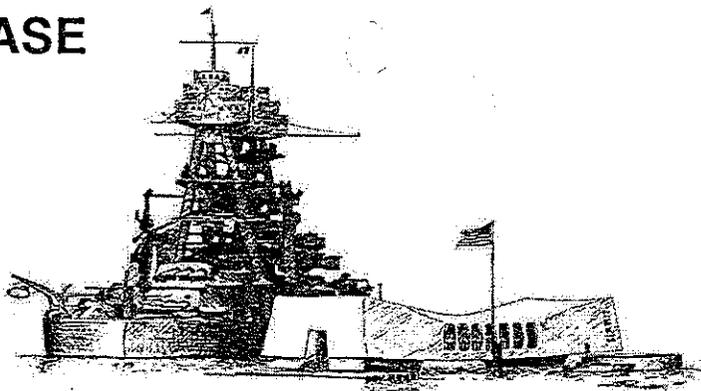


NAVY NEWS RELEASE

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POC: Lt. Cmdr. Jeff Davis

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NAVY ANNOUNCES MOANALUA SHOPPING CENTER DEVELOPER

The Commander Navy Region Hawaii announced today that it has selected The MacNaughton Group of Honolulu, Hawaii, to enter into exclusive negotiations to revitalize and redevelop the Moanalua Shopping Center area.

A contract will be awarded after completion of negotiations, which is anticipated sometime in August. Construction for the new development would begin thereafter. The new development will consolidate several Navy quality-of-life facilities – including the Family Service Center, Personal Property Shipping Office and travel office -- into one new administrative building, while maintaining commercial space for shopping and dining.

Through this initiative, the Navy will lease the 15-acre property to The MacNaughton Group for up to 40 years. The MacNaughton Group will develop and lease commercial spaces on the property in exchange for constructing the new Navy facility, improving infrastructure, and making roadway improvements. The redeveloped center, located one mile from the Pearl Harbor Naval Station and one mile from the Honolulu International Airport, will remain open to the public.

The property currently includes a 65,500-square-foot shopping center and several fast food restaurants. The developer will determine which tenants may remain as sub-lessees.