



PRESS RELEASE



SunCal Companies

FOR IMMEDIATE RELEASE

SUNCAL COMPANIES AND CITY OF ALAMEDA ENTER INTO EXCLUSIVE NEGOTIATING AGREEMENT FOR ALAMEDA POINT

Planned Mixed-Use Waterfront Community on 770 Acres in Bay Area

Alameda, Calif. (July 19, 2007) – Last night, the Alameda Reuse and Redevelopment Authority (ARRA) Board unanimously approved entering into an exclusive negotiating agreement (ENA) with SunCal Companies to redevelop the former Alameda Naval Air Station, now known as Alameda Point. The 770-acre Alameda Point project will create one of the Bay Area's most significant mixed-use waterfront communities.

The ENA for the Alameda property comes after a 60-day due diligence period that followed the ARRA Board's selection of SunCal as master developer on May 8. The agreement will be in effect for a two-year period, allowing SunCal and the ARRA to address a variety of details and issues aimed at concluding the entitlement and conveyance process for the property.

In discussing last night's ARRA meeting, Mayor Beverly Johnson said, "The ARRA's approval of the ENA marks another big step toward the reuse of Alameda

Point. I look forward to seeing the property developed into a new recreational, commercial, and residential asset for our community.”

Amy Freilich, senior vice president of land use, acquisitions, and entitlements for SunCal Companies, said, “We’re very excited about the ARRA’s approval of the ENA and the tremendous opportunity we have to jointly create a new vision for Alameda Point.” She added, “All of us at SunCal remain confident about the site’s potential and the benefits that can be realized with a master-planned community at this location. Needless to say, we’re greatly enthused about working with the City of Alameda on this project.”

The Alameda site is SunCal’s second military base reuse project in the East Bay area. SunCal successfully bid in 2005 for 167 acres of the former Oak Knoll Naval Hospital in Oakland, and is working on a plan to transform this once-bustling enclave into a vibrant new mixed-use community.

The Alameda property has a rich aviation history, with the first local flight taking place in 1911. In 1940, the Alameda Naval Air Station was commissioned by the Navy and for decades provided aviation support to the Pacific Fleet, including serving as a homeport to numerous aircraft carriers. The base was closed in 1997 and, although the Navy still owns the land, the ARRA has been managing the property pending its sale to a new owner that will redevelop the site.

About SunCal Companies

SunCal Companies has more than 70 years of experience acquiring, entitling and developing property for sale to leading residential and commercial builders. The

company specializes in creating distinctive mixed-use and master-planned communities that emphasize quality of life, environmental sensitivity and recreational opportunities, and currently has more than 250,000 residential units in various stages of development throughout California, Arizona, Nevada and New Mexico. For more information, please visit www.SunCal.com.

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