

IRONSTONE

REAL ESTATE COMPANIES

FOR IMMEDIATE RELEASE

CONTACT:

Jeff Jubelirer
215-735-6760
jeff@cj-llc.com

IRON STONE REAL ESTATE ACQUIRES PHILADELPHIA MULTIFAMILY APARTMENT BUILDING

*FIRM PLANS TO HELP LaSALLE UNIVERSITY CONSOLIDATE OFF-CAMPUS
STUDENT HOUSING*

PHILADELPHIA (June 15, 2009) – Iron Stone Real Estate Fund II (“Iron Stone”) today announced that its multi-family housing division has acquired a \$12 million distressed commercial mortgage collateralized by one apartment rental building by LaSalle University’s campus in West Oak Lane, Philadelphia. The building, The Manor, comprises 205 units. The fund, which is managed by Iron Stone Real Estate Companies, closed the purchase in seven days in an all cash transaction. Since Iron Stone Real Estate and the seller signed a confidentiality agreement, the purchase price will not be disclosed.

“We are confident that our prior experience buying and restructuring non-performing debt in Philadelphia is attractive to banks looking to discretely dispose of unwanted assets,” said Andrew Eisenstein, Managing Director, Iron Stone Real Estate Companies. “Our purchase price represents a significant discount to fair market value.”

Iron Stone has owned and managed multi-family properties for 15 years. The buildings collateralizing the loans are in good condition and located in a stable neighborhood bounded by a university and top-performing magnet high school. As both investors in distressed commercial mortgages and as property managers, as well as developers, Iron Stone maintains the flexibility to take title, renovate and stabilize the properties if necessary, which provides a crucial advantage in these kinds of investments.

Iron Stone Real Estate Companies have created a niche in the Philadelphia market by quickly amassing a large portfolio of distressed residential and commercial first mortgages. In addition to the The Manor transaction, Iron Stone has recently acquired mortgages from Astoria Federal Savings Bank, Ciena Capital, Key Corp, select government agencies and several other lenders requesting anonymity.

“We work cooperatively and collaboratively with lenders regarding timing, decisiveness and discretion. The collective experience of our team allows us to evaluate real estate and debt portfolios quickly and quietly,” said Jason Friedland, Director of Operations.

Iron Stone is a well-capitalized private equity fund, which gives it the ability to move fast when opportunities arise. In the last two months, Iron Stone has acquired mortgages collateralized by 14 buildings comprising 570 units in Philadelphia. The fund is actively evaluating and pursuing a number of unique opportunities that are a product of the current economic environment.

“By continuing to leverage our network of relationships, our local market knowledge and our collective real estate experience, we remain well positioned to find, invest in and execute on off-market deals with the potential for exceptional returns,” said Matthew Canno, Director of Acquisitions. “The capacity to bring cash to the table and close - reliably and quickly - can make the difference between a profitable deal and no deal at all.”

About Iron Stone Real Estate Companies

Iron Stone is a group of investment companies with a niche focus on distressed real estate and related assets in the Philadelphia region. Our team consists of seasoned investment, development, finance, and legal professionals who approach projects with creativity and a depth of practical experience. We exercise discipline in selecting deals, and limit ourselves to what we know and do well. Iron Stone creates value for our investors by applying an array of resources and capacities to distressed assets: strategic deployment of capital, finely-textured, first-hand market knowledge, comfort with atypical assets and circumstances, clear-eyed analysis of risks and exit options, and the ability to adapt flexibly to changing conditions.

Iron Stone targets commercial, residential, retail, hotel, industrial, office and mixed-use real estate in Philadelphia and surrounding counties. The properties we find have untapped possibilities for adaptive reuse, renovation, or market repositioning. Iron Stone brings the project development expertise, the property management experience and the financial capacity necessary to realize the value in these properties.

###