
STONEBRIDGE CARRAS

REAL ESTATE INVESTMENT

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NoMa's Constitution Square Development Breaks Ground – Announces Hilton Garden Inn to be in First Phase



Washington, DC -- StonebridgeCarras today announced that it has broken ground on the first phase of Constitution Square—a 1.6 million square foot mixed-use development which includes: One Constitution Square, with 340,000 square feet of speculative office space; Two Constitution Square, with 589,000 square feet, of which 521,000 square feet is pre-leased to the US General Services Administration (GSA) for the Department of Justice (DoJ); a residential building with 440 apartment units; a 50,000 square

foot Harris Teeter grocery store; and 30,000 square feet of additional retail space. In addition, StonebridgeCarras announced that Constitution Square's first phase will include a Hilton Garden Inn Hotel. The hotel, which will be owned and operated by an affiliate of OTO Development, will include 204 rooms, a restaurant open seven days a week, upgraded meeting facilities and a host of additional amenities. The first phase of Constitution Square will deliver in 2010.

“Today's groundbreaking of Constitution Square marks an exciting time for our company,” commented StonebridgeCarras Principal Doug Firstenberg. “We're very proud to be an integral part of the transformation of NoMa and look forward to the completion of this booming mixed-use environment bringing all components – office, retail, residential and hotel – to one location.” Firstenberg added, “With its dramatic architecture, sustainable qualities, superior access and abundant amenities, Constitution Square will become a landmark location, providing an extremely positive impact on the entire neighborhood.”

The project is a joint development of affiliates of StonebridgeCarras of Bethesda, Maryland and Walton Street Capital of Chicago, Illinois. Darian LeBlanc, Zeke Dodson and Mark Sullivan of Cassidy & Pinkard Colliers are spearheading the leasing and marketing for the office portion of the project, which was designed by HOK Architects of Washington, DC to achieve the LEED (Leadership in Energy and Environmental Design) GOLD rating from the US Green Building Council. JBG Rosenfeld Retail is the leasing agent for Constitution Square's retail. The residential, grocery store and hotel was designed by SK&I Architectural Design Group.

“We are thrilled to be on the frontline of this pivotal first-class development in NoMa,” commented Darian LeBlanc, Senior Vice President of Government Services for Cassidy &

Pinkard Colliers. “We look forward to continuing to help StonebridgeCarras and Walton Street realize the potential of this thriving new development.”

NoMa is one of the last remaining areas in Washington, DC for large-scale, in-fill development. Constitution Square is the epicenter of the dynamic NoMa submarket – with all of the uses contained in this phase, the project’s unique location adjacent to both entrances of the New York Avenue Metro station and at the defined commercial, vehicular and pedestrian heart of NoMa, the intersection of 1st and M Streets, NE.

“NoMa is no longer emerging. This ground breaking marks the realization of the District’s vision for a truly mixed-use community,” noted Mayor Adrian Fenty. “The location of a major federal agency, a Harris Teeter grocery store, a Hilton hotel and new residential at a single project in a single phase is beyond our expectations.”

“We have been working to bring a Hilton Garden Inn to Constitution Square so we could be a part of this tremendous neighborhood,” stated Corry Oakes, CEO of OTO Development. “This is our first hotel in the District and we hope and expect to develop more in the future.”

“This exciting new project will be a centerpiece for the mixed-used development in this booming new neighborhood. Today’s groundbreaking – connecting transit, housing, office, and retail amenities like Harris Teeter – turns the shovels for new opportunities in NoMa and the communities surrounding it,” commented Council Member Tommy Wells, whose District includes Constitution Square.

“Constitution Square is a seminal project for NoMa,” said Elizabeth Price, President of the NoMa Business Improvement District. “It brings together office, residential, hotel and retail all adjacent to the New York Avenue Metro Station, and the recently announced Harris Teeter is the foundation for a new, dynamic neighborhood in the heart of our great city. The size and scale of this project, over 1.6 million square feet, speaks to the momentum and confidence in the NoMa market.”

About StonebridgeCarras, LLC

StonebridgeCarras, LLC is a privately held real estate investment and development firm based in Bethesda, Maryland which focuses primarily on developing mixed-use properties in the Washington, DC metropolitan region. During the past twenty years, the principals of StonebridgeCarras, LLC have been involved in the acquisition, development, joint venture, financing and disposition of real estate assets in the Washington area exceeding \$5.0 billion in value.

About Walton Street Capital, L.L.C.

Walton Street Capital, L.L.C. was founded in 1995 and is a premier, private real estate investment company operating in the U.S. and abroad. Since its inception, Walton Street has received equity commitments in excess of \$4.5 billion from public and corporate pension funds, foreign institutions, endowments and foundations, trusts and high net worth individuals. Through its series of opportunistic and value-added funds, Walton Street has invested or committed to invest more than \$3.5 billion of equity in over \$13 billion of gross assets in approximately 160 separate

transactions in U.S. and international real estate, including the development and acquisition of office, hotel, retail, industrial, multi-family, for-sale residential, senior and student housing, and golf assets through individual, portfolio and company-level transactions.

About OTO Development

OTO Development, LLC is the latest hospitality company launched by George D. Johnson Jr., H. Wayne Huizenga, Corry W. Oakes, III, and Todd Turner. OTO is the nation's fastest growing developer and operator of premier select-service hotels in high-barrier-to-entry U.S. markets. Since the company's inception in 2004, OTO has established a pipeline of 53 hotels representing over \$1 billion in development. The Hilton Garden Inn at Constitution Square will be OTO's eleventh development project in the greater DC metropolitan area. OTO develops brands offered by Hilton Hotels Corporation, Marriott International, Starwood Hotels, and Hyatt Hotels Corporation.

About Cassidy & Pinkard Colliers

Cassidy & Pinkard Colliers (www.cassidypinkard.com) is the largest locally owned full-service commercial real estate services company in the Washington metropolitan region. In 2007, Cassidy & Pinkard Colliers completed over \$4.2 billion in commercial sales, finance and lease transactions, \$75 million in project management, and at year-end, managed over 13 million square feet in commercial and retail properties. Cassidy & Pinkard Colliers was recognized in June 2007 by the *Washington Business Journal* as one of the top five "Best Places to Work in Greater Washington" in the Large Companies with Local Headquarters category. An independently owned and operated business founded in 1981, the company is a member firm of Colliers International, a global affiliation of independently owned and operated commercial real estate firms.