



**Contact:** Andrew Neilly  
Gallen.Neilly & Associates  
925/930-9848

## **Shorenstein Properties originates \$125 million mezzanine loan on Plaza District office building**

SAN FRANCISCO, CA (April 14, 2008) – Shorenstein Properties LLC, a leading sponsor of private real estate investment funds, and owner, developer and operator of office properties throughout the United States, has provided a \$125 million junior mezzanine loan to finance a portion of the purchase of 650 Madison Avenue, a 601,604 square foot trophy Class A office and retail building located in the Plaza District of Manhattan.

The loan is part of a larger financing package made to the buyers of the property, a joint venture between The Carlyle Group and Ashkenazy Acquisition Corp.

The building is adjacent to 660 Madison Avenue, on which Shorenstein holds a similar mezzanine loan purchased last year. The 650 Madison Avenue building was built in 1957 as a 10-story office and retail building and redeveloped in 1987 to include a 17-story tower. It is currently 90% leased and anchored by Polo Ralph Lauren, Columbia Presbyterian, Crate & Barrel and Reservoir Capital.

Commenting on the loan transaction, Douglas Shorenstein, Chairman and CEO of Shorenstein Properties, said, “We continue to see selective opportunities to underwrite and originate mezzanine financing secured by quality office and mixed-use buildings in major markets and we have an appetite and the capital for more.” Shorenstein originated the loan on behalf of its ninth investment fund, Shorenstein Realty Investors Nine, L.P., a \$2.0 billion private commingled fund formed in the spring of 2007.

The fund's subordinated debt holdings now total \$373 million and include part of a construction loan for the development of Moffett Towers, a 900,000-square-foot office campus now being built in Sunnyvale, Calif., and mezzanine loans on the MTV Building in Santa Monica, Calif., two office properties in Washington, D.C., and four office buildings in New York, including 650 Madison Avenue and its neighbor, 660 Madison Avenue.

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**About Shorenstein Properties LLC:**

San Francisco-based Shorenstein Properties LLC ([www.shorenstein.com](http://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.