East West, KSL partnership to explore resort development opportunities

Official: No short-term impact to Lake Tahoe region

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SIERRA SUN

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OLYMPIC VALLEY — A partnership between a pair of prominent companies figures to capitalize on potential real estate acquisitions and national development opportunities, but will not include the Lake Tahoe region in the short term, officials said this week.

On Monday, East West Partners and KSL Capital Partners — Colorado-based companies occupy a major place in the North Lake Tahoe business landscape — announced the business partnership.

KSL Capital acquired Squaw Valley USA in late summer 2010 and has pledged a $50 million infrastructure investment at the ski resort, with a focus on culinary services and village amenities.

East West Partners — a pioneer in the master planned community concept — has created four year-round resort communities under the Tahoe Mountain Resorts brand: The Village at Northstar, The Highlands at Northstar, Old Greenwood and Gray's Crossing. Tahoe Mountain Resorts also will undertake the construction of the ski-in/ski-out Home Run Townhomes at Northstar in 2011 as part of the Highlands at Northstar, said Jeff Brown, vice president of sales and marketing for TMR.

The newly formed partnership will not affect the Lake Tahoe region in the short term, said Blake Riva, senior partner with East West Partners.

"East West Partners Tahoe Mountain Resorts will continue with Crescent as a financial partner for future Tahoe projects and opportunities," Riva said. "The new venture between East West Partners and KSL Capital Partners will focus on business opportunities outside the Tahoe region."

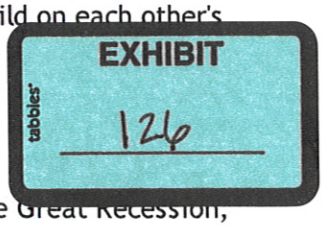
Crescent Real Estate Equities Company is a real estate investment trust headquartered in Fort Worth, Texas, that works in conjunction with East West Partners to finance various projects.

East West and KSL have a 25-year history of working together and developing resort real estate, dating back to their respective founders' common time in Vail and Beaver Creek resorts in Colorado.

"Although resort real estate has been negatively impacted by the recent economic downturn, we believe long-term demographics support continued second home ownership growth in unique and memorable destinations," said Eric Resnick, managing director and co-founder of KSL. "East West has consistently been one of the premier developers of resort real estate for more than two decades. They have a deep and talented team with a proven ability to create and transform resort communities. We are looking forward to an exciting and productive partnership."

Harry Frampton, managing partner and founder of East West, also expressed excitement regarding the partnership.

"We have known and worked with the principals of KSL for many years, and we share a mutual admiration for our respective teams' capabilities and experience," he said. "Together, we have the ability to build on each other's strengths and take advantage of some exciting opportunities."



Coming back

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In March of 2010, East West Partners filed for Chapter 11 bankruptcy protection, which had threatened Gray's Crossing, Old Greenwood and Northstar Highlands, among other developments, according to a previous reports.

The company's financial partner, Barclays, a British banking and investment company, put up a $10 million reorganization loan to assist the real estate firm with its debt.

On March 31, 2010, Bank of America filed a notice of default against the Ritz-Carlton Highlands, Lake Tahoe — renamed the Ritz-Carlton Lake Tahoe — a luxury resort at Northstar managed by East West Partners. In May of 2010, a lending group that included Bank of America took over ownership of the Ritz to allow East West time to recover and reorganize.

Outward indicators demonstrate a greater financial health for the company in 2011, as East West Resorts, a division of East West Partners, expanded its management portfolio to include the Ascent Residences and Luxury Home Rentals in Beaver Creek. The acquisitions were announced on March 17, 2011, in the Vail Daily.

East West Resorts manages more than 30 homeowner associations and about 300 individual rental and 200 individual homecare condominiums, townhomes, single-family residences and fractional ownership properties in Avon, Bachelor Gulch, Beaver Creek and Vail.

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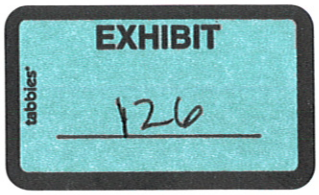

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