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**KTR CAPITAL PARTNERS ENTERS LOS ANGELES INDUSTRIAL MARKET WITH  
790,000 SF ACQUISITION IN POMONA**

**New York, NY- March 27, 2008-** KTR Capital Partners (“KTR”) announced today that an affiliate has closed on the acquisition of approximately 790,000 SF warehouse and distribution complex located in Pomona, CA. The acquisition is comprised of three buildings comprising 750,438 SF, 32,220 SF, and 7,338 SF respectively. The buildings were purchased from Alliance Commercial Partners who recently completed a major renovation of the property. The property includes approximately 31 contiguous acres located at the eastern edge of the San Gabriel Valley submarket of Los Angeles County. The main building features 50’ bays with 20’ clear ceiling heights, 63 exterior dock doors on four sides, 3 drive-in doors, and 43,000 SF of office space. The buildings are currently 96% leased.

The complex was originally constructed in 1952 and was formerly owned by the US Navy and operated by contractors of the Navy until 1992. The property has been substantially rehabilitated and improved; including approximately \$20M of on-site and off-site improvements that were completed over the last three years.

“This is a very functional asset in a prime location well-suited for the tenant base typical of the San Gabriel Valley submarket”, stated Brian Gagne, Vice President of KTR responsible for the Southern California marketplace. “We have already completed a lease for a substantial portion of the building that rolls in the near-term, providing us an attractive stabilized asset at a favorable basis.”

John DiCola, Partner at KTR, commented, “The acquisition is our first major deal in the Southern California marketplace. Completing the transaction on a direct basis with a sizeable tenant commitment in-hand provides excellent momentum consistent with our intent to be a leading industrial landlord in the premier industrial market in the country. “

**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 \$3 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, Chicago, and Newport Beach. For further information please visit [www.ktrcapital.com](http://www.ktrcapital.com).