ORCHARD PARTNERS ANNOUNCES FIFTH INDUSTRIAL ACQUISITION IN LESS THAN TWELVE MONTHS

March 14, 2011 – In less than twelve months, Orchard Partners has helped to acquire five industrial properties totaling almost two million square feet of space in three major distribution markets on the West Coast.

On March 14, 2011, Orchard Partners completed its sixth industrial acquisition with **Morgan Stanley** since its relationship began in 2006 – and marks its third investment in Seattle (the other two investments include N405 Distribution Center in Renton and White River Industrial Park in Auburn). Auburn Logistics Center, a two building warehouse complex containing 885,263 square feet of space situated upon 45.55 acres of land located in Auburn, WA. The property is 100% leased to UPS Supply Chain Solutions and ULine, Inc. The listing brokers representing Invesco were Brett Hartzell, Matt O'Brien and John Gilliland of CB Richard Ellis. Matt O'Brien of CB Richard Ellis retains leasing responsibility of the project, and given the impending lease expiration of UPS, is now actively marketing its full building of 616,000 square feet - this is the largest single building available for lease in the Pacific Northwest.

In addition to Auburn Logistics Center, Orchard Partners completed four other industrial acquisitions since last April. "In total, these five industrial acquisitions highlight our understanding of three major industrial markets on the West Coast. Each of these acquisitions was made with institutional capital partners who understand the inflexion point of asset pricing today relative to replacement cost, and we are confident that these infill industrial properties will perform well overtime," stated Tyler W. Higgins, Managing

Partner of Orchard Partners. "We continue to look for more industrial acquisitions in Seattle, the Bay Area and Southern California," added Higgins.

In April 2010, Orchard Partners worked with **AMB Property Corporation** to acquire Norris Industrial Center, a five building industrial complex containing 483,727 square feet of space situated upon 22.1 acres of land located in Vernon, CA. Orchard Partners put the property under contract in December 2009 and performed due diligence of the property. Despite several prior attempts by other buyers seeking to acquire the property between 2007-2009, Orchard Partners and AMB successfully structured a transaction, providing Orchard Partners with on-going incentive to create value at the property. Prior to closing, Orchard Partners successfully renegotiated a seven year lease with Aerojet for 235,507 square feet of space at the project helping to stabilize income at the property. The broker of this investment opportunity was John McMillan of Cushman & Wakefield, and the seller was Trimas.

In May 2010, Orchard Partners worked with **KTR Capital Partners** to acquire Baypointe Business Center, a four building industrial complex containing 333,718 square feet of space situated upon 19 acres of land located in Newark, CA. Prior to the property being brought to market, Orchard Partners advised Wells Fargo Bank in positioning the property for sale. Notwithstanding strong competition from other institutional investors, Orchard Partners' relationship with the bank and its confidence in KTR to close quickly helped win the deal. Although the property was only 50% leased at closing, Orchard Partners helped KTR identify an opportunistic user-buyer for the vacant 140,000 square foot warehouse building who acquired it shortly after closing - increasing the property's occupancy in excess of 85% and decreasing is cost basis on its remaining three buildings. The listing brokers representing Wells Fargo Bank were Greg Cioth and Edmund Najera of Eastdil Secured.

In December 2010, Orchard Partners completed its first acquisition on behalf of a foreign pension fund in purchasing Santa Fe Logistics Center, a two building complex containing 112,363 square feet of space situated upon 6.64 acres of land located in Redondo Beach, CA. The property is 100% leased to Northrup Grumman and DSD Trucking, Inc. The listing brokers representing The Lynn C. Fritz Estate were Luke Staubitz and Harvey Bessen of The Klabin Company.

In December 2010, Orchard Partners completed its fifth industrial acquisition with **Morgan Stanley** in acquiring North 405 Distribution Center, a modern distribution building containing 124,573 square feet of space situated upon 7.11 acres of land located in Renton, WA. The property is 100% leased to Starbucks through 2014. The listing brokers representing Founders Properties were Stuart Williams, Lori Hill and Ann Chamberlin of Pacific Real Estate Partners, Inc.

Founded in 2007, Orchard Partners is a real estate investment and development firm headquartered in the San Francisco Bay Area. The Company focuses on core and value-add investment opportunities, and specializes in office and industrial properties throughout the Western United States. Since its inception, Orchard Partners has been involved with more than of $450 million worth of property transactions on the West Coast. For additional information about Orchard Partners, please visit our website www.orchardpartners.com.

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