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PARTNERSHIP ANNOUNCES RIVERSIDE CENTER IN PHOENIX, AZ

Phoenix , AZ (January 17, 2006) – K.T. Riverside, LLC, a newly formed venture between KTR Capital Partners LLC and Tratt Properties LLC, announced plans today to co-develop a 100 acre, master planned Class “A” industrial park in Southwest Phoenix. Riverside Center will be kicked-off with a 376,000 square foot speculative industrial building, named Riverside One and will offer a building design suitable for today’s most sophisticated bulk distribution user including 30’ clear height, ESFR sprinkler system, ample trailer parking and a cross-dock configuration.

Riverside Center is located off Buckeye Road between 51st Avenue and 47th Avenue in Southwest Phoenix allowing quick access to Interstate I-10 from two interchanges. Construction on Riverside Center is scheduled to start in the second quarter of 2006.

The park will ultimately be developed to include over 1.7 million square feet of state-of-the-art industrial distribution space, including Riverside Two, a 63 acre site that can accommodate a 1.2 million square foot bulk distribution operation under one roof. Located in the Riverside tax district the buildings will offer ongoing benefits to it’s occupants in the form of lower real estate taxes compared to surrounding jurisdictions.

Commenting on the transaction Don Chase, a partner of KTR stated “This project represents the focused efforts of our partnership with Tratt to provide the highest quality product in the Phoenix market, a growing and dynamic regional distribution market. It is an expansion of our national strategy going back to Keystone Property Trust of focusing on and providing state-of-the-art facilities for the sophisticated distribution operator.”

Deutsch Associates is the Architect for Riverside Industrial Center. The partnership has not yet selected a local brokerage representative.

Jonathan Tratt added, “We are very pleased to team up with this group of very savvy and experienced large warehouse, distribution developers. The combination of our local ‘hands on’ approach and their invaluable experience will greatly benefit the venture.”

**TRATT – KTR
PARTNERSHIP ANNOUNCES
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KTR Capital Partners is a real estate focused private equity firm formed by the senior management team of Keystone Property Trust following the sale of the Company in 2004. Over the last 7 years, the Principals have been among the most active investors in the industrial real estate sector having completed over \$1.6 billion in transactions including development of over 6 million square feet of state-of-the-art distribution centers. Since it's formation in early 2005, KTR has acquired or is under development with over 5.8 million square feet of industrial space nationwide with a total value of over \$270 Million.

Tratt Properties is a private entrepreneurial provider of state-of-the-art distribution and warehouse facilities in the metropolitan markets of Memphis, TN and Phoenix, AZ. Tratt's portfolio is 1.5 million square feet, with an additional 1.7 million square feet projected for completion in 2007.