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Shorenstein Properties Completes a Second Mezzanine Loan Investment in New York City

NEW YORK, NY (December 18, 2007) – Shorenstein Properties LLC, a leading sponsor of private real estate investment funds, and owner, developer and operator of office properties throughout the United States, announced the purchase of a \$39.5 million junior mezzanine loan on 1180 Avenue of the Americas from Hypo Real Estate Capital Corporation.

The 22-story, 382,000 square foot office building, sits at the corner of 46th Street and Avenue of the Americas in Midtown Manhattan and is owned by an institutional investor, which acquired the building earlier this year. The building was constructed in 1962 and underwent significant renovation in 1984 and 1999. It is currently 90 percent leased. Major tenants include New York Life and the E.W. Scripps Company, parent of Home & Garden TV, Food Network and DIY Network.

Commenting on the loan purchase, Douglas Shorenstein, Chairman and CEO of Shorenstein Properties, said: “This loan purchase was attractive to us because it affords an opportunity to participate in the future of an asset in midtown Manhattan, consistently one of the strongest office markets in the country, at a level below the replacement value of the asset and with a strongly capitalized borrower.”

Shorenstein purchased the loan on behalf of its ninth investment fund, Shorenstein Realty Investors Nine, L.P., a \$1.3 billion private commingled fund formed earlier this year. This is the fourth subordinated debt position acquired by the fund in the last three months. In October, Shorenstein purchased a part of a construction loan for the development of Moffett Towers, a 900,000 square foot office campus now being built in Sunnyvale, Calif. Shorenstein also holds

mezzanine loans on two office properties in Washington, D.C. as well as the office portion of 660 Madison Avenue in New York.

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About Shorenstein Properties LLC:

San Francisco-based Shorenstein Properties LLC (www.shorenstein.com) is one of the oldest and most successful private real estate investment companies active throughout the United States in the acquisition, development, ownership and management of office and mixed-use properties. Since its beginning in 1924, the company has evolved from a regional real estate operating company to an active national investor and manager of commingled institutional capital. Since 1992, Shorenstein has sponsored nine closed-end real estate investment funds. Shorenstein's substantial co-investment, integrated investment and operating strategy, and strong performance have positioned the company as an experienced leader in the value-added arena.