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Vulcan and Group Health Begin Construction on New South Lake Union Headquarters

Vulcan will develop two buildings totaling 320,000 square feet for nearly 700 Group Health staff and other tenants

SEATTLE – March 2, 2006 – Vulcan Inc. and Group Health Cooperative today announced construction has started on a 320,000-square-foot building complex in Seattle's South Lake Union neighborhood that will serve as Group Health's new headquarters. A groundbreaking ceremony at the project site will take place today at 11:30 a.m. to celebrate this milestone.

Vulcan is developing a two-building, mixed-use, 320,000-square-foot project that will house approximately 700 of the nearly 10,000 Group Health staff. As the anchor tenant, Group Health will lease nearly 60 percent of the project and occupy 185,000 square feet. Occupancy is expected to occur in late 2007. Vulcan will manage the overall development of the Westlake Terry Building and Group Health will share an ownership interest as a joint venture partner.

"Group Health was started in 1947 with a mission to transform health care, with Seattle as our home base. When it came time to find a new headquarters building, we were thrilled to find such an attractive choice nearby in the South Lake Union neighborhood, which is home to some of the country's most prestigious pioneers in health care," said Jim Truess, chief financial officer of Group Health. "We've been fortunate to forge a positive and productive partnership with Vulcan on this project. This groundbreaking represents the start of an exciting new chapter for Group Health."

"We are delighted that another world-class organization such as Group Health is joining South Lake Union and will add even greater vibrancy and intellectual capital in the neighborhood," said Ada M. Healey, vice president of real estate for Vulcan. "South Lake Union continues to attract a critical mass of innovative companies and leading health care and life sciences research groups drawn to the energy of a sustainable, urban environment."

Occupying a full city block bordered by Westlake Avenue North to the west, Terry Avenue North to the east, Harrison Street to the north, and Thomas Street to the south, the development will

consist of two buildings—one six stories and one four stories. The four-story building on the east block will include 129,000 square feet of office space and 6,000 square feet of retail. The six-story building on the west block will include 160,000 square feet of office and 25,000 square feet of retail. About 100,000 square feet of office and 31,000 square feet of retail space would be available for lease to other tenants. Callison is the architect for the project, and GLY is the general contractor.

Vulcan plans to develop the Westlake Terry Building as a sustainable, eco-friendly facility that will qualify for Silver LEED certification at minimum. LEED, which stands for Leadership in Energy and Environmental Design, is an industry measurement tool created by the U.S. Green Building Council to define environmentally-conscious projects.

Vulcan Inc., which owns about 60 acres in Seattle's South Lake Union neighborhood, currently has more than 1.2 million square feet under construction and nearly three million square feet in the development pipeline. Vulcan's vision for the area is to partner with the community to encourage a vibrant, diverse neighborhood that blends housing, retail, office, life sciences research, open space and public transportation.

About Vulcan Real Estate

Vulcan Real Estate directs all real estate strategies for Vulcan Inc., a Paul G. Allen company. Through strategic acquisitions and innovative development, Vulcan Real Estate creates a diversified portfolio of high-performing, quality assets. The company's experienced, talented team of real estate professionals offers a full range of development services from site selection to build-to-suit construction. Its real estate model is based on quality, sustainable development that builds new value across the entire community. For more information, visit www.vulcanrealestate.com.

About Group Health Cooperative

Founded in 1947, Group Health is a consumer-governed, nonprofit health care system that coordinates care and coverage. Based in Seattle, Group Health and its subsidiary health carriers, Group Health Options, Inc. and KPS Health Plans, serve more than 580,000 members in Washington and Idaho. Group Health's commercial and Medicare plans have received the top rating of "Excellent" from the National Committee for Quality Assurance (NCQA).

Group Health encompasses medical and specialty centers, hospitals (including a full service community hospital), a nationally recognized research center, and a charitable foundation. Group Health and Group Health Permanente (its multi specialty medical group practice) combined employ more than 9,000 staff.

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