

FOR IMMEDIATE RELEASE

Contacts: Alison Melnychenko, 602.224.4459
amelnychenko@brephoenix.com
Anthony J. Lydon, 602.224.4416
tlydon@brephoenix.com
Marc Hertzberg, 602.224.4482
mhertzberg@brephoenix.com

K.T. RIVERSIDE BREAKS GROUND ON SECOND BUILDING OF RIVERSIDE INDUSTRIAL CENTER

Grubb & Ellis|BRE Commercial, LLC Leasing Agent For 1.2 Million-Square-Foot Property

PHOENIX (March 16, 2007) – K.T. Riverside, a joint venture between Tratt Properties and KTR Capital Partners, announced today that construction has begun on the next phase of Riverside Industrial Center. Totalling 1.2 million square feet of industrial space, the building will offer a 7” thick concrete floor system, 36’ clear ceiling heights, an ESFR sprinkler system, 255 truck docks, 292 trailer parking spots, as well as additional on-site trailer storage with full building circulation and a private truck staging lane. The new building, which is the largest speculative industrial project in Arizona, is expected to be shell complete in the fourth quarter of 2007.

Riverside Industrial Center is a multi-phased state-of-the-art bulk distribution center being developed on approximately 100 acres of land in Phoenix’s Southwest submarket. Just south of 51st Avenue and Buckeye Road, the property is less than two miles south of the I-10 freeway and is less than five hours from several regional markets including Southern California, Las Vegas and Mexico. Located in the Riverside Tax District, the lowest in Phoenix’s Southwest Valley, the property is also under consideration for Foreign Trade Zone status. Phase I of Riverside Industrial Center, a 377,000-square-foot building, will be completed during the second quarter of 2007 and is fully leased to a national retailer.

Grubb & Ellis/BRE Commercial, LLC is marketing the distribution facility on a national and international basis. Anthony J. Lydon, Marc Hertzberg and Jaime Northam with Grubb & Ellis|BRE Commercial, LLC’s Industrial Group are the exclusive leasing agents for Riverside Industrial Center. For complete building details or more information contact them at 602.954.9000 or visit www.riversideindustrialcenter.com

03/16/07

K.T. RIVERSIDE BREAKS GROUND ON RIVERSIDE INDUSTRIAL CENTER – PHASES II AND III

Tratt Properties

Headquartered in Phoenix, Arizona, Tratt Properties is a dedicated, highly experienced real estate investor engaged in acquisitions and developments of institutional grade opportunities in select markets throughout the United States. Tratt Properties, LLC as a principal, seeks to develop state-of-the-art warehouse/distribution assets through new build-to-suit and speculative developments. Tratt purchases existing net lease transactions as well as opportunistic value plays.

For further information go to www.trattproperties.com

KTR Capital Partners

KTR Capital Partners is a private equity firm based in New York City that was established in November of 2004 to continue the highly successful real estate investment activities of Keystone Property Trust (formerly NYSE:KTR). Since December 1997, the KTR team has completed nearly \$2 billion of acquisitions and development. KTR is a recognized industry leader that has attracted investment capital from leading institutional investors for its first fund – Keystone Industrial Fund, L. P. - a \$500 million fund focused on value-add investments in the industrial real estate sector. The firm has offices in Suburban Philadelphia, Deerfield Beach, FL and Chicago.

For further information go to www.ktrcapital.com

Grubb & Ellis Company

Grubb & Ellis Company is one of the world's leading full-service commercial real estate organizations, providing a complete range of transaction, management and consulting services. By leveraging local expertise with our global reach, Grubb & Ellis offers innovative, customized solutions and seamless service to owners, corporate occupants and investors throughout the globe.

For more information, visit the Company's Web site at www.grubb-ellis.com.

Grubb & Ellis|BRE Commercial, LLC

Grubb & Ellis|BRE Commercial, LLC is an independently owned and operated full service commercial real estate firm serving Metropolitan Phoenix and secondary Arizona cities. Through an affiliation with Grubb & Ellis Company, one of the world's largest commercial real estate services firms, Grubb & Ellis|BRE Commercial, LLC is committed to offering customized solutions to meet the real estate needs of every client. For more information, visit the company's Web site at www.brephoenix.com. **BRE Commercial** is one of Southern California's leading privately-held full service commercial real estate firms. Based in San Diego, BRE represents industrial, office and retail properties throughout the region.

For more information about BRE Commercial, please visit www.brecommercial.com.