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**LOWE ENTERPRISES CELEBRATES GROUND BREAKING FOR TERRANEA –
LUXURY 102-ACRE COASTAL RESORT IN LOS ANGELES COUNTY**

LOS ANGELES – Atop the bluffs overlooking the Pacific Ocean, Lowe Enterprises today hosted the ground breaking for Terranea Resort, an expansive 102-acre coastal resort in the Los Angeles-area community of Rancho Palos Verdes. The 582-room, \$450 million Mediterranean-style resort is designed to nestle into the rolling oceanfront topography. The resort's restaurants, pools, spa and function spaces, as well as 90 percent of the rooms, will offer sweeping ocean views. Terranea is being developed by Lowe affiliate company Lowe Destination Development and will be managed by another affiliate Destination Hotels & Resorts.

Today's ground breaking is the culmination of eight years of work by Lowe Enterprises to create a one-of-a-kind destination that blends with the natural setting and benefits the local community.

"We have the rare opportunity to create the only true luxury destination resort along the coastline of the Pacific Ocean in Los Angeles County," said Robert J. Lowe, chairman and CEO, Lowe Enterprises. "We are extremely mindful of the responsibility that comes with this amazing opportunity. To ensure that Terranea will be a jewel for the entire region, we have brought to its planning all of what we have learned in 35 years of developing exceptional resorts."

The resort sits on what was formerly the site of the Marineland oceanarium, which closed in 1987. It has been unoccupied since.

Terranea will comprise a 360-room oceanfront resort hotel with 34 suites including a 1,800-square-foot Presidential Suite, along with 20 two-bedroom Bungalows, 50 three-bedroom Casitas and 32 two- and three-bedroom Villas. Terranea's Bungalows, Casitas and Villas are being offered for sale.

Among the resort's exceptional amenities are a 25,000-square-foot oceanfront spa and fitness facility and three swimming pools each with its own ocean view. Casual and fine dining options include a cliff-side bar and a specialty restaurant overlooking the Pacific with 270-degree views of the California coastline.

"The design mandate for Terranea was to ensure that the spectacular views can be enjoyed from as many vantage points as possible. This is an unusual site, as it runs along the curve of the coast, so we carefully positioned each building and facility to capitalize on this dramatic setting," noted Rob Lowe, Jr., president, Lowe Destination Development.

Terranea also incorporates environmentally sensitive programs such as the creation of 14 acres of habitat, a landscaping program using non-invasive native plants and a sophisticated water management plan featuring vegetated open channels known as bioswales to clean water run-off before it flows into the ocean. The property also provides the public with access to an extensive network of trails within and outside the property, numerous public parks and overlooks along the coast.

"Our development plan knits together the existing public trails with new trails throughout the property to optimize access and enjoyment of the natural environment for guests and residents," added Lowe, Jr.

Terranea also includes an executive, nine-hole golf course and training facility, boutique retail, a business center and full-service concierge. The spa will be an unparalleled, state-of-the-art facility with 24 treatment rooms offering customized wellness programs along with separate men's and women's indoor and outdoor relaxation areas.

Each guest room is designed with warm tones, rich woods and sumptuous furnishings and features custom bathroom amenities, desktop work stations, flat screen televisions and private balconies.

The resort is expected to be a popular meeting and event destination with its 123,000 square feet of indoor and outdoor event space including 31 meeting rooms and an 18,000-square-foot main ballroom. Outdoor terraces and meeting space with ocean views are not generally available in the Los Angeles area, adding to its appeal for weddings, charitable galas and other functions.

“Terranea will offer the quintessential California experience with the ocean always at your door” observed Charlie Peck, president and chief operating officer for Destination Hotels & Resorts. “When we open our guests will be treated to a signature service that will make Terranea truly distinct among the world’s finest resorts.”

The resort is easily accessed, located 15 miles south of Los Angeles International Airport, and is a short drive to the area’s many attractions, entertainment and cultural venues. Terranea was designed by Hill Glazier Architects, Turner Construction is the general contractor. The resort is scheduled to open in spring 2009.

Lowe Destination Development and Destination Hotels & Resorts are wholly-owned subsidiaries of Los Angeles-based Lowe Enterprises, a leading national real estate development, investment and management firm. Over the past 35 years, Lowe has developed, acquired or managed more than \$8.5 billion of real estate assets nationwide. Through Lowe Destination Development, Lowe’s hospitality and resort community development subsidiary, the firm is currently developing in excess of \$2 billion of resort and resort community properties nationwide, notably the 1,040-acre Grizzly Ranch in Portola, Calif., the 700-acre Stone Eagle Golf Club in Palm Desert, Calif., the 600-room SilverRock Resort in La Quinta, Calif., the 136-unit Stowe Mountain Lodge in Vermont and the 6,000-acre Suncadia Resort near Roslyn, Wash. Destination Hotels & Resorts, with 30 independent, luxury and upscale hotels, resorts and golf clubs, is one of the largest independent hospitality management companies in the country with more than 7,000 guest rooms in its portfolio. Lowe Enterprises maintains regional offices in Denver, Irvine, Phoenix, San Francisco, Sacramento and Washington D.C. and project offices nationwide.

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