

FOR IMMEDIATE RELEASE

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**KTR CAPITAL PARTNERS ENTER DALLAS MARKET
WITH 800,000 SF ACQUISITION**

New York, NY- June 4, 2007- KTR Capital Partners (“KTR”) announced today that an affiliate has closed on the acquisition of the Minyard Food Stores, Inc.’s (“Minyards”) grocery distribution campus in the Dallas/Fort Worth Metroplex. The campus is comprised of 4 buildings totaling nearly 800,000 SF with an additional 30 acres of developable land. The main building, a grocery distribution facility, is approximately 725,000 SF and is comprised of refrigerated (137,000 SF), freezer (64,000 SF), and dry warehouse space (524,000 SF). The main building features 28-32’ clear ceiling heights, secured access, dock high loading and ample trailer parking. The three other facilities on the campus, include a 43,000 SF office building, a 14,000 SF free standing storage/shop facility, and a 10,000 SF truck maintenance facility. Located on the corner of Freeport Parkway and Bethel Road in Coppell, TX, the facility is just 1 mile north of the entrance to DFW airport.

Don Chase, Partner of KTR Capital Partners, stated “This asset represents our third investment with a freezer/cooler component nationally and we have been extremely satisfied with the performance of this high-value and scarce product. Acquiring and developing industrial property at a national level, our goal is to build on the momentum of this acquisition to gain a major foothold in the DFW industrial market. “

"We are delighted to have found a buyer who will be able to make full use of our warehouse, campus and acreage," said Michael D. Byars, CEO of Minyard Food Stores, Inc. "KTR will bring economic development and new jobs to the area, while allowing us to manage our transition to Associated Wholesale Grocers as previously announced."

Minyards will continue to occupy the existing facility on a short-term basis, as KTR will finalize plans for the development of the additional acreage as well as an extensive repositioning effort, including architectural and branding upgrades. The plan proposed calls for 500,000 SF of new industrial development across 4 buildings. Construction is scheduled to begin in the first quarter of 2008.

“The Minyard facility in Coppell represents a notable step for KTR Capital Partners in entering the DFW market. With the existing facility containing almost 800,000 SF of space and development potential of over 500,000 SF, we are planning an aggressive campaign to capture demand for both “wet” and “dry” distribution users in the marketplace. We are very excited about this repositioning and new development opportunity in the most active submarket in Dallas,” commented Don Chase.

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 **over \$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 please visit www.ktrcapital.com.