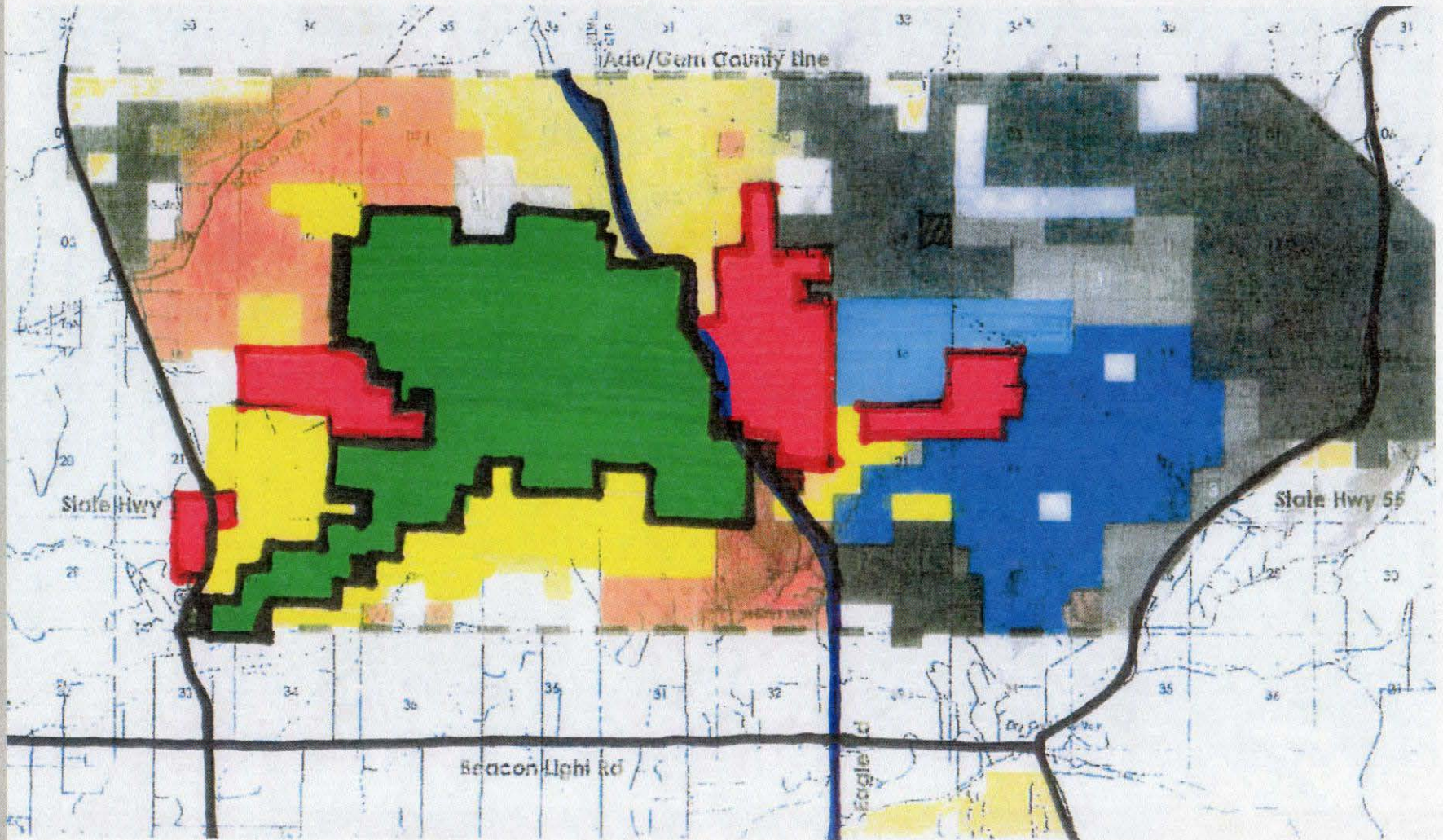


**American Ranch Boise**  
Additional Land Purchase  
Presented by  
CDK Realty Advisors  
July 14, 2005

# American Ranch - Boise

## Original & Additional Land

**CDK**  
COMMERCIAL DEVELOPMENT  
REALTY ADVISORS



## Boise Overview

- Population Metro Area – 488,000
- 1<sup>st</sup> Forbes Best Place for Business & Careers
- 2<sup>nd</sup> Inc's Best Places for Doing Business
- 3<sup>rd</sup> Fastest Growth Rate—Phoenix & Las Vegas
- Lower Business & Housing Costs
- Strong Growth in IT, Service & Finance Sectors
- Hewlett Packard, Micron Tech, Albertson's, Boise-Cascade & JR Simplot
- State Capital, Boise State University
- Knowledge Migration – “Bright Flight”

## Property Overview

- American Ranch - Boise, Idaho
- A Master Planned Community of Custom and Equestrian Lots Development
- Original Land Parcels – 4,950 ac.
- Additional Land Parcels – 2,400 ac.
- New Total Land – 7,350 ac.
- Old Equity Amount - \$25,000,000
- New Equity Amount - **\$42,500,000**
- Current Entitlement of one unit per ten acres

## Investment Summary

- DP&F provides the Equity of \$42,500,000 funded as:
  - \$10,500,000 on 7/29/05
  - \$ 8,000,000 on 10/15/05
  - \$15,500,000 on 1/06/06
  - \$ 8,500,000 on 4/01/07
- WWJ responsible for day to day project management
- Distribution of Net Lot Sales:
  - 100% to DP&F until All Equity repaid plus a 10% IRR
  - 50% to DP&F, 50% to WWJ until a 24% IRR
  - 25% to DP&F, 75% to WWJ until a 30% IRR
  - 10% to DP&F, 90% to WWJ thereafter
- Investment Hold Period Five to Seven Years
- DP&F's Overall IRR 25-35%

\*( WWJ = Scott Schirmer, Bill Brownlee & Jeff Davis)

# Project Proforma



<b>SOURCES OF FUNDS</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>TOTAL</b>
Beginning Cash		500,000	1,735,500	1,000,000	1,000,000	1,000,000	1,000,000	
DP&F's Equity Investment	18,500,000	15,500,000	8,500,000					42,500,000
Development Loan			36,000,000	6,500,000	15,200,000	9,300,000		67,000,000
Lots Sales								
Phase One			14,400,000	21,600,000	15,000,000			51,000,000
Phase Two			18,600,000	18,600,000	15,500,000			52,700,000
Phase Three					16,575,000	23,400,000	23,400,000	63,375,000
Phase Four					20,100,000	24,120,000	22,780,000	67,000,000
<b>Total Sources of Funds</b>	<b>18,500,000</b>	<b>16,000,000</b>	<b>79,235,500</b>	<b>47,700,000</b>	<b>83,375,000</b>	<b>57,820,000</b>	<b>47,180,000</b>	<b>343,575,000</b>
<b>USES OF FUNDS</b>								
Land Purchases	(16,030,000)	(11,959,500)	(10,480,000)	(2,412,000)	(4,030,500)	(2,851,200)	(2,770,800)	(50,534,000)
Master Planning	(1,010,000)	(1,045,000)	(435,000)					(2,490,000)
Improvement & Infrastructure			(26,007,000)	(6,501,000)	(15,184,000)	(9,245,281)		(56,937,281)
General & Administrative	(960,000)	(960,000)	(1,740,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(11,660,000)
Development Fee			(780,000)	(195,000)	(455,500)	(277,300)		(1,707,800)
Sales, Mktng & Closing Costs		(300,000)	(4,950,000)	(6,030,000)	(10,076,250)	(7,128,000)	(6,927,000)	(35,411,250)
Principal Payments			(21,450,000)	(7,917,300)	(25,788,750)	(11,782,155)		(66,938,205)
Interest Payments			(1,787,945)	(1,692,277)	(948,214)	(258,920)		(4,687,356)
<b>Total Uses of Funds</b>	<b>(18,000,000)</b>	<b>(14,264,500)</b>	<b>(67,629,945)</b>	<b>(26,747,577)</b>	<b>(58,483,214)</b>	<b>(33,542,856)</b>	<b>(11,697,800)</b>	<b>(230,365,892)</b>
Cashflow Prior to Distributions	500,000	1,735,500	11,605,555	20,952,423	24,891,786	24,277,144	35,482,200	
Distributions	-	-	10,605,555	19,952,423	23,891,786	23,277,144	35,482,200	113,209,108
Ending Cash	500,000	1,735,500	1,000,000	1,000,000	1,000,000	1,000,000	-	
<b>CAPITAL DISTRIBUTION</b>								
Return of DP&F's Equity	-	-	10,605,555	19,952,423	11,942,022			42,500,000
Capital Split					11,949,764	14,529,136	17,721,100	44,200,000
<b>Total Distribution to DP&amp;F</b>	<b>-</b>	<b>-</b>	<b>10,605,555</b>	<b>19,952,423</b>	<b>23,891,786</b>	<b>14,529,136</b>	<b>17,721,100</b>	<b>86,700,000</b>
Capital Split to WWJ	-	-	-	-		8,748,008	17,761,100	26,509,108

# Sources & Uses of Funds



## SOURCES OF FUNDS

DP&F's Equity Investment	42,500,000
Development Loan	67,000,000
Lots Sales (Phases 1-4, 735 lots)	234,075,000
<b>Total Sources of Funds</b>	<b>343,575,000</b>

## USES OF FUNDS

Land Purchases		(50,534,000)
Lot Improvement & Infrastructure		(59,427,281)
General & Administrative	5%	(11,660,000)
Development Fee	3%	(1,707,800)
Sales, Marketing & Closing Costs	15%	(35,411,250)
Principal Payments		(66,938,205)
Interest Payments		(4,687,356)
<b>Total Uses of Funds</b>		<b>(230,365,892)</b>
<b>Cashflow Prior to Distributions</b>		<b>113,209,108</b>

## CAPITAL DISTRIBUTION

Return of DP&F's Equity	42,500,000
Capital Split	44,200,000
<b>Total Distribution to DP&amp;F</b>	<b>86,700,000</b>
<b>Capital Split to WWJ</b>	<b>26,509,108</b>

# Development Costs

Land Purchases		50,534,000
Master Planning		2,490,000
Infrastructure & Lot Improvements		56,937,281
WWJ's General & Administrative (1)	5%	11,660,000
WWJ's Development Fee (2)	3%	1,707,800
WWJ's Sales Management Fee (3)	2%	4,681,500
DMB Sales Commission	5%	11,703,750
Co-Brokerage Fee	2%	4,681,500
Marketing, Promotional Material	2%	4,981,500
Closing Costs	3%	7,022,250
Home Owners Association Fee	1%	2,340,750
Principal Payments		66,938,205
Interest Payments		4,687,356
<b>Total Development Costs</b>		<b>230,365,892</b>

Notes:

- 1) 5% of Sales for overhead to manage the planning and contract administration for the assemblage of land parcels, office overhead of the Prescott office and Boise office when opened.
- 2) 3% of Hard Costs.... Master Planning, Infrastructure, Common Area
- 3) 2% of Sales to manage sales & marketing force paid at lot closings



# Recommendation

- Enter into an venture with WWJ
- DP&F funds the \$42,500,000 equity investment
- Subject to Acceptable:
  - Venture Agreement
  - Master Development Plan