

NEWS

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For: **LOWE ENTERPRISES**

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LOWE ENTERPRISES/GENESIS LA REAL ESTATE FUND SELLS 23.5 ACRES TO FRITO-LAY AT AGUA MANSA INDUSTRIAL CENTER

- Sale is the last available parcel from 200 acres Lowe partnership acquired in Nov. 2002 --
- Transaction completes one of the most successful land sale programs in the Inland Empire --

LOS ANGELES – Lowe Enterprises sold a 23.5-acre lot in the Agua Mansa Industrial Center to Rolling Hills Frito-Lay (Frito-Lay), a subsidiary of Pepsi, for development of a warehouse and distribution center. The acquisition by Frito-Lay marks the completion of Lowe’s industrial land sales program, one of the most successful ever completed in the Inland Empire region of Southern California, which totaled 13 transactions valued at more than \$23.7 million. Lowe’s investment partner in the project was Shamrock Capital Advisors’ Genesis LA Real Estate Fund.

“The success of this center surpassed our expectations, with the entire 200 acres sold in just 25 months,” said Jamie Daugherty, senior vice president, Lowe Enterprises. “When we took over the property it had a negative perception and we implemented several programs to reposition it in the market. We resolved a multitude of property and infrastructure issues and added elements such as

professional landscaping and attractive signage to enhance the center's appeal to businesses seeking an Inland Empire location.”

The Agua Mansa Industrial Center is comprised of 24 lots varying in size from 2 acres to 53 acres. Lowe acquired 200 acres of the 300-acre master-planned industrial center in November 2002 from Washington Mutual Bank in partnership with Shamrock Capital Advisors' Genesis LA Real Estate Fund. Timi Anyon Hallem and Justin Thompson of the law firm of Manatt, Phelps & Phillips LLP represented the partnership in the acquisition and disposition of the property.

The original developer of the Agua Mansa Industrial Center filed for bankruptcy in the early 1990s and the property remained vacant for years due to myriad issues. Lowe overcame many barriers to the sale and development of the center. “Among the more significant issues we tackled were the refinancing of the existing Mello Roos bonds and relocation of the county line, which ran through several of the parcels,” Daugherty added.

Lowe sold the largest, 53-acre parcel, in the fourth quarter of 2004. The first two parcels, totaling 18 acres, were sold in December 2002.

“Our investment in Agua Mansa has delivered on the goals of the Genesis Fund by creating new jobs and spurring economic vitality in the region,” said Mark Schaffer, managing director of Shamrock Capital Advisors, Inc., the Burbank-based firm responsible for managing the “double bottom line” investment fund. “This project has not only been an overwhelming financial success, but it has also transformed a virtually vacant site into a vibrant hub of economic activity that will upon full build out, create more than 2,400 new jobs.”

The center straddles both Riverside and San Bernardino Counties, and is located north of the 60 (Pomona) freeway and west of the 215 (Barstow) freeway, easily accessible to the regional freeway network, Ontario Airport and the Union Railway terminal. The property is within a State of California enterprise zone and a recycling zone offering tax advantages and other financial incentives to businesses.

Instrumental in the successful marketing and sales program for Agua Mansa was Kevin McKenna and Ian De Vries of CB Richard Ellis. “Kevin and Ian’s history with the property and insight into the market helped us to quickly develop and implement our repositioning strategy,” Daugherty added.

The Genesis LA Real Estate Fund, managed by Shamrock Capital Advisors, provides equity, preferred equity and mezzanine debt financing to development projects benefiting low- to moderate-income neighborhoods. It makes investments designed to produce attractive risk-adjusted returns for its investors and spur economic activity and create jobs. Shamrock Capital Advisors is an affiliate of Burbank-based Shamrock Holdings of California, Inc., the investment arm of the Roy E. Disney family.

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm. Over the past 32 years, it has developed, acquired or managed more than \$7 billion of real estate assets nationwide. The firm is currently developing 4.7 million square feet of commercial projects nationwide. Through its investment management affiliate, the firm currently manages in excess of \$1.9 billion in real estate assets on behalf of institutional clients. In addition to its Los Angeles headquarters, Lowe Enterprises maintains regional offices in Denver, Irvine, Phoenix, San Francisco, Sacramento and Washington D.C.

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