

The Michaels Organization

NEWS

For Immediate Release

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Michaels Military Housing Begins Managing Family Housing at Army's Fort Huachuca and Yuma Proving Ground

Marlton, NJ, April 7, 2009—Michaels Military Housing, an affiliate of The Michaels Organization, announced today that it has assumed property management and maintenance services for all military family housing units at the U.S. Department of the Army's Fort Huachuca and Yuma Proving Ground in southwestern Arizona. The property management responsibilities are the beginning of a 50-year partnership with the Army to serve military families stationed at these two installations with best-in-class residential community management.

"We are honored to have this opportunity to serve our military and are dedicated to creating communities that offer a rich quality of life for all the soldiers and their families who call Fort Huachuca and the Yuma Proving Ground home," said Ronald J. Hansen, senior vice-president of Michaels Military Housing.

Hansen said Michaels Military Housing is in the final stages of securing the financing needed to start the development and construction phases of the project, including the addition of more than 200 new homes and two new community centers, one at each base. The estimated total development and construction expenditures over the life of the 50-year partnership will exceed \$1.5 billion. The company expects the financing to be in place by mid-April.

The Military Housing Privatization Initiative, authorized by Congress in 1996, allows the Department of Defense and Military Services to work with the private sector to upgrade, operate, and maintain family housing on military bases. Michaels Military Housing, founded in 2004, has become a leader in this effort. Michaels Military Housing is currently in the initial development period at Fort Leavenworth, Kansas, and has already delivered more than 275 new homes there. The company also manages communities at Maryland's Andrews Air Force Base and Florida's MacDill Air Force Base.

A historic post originally constructed in 1877, Fort Huachuca is now home to the U.S. Army Intelligence Center and School. Located at the base of the Huachuca Mountains in Sierra Vista, the post covers more than 70,000 acres and an estimated 16,000 people live and work there. The homes developed and managed by Michaels at Fort Huachuca will be known as Mountain Vista Communities.

The Yuma Proving Ground, originally established in 1943, is one of the largest military installations in the world and is an essential part of the Army's Test and Evaluation Command. Michaels' housing there will be called Desert Oasis Communities.

About the Michaels Organization: Headquartered in Marlton, NJ, The Michaels Organization comprises seven affiliated companies—including Michaels Development Company, Interstate Realty Management, and Michaels Military Housing— dedicated to excellence in affordable, mixed-income, and military housing. Since its founding by housing pioneer Michael J. Levitt in 1973, the Michaels Organization has developed, financed, or acquired more than 40,000 apartments, and currently manages 33,000 units in 26 states, the District of Columbia, and the U.S. Virgin Islands. Learn more about Michaels Military Housing at www.mmhusa.com