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Shorenstein Purchases a \$40M Interest in Construction Financing for Sunnyvale Office Development

SAN FRANCISCO, CA (October 22, 2007) – Shorenstein Properties LLC, a leading owner, developer and operator of office properties throughout the United States, announced the purchase of a \$40 million subordinated debt obligation. The \$40 million junior interest is part of a \$66.75 million B-note included in a \$216.75 million construction financing package provided earlier this year to Jay Paul Company for construction of Moffett Towers, a Class A office development located in Sunnyvale, Calif.

Upon completion, Moffett Towers will consist of three, 8-story office buildings totaling 900,600 square feet and two parking structures and surface parking with a 3.3 per 1,000 square foot parking ratio developed on 23.2 acres. Moffett Towers sits within the planned 54-acre office campus that will eventually include 1.8 million square feet of office space and a 40,000 square foot fitness center as well as numerous other amenities. The development is well located at the intersection of Highways 101 and 237, and adjacent to light rail and public transportation that serves a large part of the Silicon Valley.

Commenting on the purchase, Douglas Shorenstein, Chairman and CEO of Shorenstein Properties, said: “This asset is attractive because it provides a strong risk-adjusted return on a financing instrument backed by a sponsor with an excellent track record for developing quality properties in Silicon Valley, a market which currently has a dearth of large blocks of Class A space and strengthening demand, particularly from the technology sector.”

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. It is the second purchase made for the fund in

recent weeks. Earlier this month, Shorenstein closed on the purchase of a \$50M mezzanine loan secured by the office portion of 660 Madison Avenue in New York City.

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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.