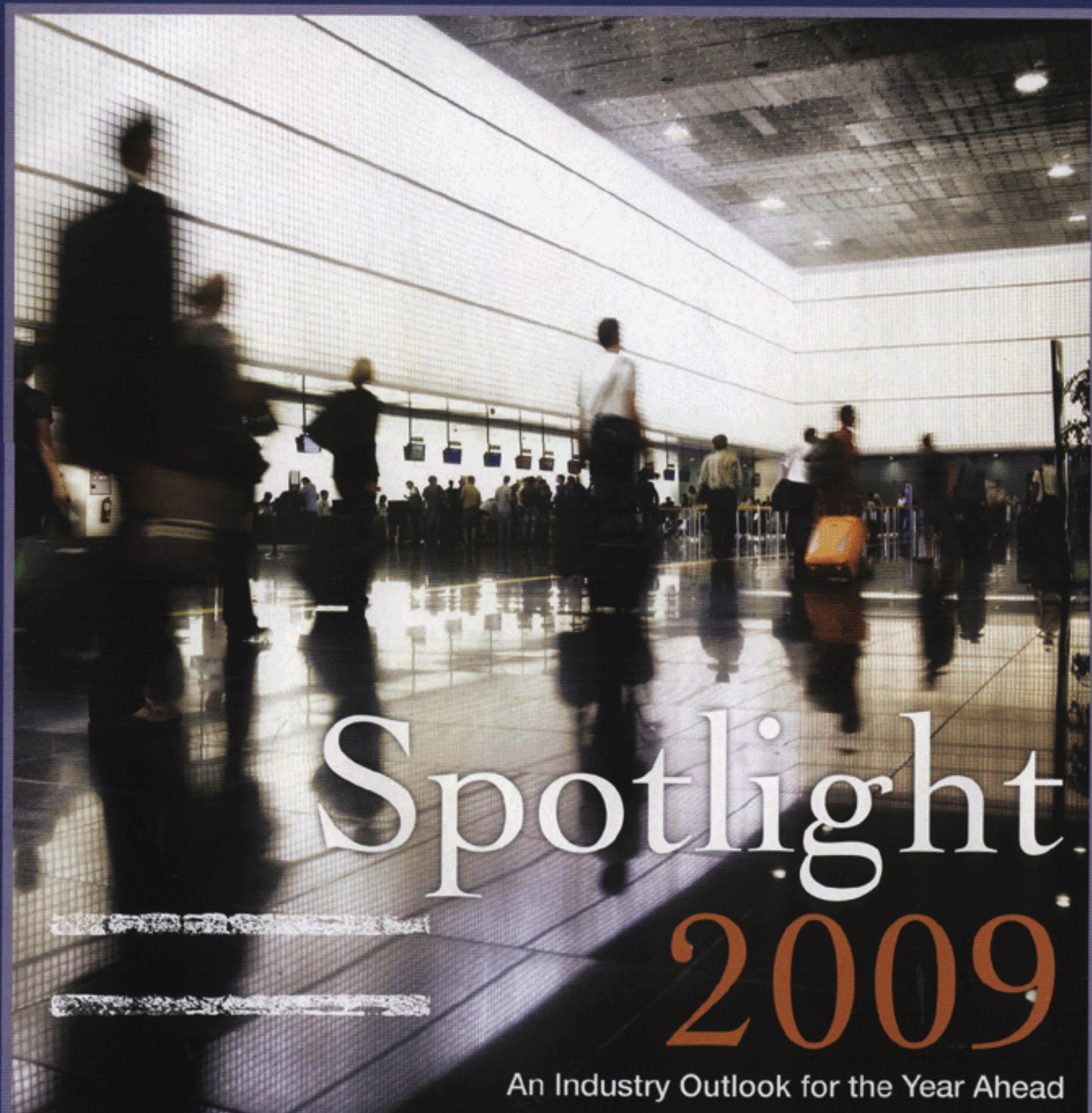


EXPLORING TRAVEL FAVORITES AND FRONTIERS

TRAVEL AGE WEST

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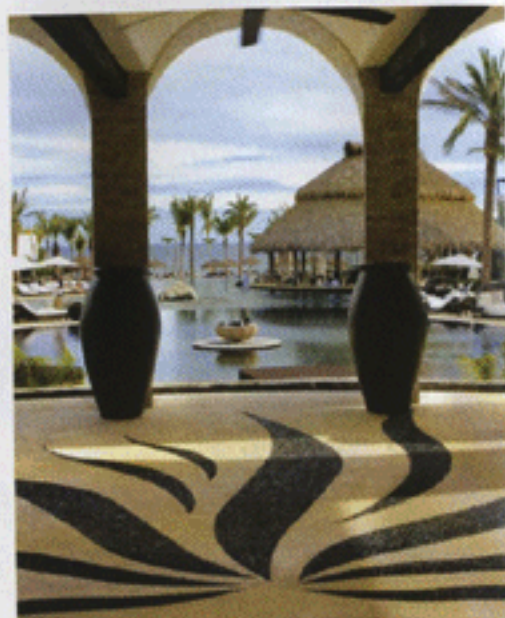


Spotlight 2009

An Industry Outlook for the Year Ahead



Cabo Azul Resort & Spa features dramatic lighting and a contemporary design.



The pool at Cabo Azul Resort & Spa

True Blue for Cabo Azul

BY DEANNA TING

IF THIS YEAR WAS ANY INDICATION OF future successes, Cabo Azul Resort & Spa in Los Cabos, Mexico, has a bright future ahead. The 152 all-villa resort opened last fall and continues to attract high-end travelers and pick up awards. Most recently, the resort was featured on *Condé Nast Traveler's* 12th Annual Hot List for 2008.

"There's nothing quite like it in the Los Cabos corridor and, quite candidly, anywhere else I've been," said Loren V. Gallagher, corporate COO and general counsel for parent company Pacific Monarch Resorts, Inc. "The guest community so far is confirming that we did the right thing: Our occupancy levels are consistently quite high and our average daily rates have been able to be maintained."

Given today's uncertain economic times, Cabo Azul is playing conservatively, and emphasizing its greatest strengths: its service and luxury.

"These are very unsettling times for people right now, and we just want to make sure that our customer base comes back to Cabo Azul and gets a wonderful, relaxed vacation," said Gallagher. "We really want to provide a very high level of service."

Such standards for service and luxury have been set since the resort's beginnings, said Gallagher.

"We really wanted to create a different standard in the Los Cabos corridor," Gallagher said. "There are some older properties there that are quite popular and venerable, but we wanted to raise that bar and not only preserve the elegance of the facility and uniqueness of its design but also to make it a little bit more contemporary."

For Cabo Azul's design, Pacific Monarch looked to celebrity designer Dodd Mitchell who played off the elements of light, fire and water in his vision

for the property. Decorative and dramatic touches include a central courtyard with waterworks, three large Infinity pools, some 130 torches with real flames that surround the pool area and an open-air, five-story wedding chapel.

Thanks to its spectacular wedding facility, said Gallagher, the resort has amassed quite a reputation for destination weddings.

"We have developed a very strong wedding business there," Gallagher said. "The views from the chapel are stunning."

'We really wanted to create a different standard in the Los Cabos corridor. ... We wanted to raise that bar and make it a little bit more contemporary.'

Cabo Azul's villas are equally lavish and feature custom, undulated plaster white walls made from all-natural materials, chocolate-hued ceiling fans and dark, teak furnishings. One-, two- and three-bedroom penthouse villas showcase full-service kitchens with stainless-steel appliances and private outdoor cabana terraces.

Gallagher also noted that the resort's restaurant, Javier's Restaurant, "has been very, very well-received." Guests can enjoy the convenience of the resort's onsite palapa bar, Flor de Noche, a gourmet market and an Internet cafe. Cabo Azul Resort & Spa also offers in-villa dining service.

The Paz Spa at Cabo Azul features a myriad of treatments as well, including natural Crystal Massage Treatments, Champagne Couple's Treatments and refreshing Jade Facials. The spa houses

private therapy suites, a pedicure lounge, a full-service salon and a complete fitness area.

While phase one of construction has been completed on the resort, the resort's final development phase is scheduled for completion at the end of next year or 2010. When completed, the resort will have a total of 328 deluxe villas. The property itself occupies some 12 oceanfront acres.

"All the major construction has been completed, but we've slowed things down a little for market conditions," said Gallagher. "At the end of '09

and beginning of 2010, we will add another 140 or so units to the resort and a new rooftop restaurant. Future guests will see an increase in the total resort footprint and extension of the already high levels of customer attention and care."

The company is also paying special attention to travel agents. Agent commission is 20 percent through the end of 2009, and complimentary night stays for bookings with three nights or more are available for agents. Interested agents must log onto CaboAzulResort.com/tap and use the password TAP2008 to view availability and receive their vouchers. A total of seven vouchers can be used at one time. ■

Cabo Azul Resort & Spa
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