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HAGER PACIFIC PROPERTIES ACQUIRES

CENTRAL PENNSYLVANIA PORTFOLIO FOR \$90 MILLION

Los Angeles – August 2, 2006 – Hager Pacific Properties, one of the largest privately owned real estate investment firms in California, has acquired a Portfolio of eleven single-tenant, NNN industrial buildings for approximately \$90 million from a venture between Blue Vista Sponsor Equity Fund, LLC and an affiliate of Walton Street Real Estate Fund IV,LP. The portfolio properties are located in Central Pennsylvania and total 2.2 million square feet. This purchase marks Hager Pacific Properties' entrance into this market.

"This acquisition provided the opportunity to acquire a well-leased, critical mass of quality properties in one of the most sought after distribution hubs in the eastern United States," said Rob Neal, managing partner of Hager Pacific Properties. "Located on the I-81/78 corridor, the properties are within one day's drive of more than 50 percent of the U.S. population."

The properties are situated on 109 acres of land and serve as the corporate headquarters for Arnold Logistics, LLC, a leading third party logistics firm that provides various value-added services to some of the largest companies in the U.S.

"The Camp Hill, Mechanicsburg and Lancaster areas of Central Pennsylvania have been rapidly attracting businesses from other metropolitan markets due to their highly skilled but affordable labor pool, quality of life and access to major eastern population centers," said Adam Milstein, managing partner of Hager Pacific Properties.

Jim Vesey, Senior Director of Cushman & Wakefield in Philadelphia, PA, represented both the seller and the buyer in this transaction.

Hager Pacific owns properties in California and the Midwest and is currently investing \$300 to \$400 million in commercial real estate throughout major metropolitan markets nationwide.

About Hager Pacific

As a real estate investment firm, Hager Pacific Properties is guided by a value-added investment philosophy implemented through the acquisition of under-performing, aged or environmentally impacted real estate. Its investments have become more valuable through repositioning, renovation or reuse of the property. The preferred buyer of challenging properties, Hager Pacific Properties self-funds its real estate transactions without outside capital or financing. The company's portfolio consists of more than 100 assets ranging in size from 25,000 to over one million square feet and features a wide range of product types including office buildings, research and development complexes, apartment buildings, community shopping centers, warehouses and industrial facilities, including the December 2005 purchase of the 1.2 million-square foot Gateway Industrial Center in Detroit. In June, Hager Pacific Properties acquired the Atlanta Garden Ridge Portfolio for \$18.5 million and recently announced the acquisition of the \$50 million Levitt Office portfolio with properties in Chicago, Dallas and Salt Lake City. For more information about Hager Pacific Properties, please visit www.hagerpacific.com