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HAGER PACIFIC PROPERTIES ACQUIRES
ATLANTA GARDEN RIDGE PORTFOLIO FOR \$18.5 MILLION

Los Angeles – May 31, 2006 – Hager Pacific Properties, one of the largest privately owned real estate investment firms in Southern California, has acquired the Garden Ridge Portfolio from a trust in which CW Capital Asset Management LLC is the special servicer, for \$18.5 million. The portfolio consists of two properties north of Atlanta, each home to a 142,000-square-foot Garden Ridge home décor and crafts outlet store. Garden Ridge has 35 locations in 13 states throughout the Southeast and Midwest. This acquisition marks Hager Pacific Properties' entrance into the Atlanta real estate market.

"Finding markets with significant leasing activity is fundamental to our overall investment strategy," commented Adam Milstein, managing partner of Hager Pacific Properties. "Atlanta's leasing activity is comparable to the Orange County and San Diego submarkets and we believe that it will continue to remain strong."

The buildings are located in Kennesaw and Norcross, approximately 15 miles north of downtown Atlanta. Each building totals 142,000 square feet, and each is situated on 12 acres of land. The Kennesaw building is located at 2875 George Busbee Parkway, adjacent to the I-75. The Norcross building is adjacent to the I-85, located at 1887 Willowtrail Parkway. Close proximity to these major highways provides excellent visibility for both locations.

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Brandon Beeson, vice president of investment services at the PM Realty Group's Dallas office, represented the seller in this transaction, while the Buyer, represented itself. Michael McGregor, vice president for CWCapital Asset Management LLC handled the transaction for the seller.

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 deals without outside capital or financing. The company's portfolio consists of more than 85 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 February, Hager Pacific Properties sold the 850,000-square-foot Los Angeles Baldwin Hills Crenshaw Plaza for \$130 million. For more information about Hager Pacific Properties, please visit www.hagerpacific.com

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