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Shorenstein Closes \$50M Mezzanine Loan Investment

SAN FRANCISCO, CA (October 8, 2007) - Shorenstein Properties LLC, a leading owner, developer and operator of office properties throughout the United States, announced the purchase of a \$50 million junior mezzanine loan from Deutsche Bank AG.

The junior mezzanine loan is collateralized by equity interests in a limited liability company which is the indirect owner of 660 Madison Avenue, a 254,896 square foot office condominium located at the corner of 61st Street and Madison Avenue in Midtown Manhattan. The office condominium comprises floors ten through 23 of the building. Floors one through nine are occupied by the flagship store of high end retailer Barneys New York. The office condominium, which is highly attractive to financial services firms such as hedge funds because of its views and easy access to the Upper East Side, is currently 90 percent leased. Major tenants include The Corcoran Group, Dolce & Gabbana, The Royal Bank of Scotland, Drake Partners, and Lexington Partners.

Commenting on the purchase, Douglas Shorenstein, Chairman and CEO of Shorenstein Properties, said: "This mezzanine loan acquisition provides an excellent opportunity for our fund to obtain a strong risk-adjusted return by participating in the economics of a high quality asset in Midtown Manhattan through a financing structure backed by a well 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 early this year.

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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.