) the level of rates and occupancy that can be achieved by such properties; (iii) the Company’s ability to compete effectively in areas such as access, location, quality of properties and rate structures; (iv) the ability to maintain the properties in a first-class manner (including meeting capital expenditure requirements); (v) the availability and terms of financing; (vi) changes to the need for compliance with environmental licensure and safety requirements; and (vii) the ability to find available acquisitions and investment opportunities. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions and business opportunities, it can give no assurance that its expectations will be attained or that any deviations will not be material. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

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