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NBS REAL ESTATE CAPITAL ACQUIRES \$25 MILLION INDUSTRIAL PORTFOLIO

PORTLAND, OR.— January 24, 2007 — NBS Real Estate Capital, LLC announced the \$25,365,000 acquisition of the Reno Industrial Portfolio, a 704,751 square feet, four-building portfolio located in Reno/Sparks, Nevada. This latest acquisition represents the 21st transaction completed by NBS Real Estate Capital on behalf of the Morrison Street series of private equity funds.

The portfolio is currently 87% leased to a diversified mix of tenants ranging from 12,000 square feet to 225,000 square feet. Each of the portfolio assets is located in the Sparks submarket, just north of the Reno-Tahoe International Airport, with immediate access to Interstate 80 and Highway 395, in addition to multiple rail service nodes. The greater Reno industrial market is currently only 5% vacant, providing leasing opportunities and upside in rental rates. The attractive cost basis, range of building and suite sizes, strong market fundamentals and value-added potential make this an excellent addition to Morrison Street Fund II, L.P.

Over the past two years, NBS Real Estate Capital has made investments in office, retail, industrial and apartment properties located throughout the western United States with a combined asset value of more than \$300 million. On behalf of Morrison Street Fund II, L.P., the company expects to expand its investment portfolio by acquiring an additional \$150 million of real estate during 2007.

About NBS Real Estate Capital

NBS Real Estate Capital is a Portland-based investment management firm that provides equity, preferred equity and mezzanine debt capital to commercial real estate investors and developers throughout the western United States. As the discretionary manager of the Morrison Street series of funds, NBS Real Estate Capital places investment capital on behalf of pension funds, foundations, trusts and high net worth individuals and families.

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