

Press Release



Press Release
Media Contact:

Michael Scott Peterson
www.DiversifiedRealEstateConcepts.com

FOR IMMEDIATE RELEASE

MICHAEL JORDAN TEAMS UP WITH DIVERSIFIED REAL ESTATE CONCEPTS IN \$600 MILLION LAS VEGAS LUXURY CONDOMINIUM-HOTEL RESORT

Property to feature first-ever Michael Jordan Athletic Center and 2 Michael Jordan Restaurants

CHICAGO, IL, January 6, 2005 – Michael Scott Peterson and Diversified Real Estate Concepts, LLC is pleased to announce its partnership with Michael Jordan on the new Aqua Blue Luxury Condominium-Hotel Resort and Spa in Las Vegas, Nevada.

Aqua Blue will be built on a six-acre site adjacent to The Platinum, another luxury development by Michael Scott Peterson, Diversified Real Estate Concepts, located one block from Bellagio Hotel and Casino, Caesars Palace and the Las Vegas strip.

Aqua Blue advances the idea of the traditional condominium-hotel property by offering exceptional luxury amenities, including a boutique casino, 8,000 square foot European spa, rooftop and 11th floor pools, whirlpools, waterfalls and cabanas, 2 Michael Jordan restaurant concepts, as well as a rooftop nightclub and restaurant designed by Jeffrey Beers, together with the first of its kind Michael Jordan Athletic Center. The 65,000-square-foot athletic center, which will be open to both residents and guests, will feature state-of-the-art fitness equipment, 2 basketball courts, tennis court, running track, aerobics rooms and free weights and be staffed by top instructors and trainers. Slated for ground breaking in the fall of 2005, sales are beginning this week for the 825-unit Aqua Blue resort.

"The goal of this project is to bring a new level of



Press Release



sophistication to hospitality in Las Vegas and to being a world-class fitness facility and new top-notch dining options to our exciting new property," said Michael Peterson, sole owner of Diversified Real Estate Concepts. "I am especially thrilled that Aqua Blue was chosen as the site of the first-ever Michael Jordan Athletic Center." Aqua Blue will also house 2 Michael Jordan restaurants: the Michael Jordan's Steak House and Michael Jordan's 23.sportcafe. Michael Jordan's Steak House, the modern American steak house, has created a reputation of distinction among its peers. Driven by Michael Jordan's commitment to excellence and specializing in USDA Prime Steaks and Chops, Michael Jordan's Steak House offers a contemporary approach to steak house classics. The more casual Michael Jordan's 23.sportcafe is a vibrant and lively casual restaurant that celebrates the extraordinary career of Michael Jordan. A unique, upscale approach to the traditional sports bar experience, 23.sportcafe is a spirited restaurant where guests come to enjoy great food while surrounded by silk screens that feature sports from around the nation. **"I'm pleased to be expanding my group of restaurants into Las Vegas, which has become one of the country's top dining destinations,"** said Michael Jordan. **"Additionally, my passion for training and athletic excellence has led me to create the state-of-the-art Michael Jordan Athletic Center, which I feel will be the perfect fitness facility... I am also pleased to be partnering with a person of such high integrity as Michael Peterson and Diversified Real Estate Concepts."** The Aqua Blue design team is being led by Jeffrey Beers. An internationally renowned designer, Beers is charged with creating one of Las Vegas' most spectacular resorts. Beers has been lauded for his work in creating Las Vegas restaurants/clubs Rum Jungle, Tabu and China Grill, among others. Priced from \$399,000 and up, Aqua Blue residences will feature fully appointed, furnished suites with terrace, gourmet kitchen, oversize whirlpool tub and fireplace as standard features; owners will have full access to Aqua Blue's full complement of amenities and services. When not in residence, owners will have the ability to make their condominium available through the on-site hotel rental program.

ABOUT DIVERSIFIED REAL ESTATE CONCEPTS, LLC. (Chicago/Las Vegas)

Established by Michael Scott Peterson, and solely owned, Diversified Real Estate Concepts, LLC is associated with all aspects of recreational condominium, hotel, and commercial real estate development including land acquisition, design conception, construction planning, establishing marketing strategy and the highest level of excellence achievable. Diversified Real Estate Concepts, LLC consistently strives for a degree of performance and professionalism to set the standard of example in the real estate development industry. Michael Scott Peterson, a leading developer of award-winning waterfront condominium developments, marinas, hotels, restaurants, and luxury homes, is a graduate of the University of Wisconsin-Madison where he received a Masters Degree in Business Administration specializing in Marketing, Real Estate Appraisal and Investment Analysis under the directive of the late Professor James Graaskamp. He also served as an Instructor at Madison Business College teaching courses in Business Law, Real Estate Law and Management Principles.

ABOUT MICHAEL JORDAN

An NBA legend, Jordan virtually rewrote the record book. He played 13 seasons for the Chicago Bulls and 2 seasons for the Washington Wizards, leading the league in scoring a record 10 times. His 30.1 points-per-game average is the highest in NBA history and, with 32,292 points, he ranks 3rd on the all-time scoring list. Jordan led the Chicago Bulls to 6 NBA Championship titles and was named NBA Finals MVP during each of those series. A 5-time regular season MVP, in 1991 and 1992, he became the only player to win back-to-back regular season and Finals MVP awards. In addition to those amazing accomplishments, Jordan was also: NBA Rookie of the Year, 2-time Slam Dunk Champion, 9-time NBA All Defensive Team Selection, twice an Olympic Gold Medalist, NCAA College Player of the Year twice, NCAA National Championship winner, and ACC Freshman of the Year.

ABOUT JUMP HIGHER & CORNERSTONE

Jump Higher, L.L.C. and Cornerstone Management and Consulting, Inc., led by restaurateurs Jonathan Albert and David Zadikoff, in partnership with Michael Jordan, oversee all Michael Jordan-brand restaurants including fine-dining restaurants one sixtyblue, Chicago, Michael Jordan's The Steak House N.Y.C., owned and operated by The Glazier Group, Michael Jordan's Steak House and Michael Jordan's 23. sportcafe at Mohegan Sun Resort & Casino: Uncasville, CT. Cornerstone Management and Consulting, Inc. also works with WAVE restaurant in the W Hotel Chicago - Lakeshore, Ristorante WE in the W Hotel Chicago - City Center and Solea in the W Hotel Mexico City.



Jordan Places Bet on Las Vegas Development



By Michael McCarthy
Jan 13, 2005

Michael Jordan has been known to wager on everything from golf to the basketball shoot-around game H-O-R-S-E. Now His Airness will try his luck as a partner in the planned Aqua Blue Luxury Condominium Hotel Resort & Spa in Las Vegas.

But Jordan may be risking something more valuable with his Vegas investment: his status as Madison Avenue's all-time pitchman.

Ground will be broken this summer on the \$950 million development that includes a casino. The 825-unit complex, with condos selling for \$399,000 to \$1.2 million, is to open in 2010.

The arrangement could "cause problems" with companies such as Nike and Gatorade that pay Jordan an estimated \$25 million a year for endorsements, says David Carter, principal of Sports Business Group.

As a player, Jordan clashed with NBA Commissioner David Stern over his gambling habits. But Jordan will tout Aqua Blue in ads.

Michael Peterson, Owner of Diversified Real Estate Concepts and developer of Platinum Condominium Development and Aqua Blue, says Jordan will have "absolutely zero" financial stake in the casino operation. Jordan stated "I am also pleased to be partnering with a person of such high integrity as Michael Peterson and Diversified Real Estate Concepts."

Peterson says Jordan's financial interests will include



Jordan: Joins condo/resort team.

ownership of a Michael Jordan's Steak House and a Michael Jordan's 23.sportcafe; partial owner of a rooftop nightclub/restaurant; and licensed use of his name for the Michael Jordan Athletic Center, an upscale 65,000-square-foot sports club.

The NBA doesn't let owners, or potential owners, hold interests in gaming businesses that take bets on NBA or WNBA games. Since Jordan is not affiliated with any NBA team and will have no stake in the gaming operation, the league says it is not concerned.

Jordan and investor partners already own Jordan-themed restaurants at the Mohegan Sun casino resort in Uncasville, Connecticut.

"It's common for NBA players to enter into entrepreneurial pursuits when their playing days are over," NBA spokesman Matt Bourne says.

Sports marketing expert Nova Lanktree says: "If Michael were still with the Washington Wizards, then the league would get involved and rightly so. But if Michael is not involved in the game of basketball, this sounds like, 'Go for it and good luck.' "

Similar to Magic Johnson's move into movie theatres, Jordan is evolving from paid endorser to owner/entrepreneur. He's expanding steakhouses and cafes around the country. He retains a stake in and much control over Nike's 7-year-old "Jordan" lifestyle brand.

During a three-year run with the Wizards, Jordan was team president and player before leaving the organization in May 2003.



Press Release



Las Vegas Sun



January 17, 2005

High-rise developer brings strengths to Vegas Condo builder teams with locals casino on Koval Lane project

By Liz Benston

In the 15 or so years that Ellis Island Casino & Brewery executive Karen Dorsey has worked for owner Gary Ellis, several developers have approached the casino with plans to redevelop the 36-year-old property.

But it wasn't until Ellis met with Michael Peterson, an owner and developer of restaurants and condominiums in Chicago and Wisconsin, that the property decided to get into the high-rise business.

"We really felt that he had the strength and integrity to make this project happen," Dorsey said.

Peterson, a relative unknown in Las Vegas, is building two major condominium high-rises at Koval Lane and Flamingo Road. Both are condo-hotels -- a relatively new concept in Las Vegas that has been gaining popularity in other vacation markets in Florida and the Midwest. Such units are owned like condos but can also be put into a rental pool for a certain number of days each year, earning rent money for owners and managed by a hotel company.

Unlike many recent transplants participating in the high-rise boom, Peterson says he has a track record of condo-hotel projects stemming back more than a decade. Those projects, with names like Timber Ridge Lodge, Mill Creek and Harbor Cove, are rustic-looking waterfront developments at Lake Geneva, Wisconsin and a world away from the modern glitz of the Las Vegas Strip.

"He is one of the most informed condo-hotel developers in Las Vegas," said Maryann Haberman, a commercial real estate broker with Coldwell Banker Premier Realty in Las Vegas. Haberman helped secure the site for the Platinum and has worked with Peterson for the past couple of years.

"He's done it before, he knows how to do it and he's doing it again. That's a tremendous selling point," she said. "And his attention to details is unsurpassed with any other developer I've worked with in 31 years."

Peterson also has a trump card in basketball star Michael Jordan, a friend and colleague who has signed on to license a namesake athletic center and two restaurants in the tower.

Perhaps the most unusual aspect of the project is the partnership with Ellis Island. The nondescript building, down the street from low-budget apartments and across Koval from vacant lots behind the Strip, seems an unlikely neighbor for an ultramodern high-rise. The local casino has a loyal following among area casino workers and is known for bargain meals, dollar drinks and homey entertainment like karaoke.

By contrast, the 255-unit Platinum, at 211 East Flamingo Road, has sold units from the \$300,000 range to just over \$1 million. The 825-unit Aqua Blue, which will be built where the Super 8 Motel stands next to Ellis Island at 4178 Koval Lane, sells units from \$399,000 to \$1,125,000.

McCarthy Construction Co. representatives say they expect to begin construction on Platinum this month, while Aqua Blue is expected to start in the fall. Platinum, which sold out in six weeks, is anticipated to open in spring 2006. Aqua Blue, which has sold more than 426 units so far, is expected to be open by fall 2010.



Indoor / Outdoor Pool Terrace



The Platinum, a 255-unit condo-hotel complex at Flamingo Road and Koval Lane, is scheduled to open in spring 2006. Aqua Blue, an 825-unit condo-hotel complex adjacent to The Platinum is scheduled to open in fall of 2007.



Press Release



While the Super 8 will be torn down to accommodate the tower, Ellis Island will remain standing and operate as normal, Dorsey said. The outside of the casino will be reshaped to match the sleek look of the tower next door and will feature a walkway leading to the condo-hotel.

"Peterson's track record, rather than his relationship with Jordan, sold Ellis Island on the partnership," Dorsey said. "Jordan signed on after the deal was struck," she said.

"Gary Ellis will continue to own and manage the 40,000 square-foot Ellis Island casino in addition to a 12,000-square-foot boutique casino that will be located inside Aqua Blue. The parking garage at Ellis Island is expected to expand with the changes to accommodate more traffic," Dorsey said.

Peterson is ready to defend himself in a city known for fly-by-night developers and plenty of failed resort projects.

"What I fear most is someone coming here, doing things the wrong way and then ruining it for everyone else," he said.

He has so far impressed a few local real estate experts.

Rich Worthington, president of commercial developer Molasky Companies, represented nearby residents of the Park Towers condominiums when they protested the design of the nearby Platinum.

"Peterson tweaked those plans, including setting the building farther back on its parcel, to ease traffic flow," Worthington said.

"I think he's a perfectly competent developer and has an impressive track record," he said. "He's conscientious and seems to have a unique business plan. In Las Vegas, that's half the battle."

Aside from capitalizing on the condo-hotel concept, Peterson said he expects the Michael Jordan-brand restaurants and 65,000-square-foot athletic center will attract interest from locals and tourists alike.

"The athletic center, which will feature two basketball courts, tennis court, running track, aerobic rooms, and free weights among other features, appeals to area casino workers seeking a conveniently located and well-equipped gym," he said.

"You've got 180,000 employees within one mile of here who work in casinos and can't patronize casino facilities," he said.

Jump Higher LLC of Chicago, which is part-owned by Michael Jordan and manages several Jordan-branded restaurants across the country, will manage a Michael Jordan's Steak House and Michael Jordan's 23.sportcafe at Aqua Blue.

"Peterson and Jordan have known each other for several years, though this is their first business venture together," Jump Higher Chief Executive David Zadikoff said.

"The time is ripe for redeveloping the down-in-the-heels Koval Lane corridor behind the Strip," Peterson said.

"It's going to be the activity area because there's no more Strip left to develop. The area is close to the airport and affords views of the Strip," he said.

The condo-hotel experiment has worked for Mary Lou Marcin, who will be among those taking the plunge in Las Vegas.

Marcin, a retired teacher, said she has made a significant profit over the years by buying and selling about 20 condo-hotel units that Peterson has built in the Lake Geneva area. She now owns and rents out five units.

"A lot of developers keep changing their name and leave a lot of people hanging when things go wrong," Marcin said. "When I heard (Peterson) was doing a project in Las Vegas I said, 'Hey, count me in.' He does follow-up after the project is done and doesn't cut corners."

"Condo-hotels are a way for people who aren't tremendously wealthy to have a vacation home that makes money when they are away. Las Vegas is appealing for investors because it's a year-round vacation hub as opposed to the Midwest, which tends to be seasonal," she said.

The Chicago resident intends to buy a unit at Aqua Blue and stay in Las Vegas more often.

"I used to go to Vegas about once a year but this will make it more affordable for me," Marcin said.