

Arsenal Invests in Apartment Development in Buda, TX with American Opportunity for Housing

FOR IMMEDIATE RELEASE:

May 20, 2008

Buda, TX – Arsenal Real Estate Funds is investing \$4.5 million in the development of Vantage at Buda, a 264 unit apartment community on 14 acres in Buda, TX. The apartments will include a range of 1, 2 and 3 bedroom units, sized between 597-1150sf. Features will include carports, 9ft ceilings, dishwashers, additional storage units, on site laundry facility, and a clubhouse with fitness room, lounge, and business center.

The Vantage at Buda site is situated just south of the city limits of Austin, TX along I-35. The property enjoys excellent access and visibility from the interstate, which serves as the main access to all points north and south in Texas. With its proximity to Austin and San Marcos, Buda is a fast-growing bedroom community that serves both of these employment centers.

During the last three years, the Austin metro area has experienced strong employment growth of between 2.2% and 4.0% and population growth of 2.6% to 3.2%. Forecasts indicate continued annual employment growth of approximate 4% and annual population growth of 3% through 2009. The local population of Buda has increased 89% since its 2000 census population of 2,404, fueled by Buda's attractiveness to commuters working in either Austin or San Marcos. Jobs in the local Buda economy grew an average of 5% annually from 2002-2007.

“This new affordable rental investment is very exciting for us,” said one of Arsenal's co-founding partners, Gary Picone. “We were able to find a highly visible site

in a solid submarket and will construct a new apartment community in the fastest growing region in the state. With many expanding business sectors, demand for affordably priced multifamily housing in the area is robust.”

Arsenal is investing with American Opportunity for Housing, a firm focused on developing and managing affordable multi-family housing.

About Arsenal Real Estate Funds

Arsenal Real Estate Funds, L.P. is a private real estate investment manager focused primarily on value-added and development investments. Arsenal joint ventures with local operating partners to develop, redevelop, and reposition multifamily, retail, office, and land investments in major markets across the country. For more information on Arsenal, visit the firm’s web site at www.arsenalre.com.