

McShane Corporation Unveils New Round Rock, Texas Apartment Complex

*Nationally Renowned Commercial Development Firm Enters
Austin's Multi-Family Residential Market*

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(Austin, Texas) McShane Corporation and Arsenal Real Estate Funds are pleased to announce the development of the new *City North at Sunrise Ranch* multi-family apartment complex in Round Rock, Texas.

Located near Interstate-35 at the corner of Old Settlers and Sunrise Roads, the *City North at Sunrise Ranch* development will feature 384 apartment units with a potential second phase that would consist of an additional 300 units. Dustin Slack, Vice President of Multi-Family Development for McShane Corporation in Austin, states that the entry into residential development is a result of the continuing diversification of McShane's multi-faceted development and construction expertise. "Following numerous industrial and office developments within the Austin market, McShane Corporation is entering another important segment of the industry by launching this large residential rental complex. In keeping with our commitment to quality and performance, *City North at Sunrise Ranch* has been designed by Hensley Lambkin Rachel, Inc. and will be constructed by Cadence McShane Corporation, the firm's Texas and southwestern regional construction company," remarks Slack.

The high-growth, Round Rock location for this project was selected for many reasons. "There is an enormous demand for luxury rental communities due to the recent increases in Round Rock's employment base," continues Slack. "This is primarily due to the opening of new regional shopping centers and hospitals combined with the existing high-tech employment base." The regional shopping centers include the Round Rock Premium Outlets and IKEA, both of which debuted less than two years ago in addition to Scott and White Hospital, Dell Computer, Westinghouse and other major employers situated within a few miles of *City North's* location. "This site allows highly convenient access to Interstate 35 providing convenient commute times for both work and leisure."

As a 'Garden Style' luxury rental community, *City North at Sunrise Ranch* will feature contemporary resort-style amenities in the area including nine-foot ceilings, garden tubs, ceiling fans and designer kitchens. "We chose the name *City North* to capture the essence of the diverse selection of urban village activities that surround the complex," remarks Slack. "Residents will have convenient access not only to shopping and to where they work, but also to many restaurants, hospitals, parks, trails and schools. It really is a 'city' and an active lifestyle community unto itself. Businesses have obviously recognized this about Round Rock and are moving to that location to accommodate the interests of the growing population." Slack expects the first units to be

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available in the Summer of 2008 with construction beginning by the end of this month. Financing for the project has been arranged by Northmarq Capital.

“Plans have already been formulated for McShane Corporation to develop additional premier rental communities in the Austin area,” says Slack. “The second McShane residential development will consist of 276 units and will commence construction by year’s end. “In fact, Slack anticipates that McShane’s multi-family pipeline will exceed 2,000 units by the end of 2008.” McShane Corporation continues to be very active in the commercial Austin real estate market with over 300,000 square feet of industrial and 600,000 square feet of office space currently under development.

McShane Corporation

McShane Corporation is the integrated real estate development and investment arm of The McShane Companies. The firm is headquartered in Chicago, Illinois with regional offices located in Austin, Houston, Phoenix, and Los Angeles. McShane Corporation is active on a local, regional and national basis in the development of master-planned industrial and office parks, medical office developments, speculative industrial and office developments, build-to-suit properties for lease or purchase, multi-family rental developments and real estate investment opportunities. For more information on The McShane Companies and its entities, visit the firm’s web site at www.mcshanecorp.com.

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.

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