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News

For: **LOWE ENTERPRISES**

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**LOWE ENTERPRISES COMPLETES ACQUISITION OF
MAJORITY OF VILLAGE HOMES ASSETS IN VENTURE WITH
HOMEBUILDER CAPITAL SOLUTIONS**

--Lowe Enterprises, as managing operating partner, will develop and sell new homes and offer select properties for sale to other homebuilders --

--New venture will operate as Village Homes --

DENVER – Lowe Enterprises, in joint venture with Homebuilder Capital Solutions (an affiliate of Colorado and Santa Fe Real Estate), has acquired a portfolio of homes and land out of the bankruptcy of award-winning builder, Village Homes of Colorado (VHC) for \$21.9 million. The venture acquired approximately two-thirds of VHC's assets, including 57 partially completed or completed homes, 506 finished lots, 444 unfinished lots and 3.7 acres of undeveloped land. In addition to buying VHC's land assets at a substantial discount, Lowe and Homebuilder Capital Solutions acquired the highly regarded Village brand, home plans, field equipment and fully-outfitted sales offices.

"This acquisition presents the opportunity to acquire a proven homebuilder with attractive and well regarded housing product at a good value and position the new venture to take advantage of a recovering Denver housing market," said Bradford W. Howe, managing director, Lowe Enterprises Investors. "Our firm's history in the Denver regional market and with single-family home communities, along with a strong financial underwriting, positions us well to execute our plan for the Village Homes assets."

Lowe will serve as the managing operating partner with Homebuilder Capital Solutions as the primary capital source and a strategic partner. The new entity will retain the name Village Homes, taking advantage of the brand it has built over the past 25 years in the Denver market, and VHC's reputation for developing great communities with high-quality home design and exceptional customer service.

“This transaction represents an opportunity to capitalize on the Village Homes brand,” said Marcel Arsenault, CEO of Homebuilder Capital Solutions. “The company suffered the worst housing market since the Great Depression, but still maintains an excellent reputation with high quality homes in exceptional communities. As a result, our strategy also represents a great opportunity for Denver area home buyers, who will be able to purchase high quality homes in attractive communities and at very favorable pricing.”

“We believe Denver will be one of the first major housing markets in the U.S. to recover and we look forward to reestablishing the Village Homes brand as one of the premier homebuilders in Colorado,” noted John R. Waggoner, president of Lowe Enterprises Real Estate Group – Central, Residential Division. “Our acquisition includes lots in some of the region’s most desirable communities. These are exceptional living environments that have attracted homebuyers even in this challenging economic climate. Coupled with the Village Homes product that is well-regarded by buyers and within the homebuilding industry, the new venture has a strategic, competitive advantage in the Denver regional market.”

The new Village Homes team will include key members of the VHC management team. VHC built more than 10,000 homes in the Denver metropolitan area and many communities that have won numerous local and national awards including *Builder* magazine’s “America’s Best Builder” in 2002.

Under the guidance of Lowe Enterprises as managing operating partner, this team will be responsible for operating the new Village Homes venture, completing and selling the inventory of 57 homes and consolidating home building operations to the five most desirable and best located Village communities including Castle Pines North, Granby Ranch, Idyllwild, Observatory Village and Heathstead. In the six months from April 2009 to September 2009 VHC averaged 11 home sales per month, a particularly brisk rate given the current economic environment and financial issues facing VHC, and testament to the quality of the Village Homes product.

“Our goal is to sell the existing homes, and build and sell the homes on the unfinished lots within the next three years,” noted Howe. “And, as the market recovers, we envision attractive opportunities to expand into new communities along the Denver Front Range. This transaction is representative of Lowe’s proven ability to generate creative and interesting opportunities during challenging market cycles.”

The Village Homes team also will be responsible for selling the 278 finished lots and 444 unfinished lots that are not included in the new Village Homes build-out plan to third parties over the next two years as well as the 3.7 acres of land for mixed-use development.

Lowe Enterprises has maintained a regional office in Denver since 1985. The firm's activities include both commercial and residential projects, with the 346-lot Aspen Creek in Denver and the 474-lot Willow Park in Broomfield among its completed housing projects in the area. The firm is also in the early stages of developing a large masterplanned community in South Denver. On the commercial side, Lowe has been an active investor in office, industrial and hospitality properties in Denver and throughout Colorado.

Homebuilder Capital Solutions is modeled after Arsenault's Condo Capital Solutions, which buys distressed condo projects. Condo Capital Solutions acquired the Trimark portfolio in Denver from DR Horton last year, and has enjoyed considerable success selling homes.

About Homebuilder Capital Solutions

Denver-based Homebuilder Capital Solutions is a strategic initiative of Colorado & Santa Fe Real Estate, leveraging its expertise working out distressed real estate. As of year-end 2009, Colorado & Santa Fe Real Estate (through both Condo Capital Solutions and Homebuilder Capital Solutions) has acquired \$115 million of distressed residential projects in Arizona, Florida and Colorado. The company expects to acquire an additional \$250 million in condo and residential projects in 2010-2012.

About Lowe Enterprises

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm. Over the past 37 years, it has developed, acquired or managed more than \$16 billion of real estate assets nationwide. The firm is currently developing nearly \$1.5 billion of commercial, hospitality and planned community projects nationwide. Through its investment management affiliate, the firm currently manages \$4 billion in real estate assets on behalf of institutional and investment clients. In addition to its Los Angeles headquarters, Lowe Enterprises maintains regional offices in Denver, Orange County, CA, San Diego, San Francisco and Washington, D.C.

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