

FOR IMMEDIATE RELEASE

**AIG GLOBAL REAL ESTATE INVESTMENT CORP. AND LOWE
ENTERPRISES BREAK GROUND ON STOWE MOUNTAIN LODGE**

Luxury Resort will be Centerpiece of AIG's Spruce Peak at Stowe Development

First phase offers 102 condominium units; 75 percent already sold

NEW YORK, NY – July 27, 2005 Spruce Peak Realty, LLC and Lowe Enterprises have started construction on Stowe Mountain Lodge in Stowe, Vermont. The Lodge will be located at the base of Spruce Peak at Stowe, the alpine village currently being master developed by Spruce Peak Realty, LLC, the joint venture between Mt. Mansfield Co., Inc., a wholly owned American International Group, Inc. (AIG) entity, and AIG Global Real Estate Investment Corp., AIG's real estate investment management subsidiary. The Spruce Peak at Stowe project includes 235 developable acres and 2,000 acres of conservation lands.

The Lodge will be located in the center of the 35-acre alpine village site, which will include a signature restaurant, meeting facilities, a retail plaza and a 21,000-square foot spa and wellness center. The first phase of the Lodge development will feature 136 full-service, luxury condominium units, of which 34 will be shared ownership residences called the Front Four.

"The Lodge reflects the overall intent of Spruce Peak: preservation of the surrounding environment with an emphasis on natural beauty. The Lodge design respects the mountain setting, while offering luxury accommodations with direct access to the mountain, including ski-in and ski-out access," noted Kevin Fitzpatrick, president of AIG Global Real Estate Investment Corp.

Stowe Mountain Lodge is being developed by Lowe's hospitality development subsidiary, Lowe Destination Development (LDD). Upon completion, the Lodge will be managed by Lowe's hospitality management subsidiary, Destination

Hotels & Resorts (DH&R). The spa operations will be a joint venture between DH&R and the Cooper Wellness Institute.

“Stowe has old-world charm and a stunning landscape that makes it an attractive mountain vacation spot for all four seasons,” said Rob Lowe, president, Lowe Destination Development. “The Stowe Mountain Lodge will provide guests and residents an unparalleled location at the base of Spruce Peak at Stowe, the Northeast’s premier skiing and recreation area.”

The Lodge will feature a spacious restaurant and outdoor dining patio facing the ski area and a village green that will be created at the base of the mountain. This village green will include a retail plaza, the spa and wellness center and seasonal entertainment, including an ice rink in the winter and outdoor entertainment space in the summer. Spruce Peak at Stowe will also include a Bob Cupp 18-hole championship golf course that will enhance recreational opportunities and round out the guest experience. With more than 15,000 square feet of banquet and meeting facilities, the Lodge will provide a first class venue for medium-size groups and conferences.

Of the 102 condominium units in phase one, 80 will be studios with kitchenettes and 23 will be three-bedroom suites. The top two floors will be dedicated to the Front Four where 34 two-, three-, and four-bedroom fractional units will be served by their own private lobby. A second phase could accommodate an additional 115 condominium units.

The Lodge held a sales event on June 25 resulting in the purchase of 75 percent of the phase one condominium units. “Selling such a significant number of units so quickly is a testament to the ability of the Lodge and of Stowe to differentiate itself and provide a quality and service level never before seen in the Northeast,” noted Lowe.

Designed by Denver-based 42|40 Architecture and New York-based Brennan Beer Gorman, the six-story Lodge draws on the architectural tradition of the Adirondack summer camps with rustic influences which reflect its mountain and forest setting. Groundbreaking for the 310,000-square-foot phase one development is projected for Summer 2005. Wilson & Associates is handling the interior design.

“To maintain consistency with the overall design and development principles of the Spruce Peak project, we are incorporating green building principles into the project with an emphasis on energy efficiency and environmental sensitivity,” noted LDD project manager Ken Hoepfner. “The aesthetic will feature natural materials and an overall warm color scheme to both reflect the natural environment and create a tranquil setting.”

Los Angeles-based Lowe Enterprises is a leading national real estate development, investment and management firm. Over the past 33 years, it has developed, acquired or managed more than \$7 billion of real estate assets nationwide. Through LDD, the firm currently is developing in excess of \$2 billion of 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, WA and Stone Eagle, a private golf course and residential development in Palm Desert, CA. Through DH&R, the firm manages 32 hospitality properties with more than 8,000 units. Additional information can be found at www.loweenterprises.com.

AIG Global Real Estate Investment Corp., a subsidiary of American International Group, Inc. (AIG), invests in and actively manages real estate around the world for unaffiliated clients and member companies of American International Group, Inc. (AIG). AIG Global Real Estate's property portfolio, including all major property types, comprised approximately 53 million square feet owned, managed or under development in more than 50 countries around the world. Additional

information on Spruce Peak at Stowe can be found at www.sprucepeak.com and additional information on the company can be found at www.aiglobalrealestate.com.

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