



ENTERTAINMENT GROUP

CONTACT:

Michael Doneff
SBE Entertainment Group
Tel: 323.655.8000
michaeld@sbe.com

Jennifer Green/Raluca State
BNC
Tel: 310.854.4800
jgreen@bncpr.com
rstate@bncpr.com

FOR IMMEDIATE RELEASE

SBE ENTERTAINMENT GROUP AND STOCKBRIDGE REAL ESTATE FUNDS COMPLETE ACQUISITION OF LAS VEGAS SAHARA HOTEL & CASINO

Las Vegas (August 1, 2007) – **SBE Entertainment Group, LLC (“SBE”)** and **Stockbridge Real Estate Funds (“Stockbridge”)** have completed their acquisition of the **Sahara Hotel & Casino** in Las Vegas, Nevada, from **Gordon Gaming Corporation (“Gordon Gaming”)**. SBE and Stockbridge intend to utilize their extensive redevelopment experience to renovate and revitalize the property, which is located at the north end of the Las Vegas Strip. Terms of the acquisition were not disclosed. Making the announcement were Sam Nazarian, CEO of SBE, Terry Fancher, Executive Managing Director of Stockbridge, and Al Hummel, CEO of Gordon Gaming.

With the purchase of the Sahara Hotel & Casino, SBE and Stockbridge have positioned themselves to be integral players in the master planning of the northern end of Las Vegas Boulevard, which has seen an influx of investment dollars from major gaming institutions since the partners made their initial acquisition announcement in April 2007. The closing of the transaction marks a turning point for the “North Strip” with SBE and Stockbridge leading a trend that sees casino owners leveraging the full value of Strip property and using their hotel and entertainment expertise to create destinations for discerning visitors.

"We have an exciting vision for this property," said SBE's Nazarian. While a definitive timeline for property redevelopment remains in the works, Nazarian commented, "Working closely with our partners at Stockbridge, we will be bringing SBE's foresight and proven reputation for trend setting to the Sahara. Our Hotel Group and Restaurant & Nightlife Group, with their successful track records in property repositioning, are focusing their efforts on creating a location that will change the landscape of the northern Strip and include upscale food, beverage, entertainment and gaming in a stylish, high-service package. We are also looking forward to becoming a meaningful and positive force within the Las Vegas community."

Commenting on the acquisition, Stockbridge's Fancher said, "The Sahara represents just the type of investment in Las Vegas that we, as real estate private equity investors are looking to make: a property with an established franchise in a superior Strip location that can benefit from operational expertise and the investment of additional capital."

Mr. Fancher added, "We are particularly pleased to be working in partnership with SBE on this venture and believe that SBE's creativity and entrepreneurship in developing some of California's most popular restaurants and nightclubs will transfer well to the Las Vegas market. Together with SBE, we intend to invest in this property and make it vibrant, exciting and accessible to a new generation of visitors."

With the closing of the transaction, SBE has assumed management of the hotel and its associated food and beverage operations through SBE's operating subsidiary, SBE Hotel Group. Sahara's casino will be operated by Navegante Group, a casino management and development company owned by well known Las Vegas casino executive and entrepreneur, Larry J. Woolf, under a lease arrangement.

The parties would like to acknowledge and thank their advisors who assisted with the transaction. For Gordon Gaming, SG Americas Securities, LLC acted as Exclusive Financial Advisor and Joint Transaction Advisor, along with CB Richard Ellis' Global Gaming Group (Las Vegas). Gordon Gaming was represented primarily by Latham & Watkins, LLP (Orange County and San Diego) and Brownstein Hyatt Farber Schreck, P.C. (Las Vegas). SBE and Stockbridge were represented primarily by Davis Polk & Wardwell (New York and Menlo Park), Pillsbury Winthrop Shaw Pittman, LLP (Los

Angeles), Lionel, Sawyer & Collins (Las Vegas), Lewis and Roca (Las Vegas), and Kamer Zucker Abbott (Las Vegas). Debt financing for the transaction was provided by RBS Greenwich Capital.



ABOUT SBE ENTERTAINMENT GROUP

Founded in 2002, SBE brings exquisite balance to the interrelated worlds of modern hospitality, real estate development and independent film production. As a privately-held parent organization founded and headed by CEO Sam Nazarian, SBE acquires, develops and manages exceptional projects through its specialized subsidiaries – SBE Hotel Group, SBE Restaurant & Nightlife Group, Bolthouse Productions, SBE Real Estate Group and Element Films – and its exclusive partnership with leading creative talents, including internationally renowned interior designer Philippe Starck. With a mission to redefine standards of excellence and innovation, Nazarian and his team draw on a wealth of institutional expertise and entrepreneurial know-how to create valuable synergies and unique alliances between these divisions, providing a complete lifestyle experience for SBE clients, whether they are staying in SBE properties, dining at SBE restaurants or enjoying Element’s motion pictures. The result: quality products rich in detail and originality, each created for a discriminating and diverse clientele. For more information, visit www.sbe.com.

ABOUT STOCKBRIDGE REAL ESTATE FUNDS

Stockbridge Real Estate Funds are a series of real estate investment funds capitalized by major public and private pension funds and high net-worth individuals. The Stockbridge Funds are managed by Stockbridge Real Estate Partners, LLC, whose principals have invested in more than \$8.5 billion of real estate since 1994.

ABOUT THE SAHARA/GORDON GAMING CORPORATION

The Sahara Hotel and Casino opened its doors in October 1952, and is the Northern-most resort on the famed Las Vegas Strip. This legendary institution has hosted virtually every major star as a performer or guest, including Johnny Carson, Tina Turner, Buddy Hackett, The Beatles, Dean Martin and Jerry Lewis. The last remaining “Rat Pack” casino, the Sahara was the setting for the original “Ocean’s Eleven” film starring Frank Sinatra. The Sahara continues its long tradition of entertainment excellence today. The resort is home to the “The Scintas,” one of the best shows in Las Vegas. Trent Carlini also stars in “The Musical History of the King” along with musical concerts by THE PLATTERS, Cornell Gunter’s COASTERS and Beary Hobb’s DRIFTERS.” The Sahara’s world famous Casbar Theatre Lounge has been awarded “Best of Las Vegas” honors by the Las Vegas Review-Journal. For room reservations, call the Sahara Hotel and Casino at (888) 696-2121.

ABOUT NORTHERN TRUST

Northern Trust Corporation is a leading provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and affluent individuals worldwide. Northern Trust, a multibank holding company based in Chicago, has a growing network of 84 offices in 18 U.S. states and has international offices in 13 locations in North America, Europe and the Asia-Pacific region. As of December 31, 2006, Northern Trust had assets under custody of \$3.5 trillion, and assets under investment management of \$697 billion. Northern Trust, founded in 1889, has earned distinction as an industry leader in combining high-touch service and expertise with innovative products and technology.