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**KTR CAPITAL PARTNERS ACQUIRES  
801 CHASE AVENUE, ELK GROVE VILLAGE, ILLINOIS**

**New York, NY- August 2, 2006** - KTR Capital Partners ("KTR") announced today that it has closed on the acquisition of 801 Chase Avenue, a distribution building in Elk Grove Village, IL. Currently 91% leased by 5 tenants, the building offers 89,477 square feet of highly functional space in the land constrained O'Hare submarket of Chicago. Purchased on behalf of Keystone Industrial Fund, the acquisition further enhances KTR's Chicago/O'Hare portfolio.

John P. DiCola, Principal of KTR Capital Partners stated, "The building is in great condition and is well positioned to appeal to the diverse set of tenants that prefer an Elk Grove Village business location. With a multi-tenant layout of smaller unit sizes, this asset will broaden our portfolio holdings in the O'Hare Marketplace."

**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.