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CONTACT: Jerry Wit, (410) 369-1221

**ST. JOHN PROPERTIES SELLS 8.6 ACRE SITE TO HOSPITALITY
DEVELOPMENT GROUP FOR CONSTRUCTION OF THREE HOTELS**

*Acreage at Maryland Science and Technology Center @ Melford in
Prince George's County sold for nearly \$6.6 million*

BALTIMORE (September 29, 2006) – St. John Properties, Inc. has announced the sale of an 8.6 acre site at its Maryland Science and Technology Center @ Melford project for \$6.58 million to Hospitality Development Company. The Washington, DC-based firm intends to develop, own and manage three different hotel products at the 466-acre business community, including a Courtyard by Marriott, Residence Inn and Springhill Suites. Construction on the first hotel unit – the Courtyard by Marriott – is expected to commence by year-end, with a completion and opening anticipated for October 2008.

Upon completion, Maryland Science and Technology Center @ Melford will contain more than 700,000 square feet of commercial office space, as well as an additional 45,000 square feet of retail space. The business community is positioned midway between Annapolis and Washington, D.C., at the intersection of US Route 50 and Maryland Route 3/301.

St. John Properties delivered Melford I, a four-story, 136,000 square foot office building at the park earlier this year, and plans are underway for the construction of Melford Plaza II, a six-story, 230,000 square foot companion structure with a structured parking deck. The first building is currently 62% leased.

“The addition of hotel amenities to this business community sets it apart from the competition in the Baltimore-Washington, D.C. corridor, and positions Maryland Science and Technology Center as a full-service and mixed-use development,” stated Jerry Wit, Senior Vice President of Marketing for St. John Properties, Inc. “Each of the three distinct hotel products will offer different options and choices to the business traveler, to match their individual needs,” he added.

The Courtyard by Marriott brand is a moderately-priced lodging product that typically includes between 80 and 150 guestrooms, and nearly 800 different hotels of this type exist around the country. Residence Inn is geared specifically to the business traveler that intends to stay at least five nights in the hotel, and is equipped with work spaces and full kitchens. Created in 1998, SpringHill Suites is an all-suite lodging brand that features suites that are 25% larger than the average hotel room.

“We expect the rate of growth in Prince George’s County to exceed that of the neighboring counties, and this acquisition positions us to take advantage of this trend,” explained Ernest Murphy, President and Managing Member of Hospitality Development Company. “All of the elements for success are contained within this park, and we were intrigued by its proximity to four major metropolitan markets, the airport and Ft. Meade. In addition, we typically gravitate towards business communities that are still undergoing development, so we can become part of the energy and momentum of the project,” he said.

Mr. Murphy expects to complete construction of the Residence Inn product in October 2009 and the SpringHill Suites product, approximately one year later.

“Hotels are an integral part of the economic development engine, and this deal and future development program is a major win for the County. We are very familiar with the outstanding work of Hospitality Development, and they represent an excellent choice to make these hotels a reality,” said Kwasi Holman, President and CEO of the Prince George’s County Economic Development Corporation.

Earlier this year, St. John Properties announced its intentions to develop more than one million square feet of new space in the local market, for the second year in a row. As of year-end 2005, the St. John Properties portfolio was 97% leased and included more than 1500 tenants. The total real estate investments of the company are valued at more than \$1.1 billion.

Founded in 1971 as MIE Properties, Inc., St. John Properties, Inc. owns and has developed nearly 12 million square feet of flex, warehouse, office and retail space in Maryland, Colorado, Louisiana, Virginia and Wisconsin. For more information about the company, visit www.sjpi.com.

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For additional information,

Contact: Larry Lichtenauer, Lawrence Howard & Associates, Inc.

410-833-6205