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More Office Space and Services Planned for Southern California's Ontario as part of The Bates Company's Mixed-Use High-Image Corporate Center Including Office Tower, Hospital and Medical Office Campus and More Than 400 Hotel Rooms

▪ ***Local Doctor To Lead Development of Acute Care 200-Bed Hospital***

SEPTEMBER 6, 2006 Ontario, Calif. – Marking another significant development milestone in its emergence as Southern California's new urban center, the **City of Ontario** will soon add another mixed-use commercial project to its burgeoning business center. Planned by **The Bates Company**, a Monrovia-based full service real estate company, the project is proposed to include a 10-story, 250,000-square-foot Class A office tower and 3-story parking structure, a 250-plus room Embassy Suites, a 200-plus room Springhill Suites, 100,000-square-feet of medical office buildings and 200-plus bed hospital. The project is located adjacent to an 8-acre proposed Mercedes Benz auto dealership.

The high image corporate setting and critical resident and visitor services are part of The Bates Company's master plan for the 40-acre parcel to be called Ontario Gateway. Located at the high-profile Haven Avenue exit at Interstate 10, which has a visibility of more than 500,000 cars per day, and just one mile from LA-Ontario International Airport, Ontario Gateway is planned to start construction in late 2006. The developer's plans for the office component are now under consideration by the City of Ontario.

The Bates Company will build the medical offices and office tower along with a three-story parking structure. Design for the high-profile corporate center and medical campus include a ceremonial entry, drive and lobby. New street construction is expected to commence later this year and the office tower construction is expected to begin in mid-2007. Completion is set for spring 2008. Office leasing for Ontario Gateway will be handled by Carol Plowman & Paul Earnhart of Lee & Associates. For leasing information for Ontario Gateway please contact Chris Atkinson, Vice President of The Bates Company.

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Jeereddi A. Prasad, MD, president and chairman of Ontario-based ProMed Health Services, a California-based health care service plan and management services corporation, and doctor with Inland Empire-based Chaparral Medical Group, recognizes the need for medical facilities in the region. He is leading the development of the hospital in response to the rapid population growth in the area.

“We are committed to the growth of our economy and to bringing critical services and amenities to our residents, businesses and visitors,” noted City of Ontario Mayor Paul S. Leon, “Our population growth is driving more opportunities for Corporate America to expand and relocate into Ontario to better serve their customers and clients. This project is important to creating the right environment for that growth.”

Underscoring the region’s demand for office space are first quarter 2006 Inland Empire market reports by CB Richard Ellis that note a strong office vacancy rate of 9.12 percent for Ontario with positive net absorption and increasing lease rates.

Hotel demand is strong as well. A hotel market analysis completed for the City of Ontario by **PKF Consulting** noted that demand for hotel rooms in Ontario as demonstrated by occupied room nights has exceeded the increase in supply with growth averaging 4.2 percent per year from 2001 to 2005. The study anticipates that Ontario’s hotel industry will grow rapidly during 2006 increasing, which is evidenced by the two proposed hotels at Haven Airport Center. The City currently has 2,764 units and it is estimated that 1,048 more will be built over the next five years, totaling just under 4,000 rooms.

“We know how important it is to bring all of the services and resources that a City needs in order to fully realize its role as a leading metropolitan center. That’s why we’re excited to be part of a project of this caliber and depth,” noted Gil Bates, president, The Bates Company. “The office components will be high profile in line with the maturation of this marketplace.”

The Bates Company is also developing the Parkway Business Center, a 16-acre project featuring a Class A 5-story, 100,000-square-foot office building as well as 11 smaller buildings for sale or lease, located at the intersection of Interstates 10 and 15 in Ontario. Completion of first phase of the Parkway Business Center is anticipated 2nd quarter of 2007.

The Bates Company is a full-service real estate development and investment company building industrial, office and multi family projects throughout the San Gabriel Valley and Inland Empire.

About Ontario, California: Ontario is increasingly identified for the competitive advantages it provides to businesses that want to succeed in the global marketplace and for its growing importance to the state, national and international economies.

Just 35 miles from Los Angeles and uniquely positioned within the hub of Los Angeles, Orange, San Bernardino and Riverside Counties, the City of Ontario is the "economic engine" of one of the fastest growing regions in the United States. It features an exceptional pro-business environment, competitive commercial lease rates, technical amenities, a skilled and abundant work force, and an innovation corridor of fourteen colleges and universities.

As a major transportation hub, Ontario is home to LA-Ontario International Airport (ONT), the center of a rapidly developing freight movement system that includes the airport, two railroads, four major freeways and an expanding network of freight forwarders. ONT is one of the fastest growing and ambitious cargo airports outside the booming Asia-Pacific market and home to United Parcel Service's Western Regional Hub providing direct flights to China. In 2003, ONT was listed among six of the best cargo airports in the world by the leading international airport magazine, Airport World. Aero Ontario, LLC, a division of Aeroterm of Annapolis, MD, is investing \$142.9 million in an international air cargo center at ONT. The Ontario Foreign Trade Zone is also of significance to businesses involved in international trade. ONT is the second busiest air passenger facility, handling 7.2 million people in 2005, and growing each year. ONT is projected to reach 30 million annual passengers by 2025. For more information, visit www.ontariocalifornia.us.

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