

**OPUS WEST & RED GROUP PREPARE TO BUILD
VILLA HERMOSA AT FORMER SMUGGLER'S INN SITE**

Nov. 14 Auction Signifies an Initial Step in Project Construction Process

PHOENIX (November 9, 2006) – Phoenix-based developer **Opus West Corporation** in a joint venture with Scottsdale, Ariz.-based **RED Group, LLC** has closed on a 7-acre parcel in Tucson, Arizona for the development of **Villa Hermosa Senior Living**, a planned 205-unit independent senior living apartment community and the partnership's third such development in Arizona since 2004.

Located at the southeast corner of Wilmot Road and Speedway Boulevard, **Villa Hermosa** will sit at the site of the now-vacant Smuggler's Inn, a 149-room hotel built in Tucson in 1974. Marking an initial step toward construction of **Villa Hermosa**, an auction for items from the Smuggler's Inn will be held **Tuesday, Nov. 14, at 9 a.m.** at the hotel site.

Phoenix-based Sierra Auction will manage the event, which will include items from the hotel's lobby, guest rooms, patio areas, restaurant and offices, as well as landscaping items and commercial equipment. For an itemized auction list or additional auction details, visit www.sierrauction.com.

"This is one of the most easily accessible intersections in the submarket and will provide **Villa Hermosa** residents with a host of nearby services that include shopping centers, a number of golf courses and several hospitals located within a mile-and-a-half of the community," said Opus West Director of Real Estate Development John Boyd. "It is also located within an established market where seniors are already living in condominium and single-family homes. **Villa Hermosa** will allow them entrée into an amenity-rich apartment home that does not require them to leave their community."

Construction on **Villa Hermosa Senior Living** will begin by the end of first quarter, 2007 and is anticipated to open in May 2008. The project architect is Rich Barber of ORB Architects. Opus West Construction Corp. is the general contractor.

Upon its completion, **Villa Hermosa** will include 205 independent-living rental apartment units ranging from one to two bedrooms and including a den option. On-site amenities will include daily breakfasts and dinners, weekly housekeeping, a 24-hour staff, concierge, activities coordinator and scheduled transportation. The community will also include a movie theatre, pool, computer lab, chapel, fitness and exercise facilities, and a day spa.

"Tucson is a classic sunbelt retirement market with a rapidly growing senior population, yet it suffers from insufficient senior housing opportunities and little or no new projects of this type planned

for the future,” said RED Group partner Don Laten. “With the high-quality senior living properties that currently exist in this submarket remaining fully occupied and with waiting lists, it is very exciting to know that **Villa Hermosa** will be filling such a clear need in the marketplace.”

Since 2004, Opus West and RED Group have partnered on three senior living projects in Arizona, totaling 618 units. This includes **Villa Hermosa Senior Living** in Tucson as well as **La Siena Senior Living**, a 190-unit independent senior living apartment community in north central Phoenix that offers a similar high-quality amenities and services package. Opus West and RED Group also recently added a key element of the City of Scottsdale’s new flagship Senior Center campus with the completion of **McDowell Village Senior Living**, a 223-unit high-quality, amenities-rich independent living senior community at McDowell and Granite Reef Roads in Scottsdale.

About Opus West Corporation

Opus West Corp. is headquartered in Phoenix, with offices in Austin, Texas, Dallas, Houston, Los Angeles, Irvine, Calif., Pleasanton, Calif., Sacramento, Calif., and San Diego, and is one of five regional companies within The Opus Group. Opus West has developed more than 45 million square feet since starting operations in 1979 and currently has more than 6.7 million square feet in planning or under development. The Opus Group, based in Minneapolis, is a \$1.4 billion premier, full-service real estate development company with nearly 55 years experience. Specializing in office, industrial, retail, multifamily, government and institutional development, The Opus Group has completed more than 2,300 projects and 227 million square feet and currently has 35 million square feet in planning or development. Opus employs 1,600 people in 28 offices in the United States and Canada. A community steward since its inception, The Opus Group contributes 10 percent of its pre-tax profits to community organizations. For more information, visit www.opuscorp.com.

About RED Group, LLC

RED Group, LLC is a Scottsdale, Ariz.-based real estate development company that focuses on apartment communities, senior citizen communities and townhome/condominium communities predominately in Arizona and other sunbelt states. The principals of RED Group, LLC have more than 40 years of combined experience in multifamily development and investment encompassing 26 properties totaling more than 5,700 dwelling units. The company continues to seek opportunities to fill the growing demand for quality senior housing in Arizona and beyond. For more information, visit www.redgroupllc.com.