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FOR IMMEDIATE RELEASE

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### AVALON LEGACY PROJECT ENDS

Koll/Lambert and the Santa Catalina Island Company announced today that they have ceased planning work on the Avalon Legacy Project, a resort community concept for Santa Catalina Island which included a boutique hotel and spa, championship golf course, residential real estate elements, and other community amenities.

“While the timing is not right today for the Avalon Legacy Project we continue to believe that Catalina has great potential and the community would benefit greatly from the addition of quality visitor serving projects such as those components contained in this project,” said Jerry Yahr, Managing Principal of The Koll Company.

Randall Herrel, CEO of the Santa Catalina Island Company, said, “We appreciate the relationship that we have formed with the Koll/Lambert team and the work the combined group has done to plan a variety of high quality visitor serving amenities for Avalon. While the Avalon Legacy Project as a whole will not be pursued at this time, the Santa Catalina Island Company will continue to explore a variety of components of the plan as well as other alternatives in order to continue the revitalization of Avalon.”

Koll/Lambert is a joint venture between The Koll Company, headquartered in Newport Beach, and Santa Monica based Lambert Investments. The Santa Catalina Island Company owns and operates a number of properties on Catalina Island.

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