

FOR IMMEDIATE RELEASE
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CONTACT: Brent Jackson
Schnitzer Northwest
425-452-3700

SCHNITZER NORTHWEST ANNOUNCE THE GROUNDBREAKING OF INDUSTRIAL DEVELOPMENT IN PUYALLUP, WASH.

Construction to Commence on Business Park in Puyallup, Wash.

Puyallup, Wash. *(August 22, 2005)* — Schnitzer Northwest, LLC, the Bellevue, Washington based developer, today announces the groundbreaking of their newest industrial development in Pierce County. Valley Avenue Business Park will hold a groundbreaking ceremony on August 23rd, 2005 at 11:00 am on the site located at 832 Valley Avenue NW in Puyallup.

Valley Avenue Business Park is a 443,021 SF development that will be built in 2 phases. The total project will consist of 5 buildings ranging from 34,349 SF to 154,136 SF. Phase 1 will be ready for occupancy during the first quarter of 2006. The project is designed to accommodate the small to mid-size distribution, warehouse, light manufacturing and business park type tenant and will offer excellent freeway access and high visibility along Valley Avenue NW. According to Brent Jackson, Senior Investment Manager for the development, "we are delivering quality real estate solutions to a segment of the market that has been under-served for the past several years. The project location is ideal for those businesses that serve the Port of Tacoma or the expanding Pierce County market place."

The project architect is Synthesis PC and the structural engineer is Shutler Consulting Engineers, Inc. The civil engineer is Barghausen Consulting Engineers, Inc. and the general contractor is Pennon Construction.

ABOUT SCHNITZER NORTHWEST

Schnitzer Northwest, LLC is one of the Pacific Northwest's leading commercial real estate investment, development, and management companies. Formed in 1997 by Managing Investment Partner Dan Ivanoff and Portland-based Schnitzer Investment Corp., Schnitzer Northwest has established an enviable track record throughout the Seattle and Portland markets. Since its inception, Schnitzer

Northwest has developed approximately 2.0 million square feet of Class A and suburban office, biotech and multi-family. In addition, the Company has acquired and, in most cases, repositioned an additional 1.0 million square feet of commercial product. Schnitzer Northwest was named Developer of the Year for 2000 by the NAIOP Puget Sound chapter, an unprecedented accomplishment for a company that had been in business for such a short time. Schnitzer Northwest currently manages 9 million square feet including owned real estate as well as for third party accounts.

Schnitzer Northwest's completed projects include, Civica Office Commons; Schnitzer North Creek, a 1.4 million square foot suburban business and technology office park located north of Seattle in Bothell, Washington; Interurban Exchange buildings 1 & 3, totaling 194,000 square feet of biotechnology research facilities fully occupied by the University of Washington and Rosetta Inpharmetics located in the South Lake Union neighborhood of Seattle; and Techpointe Commons, which consists of five Class A flex buildings located in a campus setting, totals 232,000 square feet. Techpointe Commons is situated in the Sunset Corridor, the premier high-tech submarket of the Portland metro area.

In 2004 Schnitzer Northwest sold Hearthstone at Merrill Creek, a 220 unit luxury apartment development in south Everett, Washington; Schnitzer Northwest Meadows a 198,126 square foot class A office complex in Lake Oswego, Oregon, Sammamish Park Place, a 202,544 square foot class A office investment in Issaquah, Washington and Civica Office Commons, a 305,000 square foot class A office investment in Bellevue, Washington.

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