

CODE OF BUSINESS ETHICS AND STANDARDS



CLARK
CONSTRUCTION

To the Clark Team:

One of the most important factors in Clark's success over the past one hundred years has been our strong reputation built by our great team. This has been accomplished by our commitment to building a quality product in a safe, fair, and ethical manner in full compliance with laws and regulations.

Now in our second century, it is more important than ever that we maintain Clark's reputation. The importance of conducting business with a strong sense of ethics and fairness is paramount to our continued success.

The purpose of this booklet is to ensure that all employees are aware of the legal and ethical standards every employee is expected to maintain when conducting our business.

Please read these policies carefully and incorporate them into your everyday life at Clark. These policies should be reflected in everything we do.

Clark supports the open discussion of these policies. If you have any questions, please consult your supervisor, Human Resources, the Legal Department or myself.

A handwritten signature in blue ink, appearing to read "Bob Moser".

Robert D. Moser, Jr.
President and Chief Executive Officer

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I. INTRODUCTION

Clark conducts its business in strict compliance with applicable laws, rules and regulations as well as the highest moral, ethical and professional standards.

Consistent with these standards, Clark and each of its affiliated companies has adopted the following commitments to:

Emphasize honesty, fairness, confidentiality and a sense of responsibility to our subcontractors and suppliers that will enable us to be a good contractor, and understand and meet the expectations of our clients as well as the architects, engineers and other professionals with whom we work.

Treat employees fairly, implementing employment practices and programs related to compensation, education, training, recreation, and health on the basis of equal opportunity for all employees. Provide safe and healthy working conditions and maintain formal programs intended to prevent work-related injuries and accidents. Protect each other's privacy and conduct ourselves with the dignity and respect due all human beings.

Demonstrate a commitment to corporate citizenship in the many communities in which we reside and work and to society as a whole.

The purpose of the Clark Code of Business Ethics and Standards is to supplement Clark's Policy Manual and provide general guidance on some common ethical and legal issues you may encounter relating to Clark's business interests either on or off the job. The information here addresses two broad areas:



- » Conducting Clark's business; and
- » Your obligation to report violations of this policy.

If you encounter circumstances that call for an interpretation or examination of Clark policy or any of the issues discussed in this document, consult your supervisor, Human Resources, or the Legal Department. Guidance for reporting suspected illegal or unethical conduct and an explanation of the consequences of this conduct is provided in the last section of this Code of Business Ethics and Standards.

II. CONDUCTING CLARK'S BUSINESS

1. CONFIDENTIALITY STANDARDS

The protection of confidential information and trade secrets is vital to the interest and the success of Clark. Information about Clark, its employees, clients, suppliers, and vendors is to be kept confidential and divulged only to individuals within the Company with both a need to receive and authorization to receive the information. If in doubt as to whether information should be divulged, err in favor of not divulging information and discuss the situation with your supervisor.

All paper and electronic records and files maintained by Clark are confidential and remain the property of the Company. Records and files are not to be disclosed to any outside party without the express permission of your immediate supervisor. Confidential information includes, but is in no way limited to the following:

- » Financial records and information;
- » Procurement and operating procedures;
- » Client preferences;
- » New product announcements;
- » Technology, formulas, inventions, and processes;
- » Business, marketing, and strategic plans and projections;
- » Personnel, payroll records and compensation data regarding current and former employees;
- » The identity of, contact information for, and any other information on current, past or prospective clients, their procurement personnel, procurement policies, requirements and preferences;
- » Any other documents or information regarding the Company's operations, procedures, or practices.

Except in performing your work at Clark, confidential information may not be removed from Clark premises without express authorization. Confidential information obtained during or through employment with the Company may not be used by any employee for the purpose of furthering current or future outside employment or activities for obtaining personal gain or profit. Upon termination of employment at Clark for any reason, an employee must promptly return to his or her department head or supervisor all Company documents and materials in the employee's possession, which contain any confidential information. Clark reserves the right to avail itself of all legal and equitable remedies to prevent impermissible use of confidential information or to recover damages incurred as a result of the impermissible use of confidential information. Employees may be required to enter into written confidentiality agreements confirming their understanding of Clark's Confidentiality Policies.

2. CONFLICTS OF INTEREST

Fulfillment of Clark's commitments requires that the interests of the Company and its clients come first. Potential conflicts of interest may create doubt on the part of clients, subcontractors, suppliers or employees and, accordingly, must be avoided. Examples of actual or potential conflicts of interest include the following:

- » Ownership of, or any other interest in, a firm that has done or desires to do business with Clark
- » Acceptance of payments or services from those seeking to do business with Clark
- » Placement of business with a firm that will result in a direct economic benefit to an employee or any member of his or her family

The appearance of a conflict of interest must also be avoided. Any employee who feels that he or she may have an actual or potential conflict of interest should report all pertinent details to Human Resources or the Legal Department.

3. ANTITRUST POLICY

It is Clark's policy that all employees, officers, members, managers and directors must comply with all antitrust/competition laws of the United States and those of any other country in which Clark is doing business. As part of this policy, communication, directly or indirectly, by employees, officers, members, managers, and directors with any competitor regarding the present or contemplated business activities of Clark or any of its competitors is strictly prohibited. It is absolutely forbidden for anyone to discuss bidding or pricing decisions, business plans, procedures or policies with a Clark competitor or subcontractor.

4. POLITICAL CONTRIBUTIONS

Clark encourages its employees to become involved in civic affairs and to participate in political activities. Employees must recognize, however, that their involvement and participation must be on an individual basis, on their own time, and at their own expense. Clark does not make political contributions. Further, when an employee speaks on public issues, it must be made clear that comments or statements made are those of the individual and not of Clark.

5. PROTECTION OF COMPANY ASSETS AND INFORMATION

Employees are required to protect Clark's assets. These assets include, but are not limited to, all information, passwords to access automated information/computer systems, computer hardware, computer software, reports, records, analyses, plans, drawings, and official papers. Clark retains the exclusive right of ownership of all company assets in any form or state, and designates management representatives as the guardians of those assets in order to ensure information reliability, accuracy, integrity, and confidentiality, as appropriate. Clark designates individual managers and employees as custodians responsible for company information control and protection. Any use of Clark's assets for any reason other than company related business is prohibited.

6. RECEIPT OR GIVING OF ITEMS BY EMPLOYEES

Employees may accept token gifts, meals, refreshments, or entertainment in connection with business discussions where the acceptance of such is not illegal, is of nominal value, and is clearly appropriate under the circumstances. While it is difficult to define the term “nominal” by means of a specific dollar limitation, a common sense determination should dictate what one would consider lavish, extravagant, or frequent. No employee may participate in major entertainment functions (e.g., golf or hunting trips) unless the employee or Clark either pays the full cost thereof or, within twelve months of the function, substantially reciprocates with an activity of comparable value. For example, a golf outing could be reciprocated with sporting event tickets. Employees should review the details of major functions with the Regional Executive Officer prior to participation, including discussion of reciprocal activities.

It is the personal responsibility of every employee to ensure that his or her acceptance of such token gifts, meals, refreshments, or entertainment is proper and could not reasonably be construed as an attempt by the offering party to secure favorable treatment. If the gift could be construed as an attempt to secure favorable treatment, the employee must decline the gift and notify the Regional Executive Officer, Human Resources or the Legal Department. Should circumstances arise where gifts or other items of value are received and cannot be returned, such gifts or other items of value shall be given to the Regional Executive Officer or Human Resources for disposition to a charitable organization.

In addition, employees of federal, state or local governments, as well as employees of quasi-governmental entities like the Metropolitan Washington Airports Authority, Transbay Joint Powers Authority, and other companies are very often subject to strict regulations regarding the offering of gifts, meals, refreshments or entertainment in connection with business discussions. With regard to federal employees please refer to Section 10, Federal Government Procurement Integrity.



7. STOCK OWNERSHIP

In order to avoid a conflict of interest, Clark employees should not purchase or retain ownership of stock in any privately owned firm or a material percentage of stock in any public firm that is a subcontractor or supplier or has another contractual or business relationship with Clark unless the employee has disclosed such interest to the Company and the Company has agreed the ownership interest poses no conflict of interest. Employees are required to disclose to the Legal Department or Chief Financial Officer any financial interest in companies they are negotiating or working with in the course of their employment.

Federal securities laws restrict or prohibit persons who receive material, nonpublic information as a result of a business relationship with a public company from trading in that company's stock. Such material, non-public information may include information obtained directly from the company as well as information that is obtained indirectly, such as by rumors, gossip and the like. Employees should keep all such information confidential and employees who become substantially involved in a project that Clark is building for a publicly traded company should not trade in the stock of the public company while Clark is involved in any aspect of the project. To "trade" means to buy or to sell. If you already own stock in the public company and then become substantially involved in the project, you may sell the stock immediately, or hold it until the project is completed.

8. COPYRIGHT/PATENT AGREEMENT

While employed by the Company, employees assign to Clark all rights and interests in copyrights and/or patents concerning work performed during the course of employment with Clark or in any way connected with or relating to duties performed on behalf of Clark. In addition, at Clark's request, employees must secure a patent and/or copyright at Clark's expense and assign all rights and interests in the copyright and/or patent to Clark.

9. COPYRIGHT COMPLIANCE

It is Clark's policy that all employees respect the rights of intellectual property owners by complying with United States copyright law. Accordingly do not alter or remove any copyright information about (i) the title or other information identifying the work; (ii) the name or other information about the author/owner of the work; (iii) terms and conditions of use of the work; or (iv) a copyright notice. When using the Internet, copyright law applies. Therefore employees should not copy or distribute copyrighted material (e.g., books, magazines, manuals, articles, software, database files, documentation, articles, graphics files, and downloaded information) through the e-mail system, photocopy machines or by any other means unless the employee has confirmed in advance from appropriate sources that Clark has the right to copy or distribute the material. While limited copying is permitted in certain instances, when among other things, the copying does not diminish the potential market for or value of the copyrighted work, these rules can be complex. Failure to observe a copyright may result in disciplinary action by Clark as well as legal action by the copyright owner.

10. FEDERAL GOVERNMENT PROCUREMENT INTEGRITY

The following policy is designed to implement the Office of Federal Procurement Policy Act (the “Act”) and the applicable Federal Acquisition Regulations. The Act’s provisions prohibit various activities during the procurement process and are designed to eliminate the release of “insider” or confidential information during the procurement process. The penalties for failure to comply with the Act are severe, and include stiff civil monetary penalties, termination of the contract, refund of profits and criminal penalties. Accordingly, this policy should be read with care and strictly followed.

Timing and Applicability

This policy applies to ALL federal government procurements in which Clark is a competitor, regardless of whether Clark is competing as a prime contractor, as a member of a joint venture or as a subcontractor. It also applies to the modification and extension of existing federal government contracts and subcontracts.

Prohibited Conduct

Pursuant to Section 27 (a) of the Act, during the conduct of a federal procurement (which commences with the development of a solicitation), Clark employees may not, directly or indirectly:

- » Make an offer or promise of future employment or business opportunity, or engage in discussions concerning future employment or business opportunities, with a procurement official.
- » Offer, give or promise to a procurement official any money, gratuity or other thing of value.
- » Solicit or obtain, prior to contract award, any proprietary or source selection information from any officer or employee of the subject agency.
- » Disclose proprietary or source selection information to any person other than an individual authorized by the contracting officer to receive such information.

Each of these prohibitions is discussed in detail on the following pages.



Employment Discussions

No discussions of any nature whatsoever concerning future employment or business arrangements (including consulting agreements) should be held between Clark employees and any government employee, government contract employee or government consultant substantially involved in a federal procurement in which Clark is interested, either as a prime, a joint venture member or a subcontractor. This prohibition begins at the inception of any procurement activities for a procurement in which Clark is reasonably likely to be a competitor -- e.g., development of the specifications, issuance of a request for information, or other activities undertaken in preparation for the conduct of procurement and continues through award of the contract.

The prohibition applies to all government employees who are involved in the procurement, and would include the contracting officer, the contracting specialist, any technical representatives, all members of any evaluating or source selection panels, the procuring authority, all persons involved in drafting the specifications or other solicitation provisions, and all subordinate persons acting at the direction of any of the persons named above.

The Legal Department should be contacted regarding applicability of this provision prior to talking with the government employees involved.

Gifts and Gratuities

No gifts, gratuities or other things of value may be given to any government employee who is involved in a procurement in which Clark is interested, either as a prime, a joint venture member, or a subcontractor. The time period and persons to whom it is applicable are the same as described in the preceding section on employment discussions.



Prohibited gifts and gratuities can include minor items such as lunches, drinks, special discounts on items for the government employee's personal use or any other item of value. Generally there is an exemption for unsolicited items, other than money, having a market value of \$20 or less per gift, with a \$50 annual aggregate maximum for the Company.

If there is any doubt as to whether an item qualifies as a gift, gratuity or other item of value, contact the Legal Department prior to giving such an item to a government employee.

Proprietary and Source Selection Information

Clark employees should not, during the procurement process, solicit or obtain any proprietary or source selection information from any government employee.

“Proprietary” information includes the following:

- » Information contained in a bid or proposal of an offeror, other than Clark
- » Cost or pricing data of an offeror other than Clark
- » Any other information submitted to the government and designated as proprietary by an offeror other than Clark

Source selection information includes all information (1) the disclosure of which would jeopardize the integrity of the procurement, and (2) which is required to be stored in such a manner to prevent disclosure. The following are examples of source selection information:

- » Listings of offers and prices;
- » Listings of bidders and/or prices prior to opening;
- » Source selection plans;
- » Technical evaluation plans;
- » Technical evaluations of competing proposals;
- » Cost or price evaluations of proposals;
- » Competitive range determinations;
- » Rankings;
- » Source selection board reports and evaluations; and
- » Other information marked as source selection information.

Most of the items included as examples of source selection information pertain to negotiated procurements. A negotiated procurement involves a Request for Proposals from the Government. After proposals are received, the Government then negotiates with all of the qualified offerors. By their nature, negotiated procurements contain more opportunity for the improper disclosure of information than an Invitation for Bids (“IFB”) procurement. Clark is involved in negotiated procurements and in IFB procurements. IFB’s involve the submission of sealed bids. There is no negotiation -- award is made to the lowest responsible and responsive bidder. Nonetheless, care must be taken to avoid soliciting or obtaining source selection information in IFB procurements. In an IFB, particular attention should be given to the receipt of information relating to a competitor’s bid prior to bid opening.

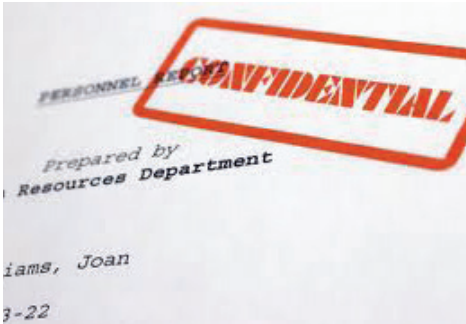
The Act contains parallel restrictions on the disclosure by government employees of proprietary or source selection information. If an employee asks a procurement official for information, which possibly qualifies as proprietary or source selection information, the employee should also ask the procurement official to confirm, in writing, that such information is properly releasable.

If proprietary or source selection information is received by an employee without soliciting such information -- e.g., anonymously, or through inadvertence -- such information should not be used or disclosed further (See the discussion below on disclosure of proprietary or source selection information). The employee’s supervisor and the Legal Department should be contacted and such information should be delivered to the contracting officer along with an explanation of the circumstances under which it came into Clark’s possession.

Disclosure of Proprietary/Source Selection Information

Proprietary and source selection information which comes, by any means, into Clark's possession may not be disclosed to individuals not authorized to receive such information. In other words, if an employee receives information which constitutes proprietary or source selection information, the employee cannot disclose that information to others, even if the source of the information is someone other than a government employee.

If proprietary or source selection information comes into an employee's possession, such fact should be reported immediately to the employee's supervisor as well as to the Legal Department, and such information provided to the contracting officer as described in the preceding section.



Protecting Clark's Proprietary Information

If Clark submits information to the Government that Clark wants to protect from disclosure, then the information must be marked as proprietary. The Act requires that the cover page of the bid or proposal and each page that contains proprietary information be marked as proprietary in order for the protections of the Act to apply. The Legal Department

should be consulted if there is any question as to whether information is appropriately marked as proprietary.

Certification Requirements

The Clark employee signing a bid or proposal that is submitted to the government must also sign a certification attesting to Clark's compliance with the Act. In addition, all Clark employees, representatives and consultants "personally and substantially" involved in the preparation of bids or proposals must sign a certification, attesting to their individual compliance with the Act.

Sanctions

The potential sanctions for engaging in the prohibited activities or submitting a false certificate include the following:

- »A civil fine of up to \$100,000, in the case of an individual, or up to \$1,000,000 in the case of a violation by Clark and/or imprisonment up to five years for knowingly and willfully soliciting or obtaining from any officer or employee of the government agency any proprietary or source selection information.

If the contracting officer determines that there was an impact on the pending award or selection, the contracting officer should inform the Head of the Contracting Activity (“HCA”). The HCA then determines if the Act has been violated. If such a determination is made, and the contract has not been awarded, the HCA may direct the contracting officer to (1) terminate the procurement; (2) disqualify an offeror; or (3) take other appropriate actions in the interest of the Government. If the contract has been awarded, the HCA may invoke (1) contractual remedies including recapture of profit, (2) void or rescind the contract, and/or (3) refer the matter to the agency suspension and debarment official.

11. FALSE CLAIMS ACT


The Federal “False Claims Act” provides that a Contractor is liable to the Government – for treble damages plus a separate penalty of \$11,000 per violation– if the Contractor knowingly (1) submits a false or fraudulent claim to the Government for payment or approval, (2) makes a false statement in order to get a false or fraudulent claim paid or approved by the Government, (3) conspires with any other party to submit a false or fraudulent claim, or (4) makes or uses a false record to avoid or decrease a monetary obligation to the Government. This act also applies to projects which receive federal funding even where the owner may be a state agency, quasi-public authority or company.

A company can also violate the False Claims Act when it “causes” another party to submit a false or fraudulent claim and, indeed, in any situation where the Government is providing the money. When a subcontractor submits a false billing to the prime contractor, the subcontractor violates the False Claims Act whenever the Federal Government is ultimately paying the bill.

“Knowingly” does not mean only active, intentional fraud. The term “knowingly” includes not only that kind of dishonesty, but also a reckless disregard of whether information is true or false as well as deliberate ignorance (head in the sand) of whether the information is correct.

False claims can include basically any type of improper invoice or progress payment request, submitted knowingly, that charges the Government for more money than is properly due. Examples of situations the Government has pursued under the False Claims Act include:

- » Billing the Government for the contract price when the contract price was overstated due to defective cost or pricing data;
- » Progress billings that charge the Government for a subcontractor’s progress Code of Business Ethics and Standards 12 billing, when the Contractor intends to withhold the amount from the subcontractor;
- » Progress payment requests submitted early in the job that are front-end loaded, even where the Government agreed with the schedule of values or the value assigned to the activity in a cost loaded CPM.



“Reverse” false claims include situations where a contractor knowingly understates an amount that is due to the Government, e.g., the contractor improperly low-balls a credit proposal on a deductive change order. Violation of the Act could be particularly damaging to the Company’s business and reputation, as the Government often seeks to suspend or debar violators from further Government contracting. Criminal prosecution of other contractors has resulted in situations that the Government viewed as particularly serious. Clark Construction’s policy is to avoid even the appearance of violating the False Claims Act.

12. FOREIGN CORRUPT PRACTICES ACT

The Company is committed to acting with integrity in all its business relationships. We conduct our business in an open and above-board manner, and we do not seek any improper influence nor will we tolerate even the appearance of such influence. All of our officers, directors, members, managers and employees are expressly required by Company policy to comply with all applicable laws and regulations, including any applicable foreign laws and regulations.

The Company expects its employees and agents to ensure that payments made by or on behalf of the Company are made only for legitimate and legal business purposes. No employee or agent is permitted to offer or pass, directly or indirectly, anything of value (e.g. gifts, kickbacks, or other payments or consideration) to any third party (e.g. customer, supplier, employer, Government official, or any other person) while knowing or having reason to know that it will be used to influence others in any transaction affecting the Company. No payment of any kind may be offered or made to a Foreign Official, politician, political party or to an official of a public international organization, with a view toward aiding, obtaining, or maintaining a business relationship within or having to do with a foreign country.

All employees and agents must keep financial records that accurately record business transactions and the disposition of the Company’s assets and property, both outside and inside the United States.

No employee may make or offer to make on behalf of the Company gifts or entertainment or benefits to any foreign official if its purpose is to influence an individual improperly to award business to the Company. Expenses associated with gifts and entertainment of any amount must be recorded appropriately in the books and records of the Company, identifying the date and nature of the gift or entertainment, the recipient’s name, and the business need for the gift or entertainment. In their dealings with people outside of the Company, employees are expected to remain alert to possible business corruption problems and to report such possible problems promptly.

13. ENVIRONMENTAL POLICY

Our Company is committed to protecting human health and the environment. This commitment requires that we integrate employee health and safety and environmental consideration into all aspects of our facilities, operations and processes. It further requires that we operate in a manner that is environmentally responsible and that ensures the protection of the health and safety of our employees and the public. We make every effort to recognize and respond to community and employee concerns about these issues.

Employees are responsible for conducting their work activities in a safe and environmentally responsible manner and for bringing to management's attention any actual or potentially dangerous condition.

Particular attention should be paid to the disposal of waste materials, erosion control and discharges into the air, soil or water. Federal, state and local environmental laws and regulations govern these matters and it is essential that you become familiar with those laws and regulations as they relate to your work and that you take care to assure that the laws and regulations are followed.



14. COMPLIANCE AND DISCIPLINE

Violation of any of the Ethics Policies will result in disciplinary action up to and including termination of employment.

III. CLARK'S OPEN DOOR POLICY

QUESTIONS AND REPORTING

It is Clark's top priority and every employee's obligation to uphold the policies in this manual. If you have any questions regarding the policies contained in this booklet, please contact Human Resources at 301-272-8300 or the Legal Department at 301-272-8100.

Clark's employees must report any incidents of unlawful or unethical conduct, conflicts of interest, unsafe conditions, lack of proper security for information or property, or other conduct inconsistent with Clark policy. Reporting suspected violations of the Clark's Ethics policy will not adversely affect your employment at Clark (i.e. employees will not be demoted, transferred, suspended, or terminated for reporting a violation). In order to foster a comfortable reporting environment, you may report any violation or suspected violation directly in person or anonymously using any of the following reporting avenues;

- » Your supervisor or manager,
- » All levels of management,
- » Human Resources,
- » Legal Department, or
- » Toll-free Ethics Hotline (1-800-876-0917)



