

NEWS

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For: **LOWE ENTERPRISES**

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LOWE COMMERCIAL DEVELOPMENT COMPANY ACQUIRES PRIME DEVELOPMENT SITE IN SAN DIEGO

-- 10 acres in the Rancho Bernardo area of I-15 corridor is third commercial development project for Lowe in San Diego --

SAN DIEGO – Lowe Commercial Development Company (LCDC), a joint venture between Lowe Enterprises and Teachers Insurance and Annuity Association, has acquired a 10-acre site from NCR Corporation in the Rancho Bernardo area of San Diego. Located on the I-15 corridor, the parcel is adjacent to NCR's 450,000-square-foot campus for its Teradata division.

"This is an exceptional area with limited land available for development, that has proven to be attractive to major corporate users, such as Sony and Northrop Grumman," said Mike McNerney, senior vice president, Lowe Enterprises. "We are analyzing different development options and will pursue entitlements for a commercial facility that is compatible with the area. One option may be a build-to-suit for a single user." In recent years Lowe Enterprises has completed build-to-suit facilities for corporations such as Verizon, Fluor, Sony and Specialty Laboratories.

The site is located atop a mesa with expansive views of the surrounding foothills. According to recent reports Rancho Bernardo has one of the lowest vacancy rates along the I-15 corridor and no new construction currently underway.

"The development model for LCDC is to pursue office and industrial projects in growing urban and suburban locations. The opportunity to develop this site is a perfect fit as land is scarce, the market appears to be improving and there is strong tenant interest," notes Phil Peters, managing director of LCDC, who leads the national Lowe-Teachers

development program. In recent years LCDC has developed a significant urban infill project in the Capitol Hill area of Washington D.C. and has completed the first phase of a Phoenix area office campus. Also underway is a four building, 540,000-square-foot state-of-the art warehouse and distribution campus in the Denver area.

Lowe Enterprises is already active in the San Diego market. The company will begin construction this summer on Ocean Ridge, a 75,000-square-foot Class A office development in Carlsbad, Calif. The four-acre parcel is the last bluff-top office development site in Carlsbad Ranch. In addition, Lowe's hotel development arm, Destination Development Group, is completing construction of the Estancia La Jolla Hotel and Conference Center, which will open this summer.

"Our firm's many activities in San Diego helped us to identify this unparalleled opportunity to acquire the NCR site for our LCDC venture. We continue to be very involved in the market and are pursuing additional acquisitions and developments in the region," added McNerney.

LCDC was formed in August 1999 to undertake new commercial development in niche markets that present high-quality development opportunities. The joint venture relies on Lowe Enterprises' national presence and multidisciplinary staff to identify market opportunities through local knowledge and relationships.

TIAA is part of TIAA-CREF, a leading financial services organization and the premier pension system for education and research employees.

Los Angeles-based Lowe Enterprises is a leading national real estate development, investment and management firm. Over the past 32 years, it developed, acquired or managed more than \$6 billion of real estate assets nationwide. The firm currently manages in excess of \$2.2 billion in real estate assets on behalf of pension fund clients. In addition to its Los Angeles headquarters, Lowe Enterprises maintains offices in Atlanta, Denver, Irvine, Phoenix, San Francisco, Sacramento and Washington D.C.

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