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**LOWE ENTERPRISES ANNOUNCES
DEVELOPMENT OF NEW DESTINATION RESORT AND RESORT HOMES**

*Luxury Destination Resort to Provide First Access to Southern California Seaside Town
of Rancho Palos Verdes for Discriminating Vacationers and Resort Home Owners*

RANCHO PALOS VERDES, CA – September 16, 2005 – Lowe Enterprises, a leading national real estate development, investment and management firm has unveiled its development plans for Terranea Resort, the first luxury resort and spa in Rancho Palos Verdes, Calif. The undertaking is anticipated to elevate the small but affluent seaside community to a contending coastal destination for discerning leisure and group travelers.

Located 15 miles south of Los Angeles International Airport, the \$320 million development, set on 102 acres, will offer luxury resort options in the mostly residential community of Rancho Palos Verdes for the first time. It is scheduled to open Winter 2008.

“Terranea will be located on an exquisite bluff with expansive ocean and coastal views. It offers a rare opportunity to create a world-class oceanfront destination resort in the Los Angeles area,” said Robert J. Lowe, chairman and CEO of Lowe Enterprises. “Terranea will bring the finest hotel accommodations and resort home ownership opportunities to the coast. The development takes advantage of the local environment, providing abundant pedestrian trails and view points that will allow people to enjoy the area’s natural beauty without disturbing the surroundings.”

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Designed by architects Hill Glazier & Associates, the resort will embrace a Spanish-Mediterranean ambience. Terranea Resort will feature 400 ocean-view rooms, including 40 free-standing bungalows, three swimming pools, a 25,000 square foot oceanfront spa and fitness facility overlooking the Pacific, two tennis courts, executive golf academy, children's center, shoreline parks, trails and overlooks, fine and casual beachfront and fine dining options and 6,000 square feet of retail space.

For vacationers who wish to make the resort a home-away-from-home, the oceanfront luxury property will offer full ownership in 32 private Ocean Villas and 50 Ocean Casitas ranging in size from 1,700 to 2,790 square feet. All units will feature direct ocean views, private concierge and a separate check-in. Sales efforts for the full ownership properties will begin September 15, 2005. Interested parties may call 866.366.7474 or visit www.terranea.com.

"The popularity of resort home ownership has been growing steadily over the past few years. At Terranea we can offer owners an unparalleled coastal location with first-class amenities," noted Rob Lowe, president, Lowe Destination Development. "Our Ocean Villas and Ocean Casitas will be serviced by the resort staff, providing a second home option without the burden of upkeep and maintenance."

With 60,000 square feet of banquet and meeting space, including 20 breakout rooms, an 18,000 square foot ballroom, a 6,500 square foot junior ballroom, a business center and expansive outdoor function space, Terranea also will be a premier destination for group meetings and private events.

The project is the culmination of seven years of planning by the privately owned Lowe Enterprises. Once open, Terranea Resort is anticipated to generate \$5 million in annual hotel, sales and tax revenue for the city. The resort is being built by Lowe Destination Development and will be managed by Destination Hotels & Resorts, both wholly owned subsidiaries of Lowe Enterprises.

Corus Bank, N.A., the banking subsidiary of Corus Bankshares, Inc provided construction financing in the amount of \$150 million.

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm involved in hospitality, office, industrial, mixed-use, retail and planned

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community properties. Over the past 33 years, it has developed, acquired and managed more than \$7 billion of real estate assets nationwide. The firm currently is developing approximately 4.7 million square feet of commercial projects nationwide. Through its investment advisory affiliate, the firm currently manages in excess of \$2 billion in real estate assets on behalf of institutional investors. The firm maintains regional offices in Denver, Phoenix, San Francisco, Irvine, Washington, D.C. and the Sacramento area.

Lowe Destination Development (LDD), a wholly owned subsidiary of Lowe Enterprises, is dedicated to the development and redevelopment of world-class hotels, resorts and resort residential communities nationwide. LDD currently is developing more than \$2 billion in hospitality properties nationwide, most notably the 1,040 acre Grizzly Ranch private golf community in the Lake Tahoe area, the 3,000 acre Suncadia project near Roslyn, Wash., and Stone Eagle, a private golf course and residential development in Palm Desert, Calif.

Destination Hotels & Resorts (DH&R) is a privately held lodging management company headquartered in suburban Denver, Colo. With 33 independent, luxury and upscale hotels, resorts and golf clubs, DH&R is the fifth largest independent hospitality management company in the country. The company's portfolio features more than 8,000 guest rooms, 15 golf courses and 10 full-service spas. Destination Hotels & Resorts properties are located in key metropolitan and resort markets including New York, San Francisco, Washington, D.C., Chicago, Denver, Dallas, Boston, San Diego, Aspen, Phoenix, Palm Springs, Jackson Hole, Maui and Lake Tahoe. For more information on the properties in the Destination Hotels & Resorts collection, please visit www.destinationhotels.com.

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