

For Immediate Release

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Ratel Closes New Investment in Houston Class A Apartment Community

Tiburon, Calif. – January 9, 2008 - Ratel Investments, a real estate private investment firm, today announced it closed an equity investment in the Alexan Gulf Pointe apartment community located in Houston, Texas. Ratel invested in Gulf Pointe in conjunction with Virtú Investments, a San Francisco, CA-based real estate investment firm. Additional capital was provided by the U.S. Housing and Urban Development Corporation (HUD).

Constructed by Trammel Crow in 2002, Gulf Pointe is a 240-unit, Class A garden-style apartment community. The property sits on 12.4 acres and consists of twelve three-story apartment buildings, a stand-alone leasing office which also contains a business center and fitness center, laundry facilities, a pool and surrounding BBQ and picnic areas for residents. The property is fenced and secured by remote controlled, limited access gates.

Virtú will oversee a value-add program of amenity upgrades which will include an extensive renovation of the leasing office/business center/fitness club, select unit interior upgrades, constructing 24 fully enclosed garages, expanding the pool area, repainting the exterior, and enhancing the property's signage and landscaping.

"In addition to upgrading Gulf Pointe's amenities to more effectively compete with other Class A properties in its submarket, we see an opportunity to capitalize on the increased demand for rental apartments caused by the slowdown in the for-sale housing market," said Ron Sann, founder and Principal of Ratel Investments. "Because of tighter lending standards, many renters are staying put as they are no longer able to afford to purchase a home, and many home owners are returning to the rental market through foreclosure or because they are unable to support the cost of a single family home."

About Ratel Investments (www.ratelinvestments.com)

Ratel Investments, LP is a real estate private investment firm that works with experienced joint venture partners to acquire income producing commercial real estate assets on behalf of high net worth individuals, families and trusts. Ratel provides investors with the benefits of real estate ownership, including tax preferred cash flow, long-term capital appreciation and financial diversification without the burden of direct property management responsibility. Ratel's real estate portfolio encompasses an equity investment in more than twenty properties with a combined market value of over \$300 million.

About Virtú Investments (www.virtuinvestments.com)

Virtú Investments, LLC, a San Francisco-based real estate investment management firm, was founded in 1997 by Scott McWhorter and Michael Green. Virtú's core strategy is to purchase distressed or under-performing real estate where it recognizes an opportunity to add value, in cities with a strong demand for housing. Virtú opportunistically purchases apartment complexes with reposition potential due to mismanagement, undercapitalization, eminent expiration of rent restrictions etc., as well as identifying under-valued office and difficult to finance hotel properties. Virtú has acquired over forty properties throughout the country and its current portfolio is valued at over \$500 million. Virtú has primary offices in San Francisco and Carlsbad, CA and satellite offices in Tacoma, WA and Scottsdale, AZ.

About HUD (www.hud.gov)

Based in Washington D.C., HUD is the nation's largest housing agency. In addition to helping increase increasing homeownership, HUD also promotes economic and community development through a variety of programs, including its Office of Multi-family Housing. In fiscal year 2006, HUD insured mortgages for 104 projects with 16,023 units, totaling \$1 billion. For more information about HUD's Office of Multi-family Housing, refer to www.hud.gov/offices/hsg/hsgmulti.cfm.



