



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

Shorenstein Properties Purchases Mezz Loan

Backed by SF Peninsula Office Property

SAN FRANCISCO, Calif (June 26, 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 purchased a \$51.1 million mezzanine loan backed by McCandless Towers, a 418,844 square foot, two-building office property located in Santa Clara, Calif.

The loan, purchased on behalf of Shorenstein's ninth investment fund, Shorenstein Realty Investors Nine, L.P., a \$2.062 billion private commingled fund formed in the spring of 2007, is the junior tranche of a larger financing package for the acquisition of McCandless Towers in June 2007. The property, which sits within Silicon Valley's "Golden Triangle" between Highway 101, Route 237 and Interstate 880, is currently 89 percent leased. Major tenants include virus, firewall and internet security software developer McAfee, Inc. and Amkor Technologies, a leading supplier of outsourced semiconductor interconnect services.

Commenting on the purchase, the eighth such mezzanine loan purchase made by the company in the last nine months, Douglas Shorenstein, Chairman and CEO of Shorenstein Properties, said, "Due to ongoing dislocation in the real estate credit markets we continue to see opportunities to acquire debt interests with attractive risk-adjusted yields in prominent and well located Class A assets in key markets."

Shorenstein owns several other properties on the Peninsula including the nearby WebEx Tower in Santa Clara, 1400/1500 Seaport Boulevard in Redwood City, and 601 California Avenue, located within the Stanford Research Park in Palo Alto which was purchased in December 2007.

Shorenstein's Fund Nine subordinated debt holdings now total \$435 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) 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.