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## PRESS RELEASE

### **MARSHALLS JOINS TENANT ROSTER OF THE TERRACES AT SOUTH BAY 30,000 Square-Foot Location to Open in Spring, 2008**

**RANCHO PALOS VERDES, Calif., September 6, 2007** — Los Angeles, Calif.-based real estate development and management firm The Festival Companies announced today that Marshalls has joined the tenant roster at The Terraces of South Bay, located in Rancho Palos Verdes, Calif. Festival Companies President Mark Schurgin made the announcement.

The multi-level center, currently managed by The Festival Companies, is undergoing a major redevelopment designed to enhance the visitor shopping experience and provide new opportunities for retailers and restaurants. Marshalls will occupy 30,000 square feet of the center's largest anchor building, allowing for a 10,000 square-foot sub anchor opportunity. Scheduled to open Spring, 2008, the soft-goods giant will be positioned on the center's third level, neighboring specialty tenants Bally's Total Fitness, Regal Cinemas and Trader Joe's. The Terraces at South Bay offers 171,000 square feet and three levels of retail and entertainment and is located near the southwest corner of Western Avenue and Caddington Drive.

"By seeking out a retailer like Marshalls, we have given the community of Rancho Palos Verdes exactly what it needed," said Schurgin. "We view this as another key example why The Terraces at South Bay is a premier retail destination for the South Bay area of Los Angeles."

*Los Angeles-based The Festival Companies is a national real estate investment, development and full-service advisory and management company. With 30-years of real estate experience, The Festival Companies has added value to more than 130 shopping center projects nationwide. Distinguishing itself within the industry by applying their "Total Retail Concept" approach, the company has amassed a current portfolio of over 12 million square feet under leasing, management and development for both institutional owners and private investment firms.*

*Most recently, the company, along with its partner Goldman Sachs, formed Festival Retail Fund #1, L.P. Managed by The Festival Companies' Principals Mark Schurgin and Rosalind Schurgin and launched in January 2007, Festival Retail Fund #1 invests in ground-up and existing retail properties including regional malls, lifestyle centers, power centers, community and strip centers and stand-alone buildings. The Fund will invest up to \$800 million by the end of 2009.*