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**HAGER PACIFIC PROPERTIES ANNOUNCES 15 YEAR LEASE EXTENSION OF
STATER BROS COPORATE FACILITY TOTALLING APPROXIMATELY \$35
MILLION IN LEASE CONSIDERATION**

Los Angeles, CA – August 8, 2007 – Hager Pacific Properties (HPP), one of the largest privately owned real estate investment firms in Southern California, announces the 15 year extension of the 788,000-square-foot lease for the Stater Bros. corporate headquarters in Colton, California. The lease deal is valued in excess of \$35 million.

The Stater Bros. facility, located at 21700 Barton Road in Colton, California has been the corporate home of the company for more than 40 years. The 788,000-square-foot Colton campus includes corporate office, dry goods warehousing, freezer and food produce buildings.

“We are delighted that Stater Bros. has decided to extend the term of the lease” said Adam Milstein, a managing partner of Hager Pacific Properties. “We understand that Stater Bros. will be subleasing the campus once they relocate to their new headquarters currently under construction at the former Norton Air Force Base in San Bernardino, Calif.”

The Stater Bros. campus sits on 50 acres. HPP owns an additional 7 acres of vacant land at this location that is not part of the Stater Bros. leased premises. HPP has announced that this 7 acre site will be developed with approximately 140,000 square feet of state-of-the art distribution space.

“This location on the 215 freeway is outstanding and our new building will provide easy access to all of Los Angeles and the Inland Empire” said Rob Neal, a managing partner with HPP.

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 100 assets ranging in size from 25,000 to over one million square feet and features a wide variety of product types including office buildings, research and development complexes, apartment buildings, community shopping centers, warehouses and industrial facilities. The total portfolio consists of 12 million square feet and 3,000 apartment units valued at \$1.5 billion. For more information about Hager Pacific Properties, please visit www.hagerpacific.com

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