

Department of the Navy Selects Clark Pinnacle for Landmark Project

Expands Commitment to Renew America's Military Strength

SAN DIEGO, June 15, 2005 The Department of the Navy recently selected Clark Pinnacle to embark in exclusive negotiations to redevelop Naval Station San Diego as part of the first large-scale public-private venture (PPV) to provide housing for single military personnel. The Clark Pinnacle proposal -- selected in a highly competitive process -- reflects a creative development approach and highlights a strong track record of performance in both the public and private sectors. The resulting world-class community for unaccompanied personnel will set the standard for future such privatization projects.

The Naval Station San Diego project, Pacific Beacon, will be a striking addition to the San Diego skyline. These apartments will feature two-bedroom, two-bathroom residences with open living areas, full kitchens, washer/dryers, and balconies with stunning views. Sailors will have their own bedroom suites, spacious walk-in closets, and private bathrooms. Innovative financing and efficient planning also allow the project to include a state-of-the-art fitness center, a resort-style swimming pool, spacious lounges, a coffee bar, classrooms, and theaters.

The project also includes the revitalization of an existing 258-unit residence hall, the addition of a new clubhouse and pool, and enhanced services and amenities. Construction will commence in early 2006.

"We're proud of our ground-breaking work to improve military family housing. Being selected in this landmark deal for single sailors reinforces our commitment to help renew America's military strength," said M. Scott Orrantia, Managing Director of Clark Realty Capital.

This project is part of the Navy's PPV program, enabled by the Military Housing Privatization Initiative (MHPI), which Congress approved in 1996. The MHPI allows the military to obtain private-sector capital and expertise to develop, manage, and improve military housing. As a result, the Department of Defense is able to provide its men and women with the best housing the marketplace has to offer with minimal tax-dollar investment.

Award-winning architect Torti Gallas and Partners will provide the design and land planning for the project. Clark Realty Capital and affiliates will manage the project's development, design, construction, and asset management. Pinnacle will handle property management operations and resident services.

"Our job is to ensure that Pacific Beacon becomes one of the world's leading communities for our sailors. We'll meet the unique needs of the military, down to the finest detail," said Stan Harrelson, President and CEO of Pinnacle.

The Army, Navy, and Marines have leveraged the ingenuity and assured performance of Clark and Pinnacle at 11 military installations throughout the U.S., including Navy partnerships at the Family Housing PPV at Naval Complex San Diego, the Presidio of Monterey and Naval Postgraduate School in California, and at Marine Corps Base Quantico in Virginia; Pinnacle manages housing for the Navy at the Everett Naval Station in Washington. Clark Pinnacle is also developing, building, renovating, and operating military family housing for Army bases throughout the country. Upon completion, Clark will have built or renovated nearly 25,000 homes with a development value in excess of \$4.2 billion, and Pinnacle will have 13,335 military homes under management.

About Pinnacle

Pinnacle, an American Management Services Company, is an international real estate investment management firm headquartered in Seattle. Pinnacle's portfolio, valued at more than \$7.5 billion, includes properties in 42 states and 266 cities in the United States. Pinnacle manages more than 125,000 residential units nationwide. For more information on Pinnacle, visit

<http://www.pinnacleirealty.com> .

About Clark

The Clark Realty organization is a fully integrated national real estate and construction company, offering a broad base of services including development, capital markets, construction, investment management, property management, and real estate strategies. Founded in 1906, the Clark organization has become one of the country's premier real estate companies and the largest privately held general building contractor in the nation. Clark Realty is headquartered in Bethesda, Md., with regional offices strategically located throughout the United States. For more information, visit

<http://www.clarkrealty.com> .

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