

Hempel Acquires One Corporate Center I & III

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Maple Grove, MN – February 19, 2007 – Hempel Properties closed on One Corporate Center I and One Corporate Center III (OCC I & III), two office properties totaling 221,765 square feet on Metro Boulevard in Edina.

OCC I, located at 7401 Metro Boulevard is currently 77.4% leased. OCC III, 7300 Metro Boulevard is nearly fully occupied at 96.6%. The acquisition represents Hempel's efforts to increase their portfolio by identifying properties in markets with historically strong fundamentals. According to Brent Jacobson, vice president of leasing at Hempel, "We started to see signs of market recovery in the Southwest market late 2004. Vacancy is decreasing and rents are increasing throughout classes and product types. The timing was perfect to acquire this property."

Hempel plans to employ a disciplined management and leasing program that will improve operations and tenant retention. Jacobson is familiar with OCC I and III. Prior to joining Hempel, he was the leasing agent for OCC I and III for three years. Location was the motivating factor in acquiring OCC I and III. Josh Krsnak, vice president of development at Hempel comments, "These properties boast an excellent location. They are visible from Highway 100 and Interstate 494 and are minutes from Interstate 35W. Both the building and the area possess amenities that are attractive to local businesses."

Scott Pollock of United Properties represented the seller in the sale of OCC I and III. Hempel worked with Pollock most recently when it acquired UBS Plaza in St. Paul in October 2006.