



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

Shorenstein Properties Purchases \$250 Million Mezzanine Package on Midtown Manhattan Office Tower

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 \$250 million senior mezzanine loan backed by 450 Lexington Avenue, a 910,000 square foot office building located in the Grand Central submarket of Manhattan.

The loan, purchased by Shorenstein on behalf of Shorenstein Realty Investors Nine, L.P., a \$2.062 billion private commingled fund formed in the spring of 2007, was part of a five-year, fixed-rate financing package made to the building owner, Lexington Operating Partners LLC, in August 2007. The transaction to acquire two separate mezzanine loans is the ninth debt purchase made by the company in the last nine months, and brings its total debt holdings to \$685 million.

450 Lexington enjoys a prime location at 45th Street and Lexington Avenue on the same block as New York's Grand Central Terminal. The property is currently 99.9 percent leased. Major tenants in the building include Davis Polk & Wardwell, Warburg Pincus and Citigroup.

Commenting on the purchase, Douglas Shorenstein, Chairman and CEO of Shorenstein Properties, said, "Our ability to quickly and expertly assess, underwrite and close transactions despite ongoing dislocation in the real estate credit markets means that we continue to see solid opportunities to acquire debt and equity interests in key Class A buildings generating attractive risk-adjusted yields throughout our target markets in the United States."

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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.