



NEWS RELEASE

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**Harsch Investment Properties Adds Future Redevelopment Site
In Old Town District to Portland Portfolio**

Portland, Oregon— Harsch Investment Properties, a privately-held real estate investment, development and management company headquartered in Portland, Oregon, today announced the purchase of three buildings totaling 46,290 square feet on just under a full city block at 438 NW Broadway for the purchase price of \$5,375,000. The seller was Donald R Clarke, Sr. with Michael Kapnick, David Gross and Tony Casey of Marcus & Millichap representing both Buyer and Seller in the off-market transaction.

"This was a wonderful opportunity for us to acquire a key redevelopment block in a great location for Harsch, and at the same time giving Donald's son, Donald L. Clarke Jr., time for the next chapter of his long term business plan for the Boxer Northwest Company. It truly was a win-win for both of us and we look forward to our long term relationship," said Jordan Schnitzer, President and CEO of Harsch Investment Properties. "We could have not done this off-market transaction without the strong and valued relationships we have with the Portland brokerage community. We continue to actively look for additional investment opportunities of all types especially in industrial, office and retail properties and land for development" Schnitzer concludes.

The "Boxer Block" which totals .87 acres spans two city blocks and consists of a one and a five story building of 41,290 square feet at 438 NW Broadway and a 5,000 square-foot, one story building and parking lot at 414 NW 6th Avenue. The property, which has been leased to Boxer Northwest Company since 1964 is bounded by NW Broadway and 6th Avenue on the East and West and NW Glisan and Flanders to the North and South. Located in the Old Town section of Portland, the area is in transition with development currently underway at the Daisy Kingdom building into condominiums for museums, galleries and offices and projects planned for the 511 Federal

Building, the historic Customs House and the Downtown Post Office building. In addition, the Portland Development Commission owns two blocks north of the property slated for redevelopment referred to as the "R and U" Blocks. The area is home to the Portland Development Commission, the Port of Portland and the headquarters of NW Natural Gas.

About Harsch Investment Properties

Harsch Investment Properties, headquartered in Portland, Oregon with Regional offices in Seattle, San Francisco Bay Area, Sacramento, San Diego and Las Vegas, is a privately held real estate company that acquires, manages and develops properties for its own portfolio. Founded in 1950, the company currently owns and operates 130 properties in five Western states with its commercial real estate portfolio comprised of more than 21 million square feet of office, retail and industrial properties with a value in excess of over \$2.5 billion of real estate. In 2006, the Company completed over \$200 million of acquisitions and \$160 million of development projects which set a new record high. It is currently on track for similar results in 2007. Additionally, the company has almost \$700 million under construction and development and owns and manages more than 1,500 multifamily housing units. More company information can be found by going to <http://www.harsch.com>.