



AMERICAP

DEVELOPMENT PARTNERS

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**Global American Property Series**





**AMERICAP**  
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## Residential Land Development Services



Building Relationships



Creating Communities



Bringing People Together

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## Discover Americap

Building relationships, creating communities and bringing people together is our passion – and our mission – at Americap Development Partners.

Simply put, our objective is to acquire, entitle, develop, and build the kind of communities our partners and our organization can sustain with pride. Our vertically integrated process governs all aspects of development, from land acquisition and paving streets to pouring a foundation and pounding nails.

## Why Real Estate? Why Now?

You may be wondering why a person would choose to get involved with today's real estate market. After all, you can pick up any newspaper and read about the uncertainty surrounding real estate values, loan restructuring and land reassessment.

However, for those who are diligent, growth oriented and capable of understanding a few principles about real estate and wealth generation, we believe the present moment provides an extraordinary range of opportunities.

The value of many of these properties, much like a pendulum, has the potential to swing in a more profitable direction under the force of America's surging population dynamics.

**Fact: While land development has its ups and downs, the American population is growing in one direction: up.** During periods of downward price pressure, as we are currently experiencing, real estate offers outstanding value to individuals who believe that a growing American population in search of homes will once again create the demand for new residential projects.

For individuals with vision and conviction, the opportunity to strike is now, and the time may be right to consider Americap's approach to capitalizing on the historic opportunities presented by acquiring distressed properties in today's real estate market.

## Creating Value from Land Development

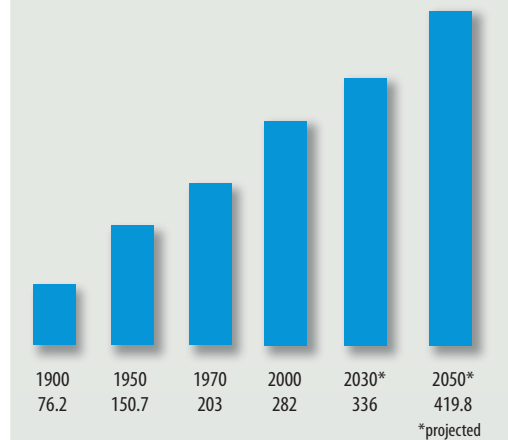
The traditional formula for success in land development is relatively simple: time plus money = value. Undeveloped land tends to increase in value slowly over time, until land entitlement & development is initiated and value creation begins to accelerate. However, recent market conditions have forced a change in this value creation process.

Today's real estate market is under significant downward pressure, caused primarily by a spate of poor planning and overbuilding, regional economic declines and tightening credit markets. The result of this pressure is a spike in excess inventory and steep decline in housing values as the general population decides to "wait it out" rather than buying in seemingly uncertain times. This stagnancy is troublesome to many, but it is actually a huge buying signal for real estate professionals. After all, demand for new housing never actually goes away: it accumulates when it is delayed.

Pent up demand for housing is strong—and it will only grow along with the population expansion anticipated over the next few decades. The pressure created by delayed demand and population growth will undoubtedly exceed current housing inventory, releasing the downward pressure currently effecting the real estate industry and creating a strong demand for new housing.

The new formula for value creation in today's residential development market requires an awareness of both these pressures. One must simultaneously take advantage of the considerable downward price pressure

U.S. Census Population Growth in Millions



### Americap focuses on identifying the opportunity gap between book value and opportunistic acquisition



**Centex transaction**  
 March 2008  
 8,500 lots  
 Book value: \$528 Million  
 Purchase price: \$161 Million  
 Percent discount: 70%

**Lennar transaction**  
 December 2007  
 8,300 lots  
 Book value: \$1.3 Billion  
 Purchase price: \$525 Million  
 Percent discount: 60%

This chart at left forcefully illustrates the value to cost gap for representative baskets of uncompleted projects for two leading real estate developers, Lennar and Centex.

■ Book value  
 ■ Purchase price

## How can value be created today?

We see today's formula for value creation as a shift from acquiring undeveloped land to the opportunistic acquisition of distressed residential projects already in progress. Partially completed residential projects present the most immediate and profitable solution to the impending demand surge, and current market conditions allow us to make these acquisitions at a significant discount.

So instead of looking at brand new development projects, we are closely analyzing many partially built at partially developed projects recently abandoned by their original investors and developers. There are a number of particularly attractive opportunities in this category, many of which are now owned by banks and other financial institutions. Discounts of between fifty and seventy-five percent from peak value are common—and present a compelling opportunity.

## How Americap Approaches Distressed Projects

By acquiring distressed properties and projects, we take ownership in an Opportunistic Acquisition Zone where the properties are offered at a dramatic discount. We then begin to prepare the projects for reentry into the market, but only after demand is released the land buying cycle begins trending upward once again.

This type of acquisition allows us to create large margins from the outset of the project—ideally securing an attractive profit for our firm and our partners.

**But, like a pendulum in motion, this opportunity won't be available forever.**



## Developing America One Property at a Time

Founded in 1999 by Scott Clark and Donald Kirby, Americap began as a capital markets advisory group providing equity and debt placements to local developers and national home builders.

Since that time our firm, now located in San Ramon, California, has acquired acreage leading to over 2200 units in various stages of development. Our many other achievements include:

- \$5 billion in underwriting residential development projects
- Structured capital placements of \$200 million in joint venture, equity and debt
- Growing stature in our industry as a subject matter expert through panel participation in the Urban Land Institute, as well as the subject of a major feature in *Land Development Today*, a leading industry publication



## Our Four Cornerstones

Americap's initiatives spring from the firm's four core competencies

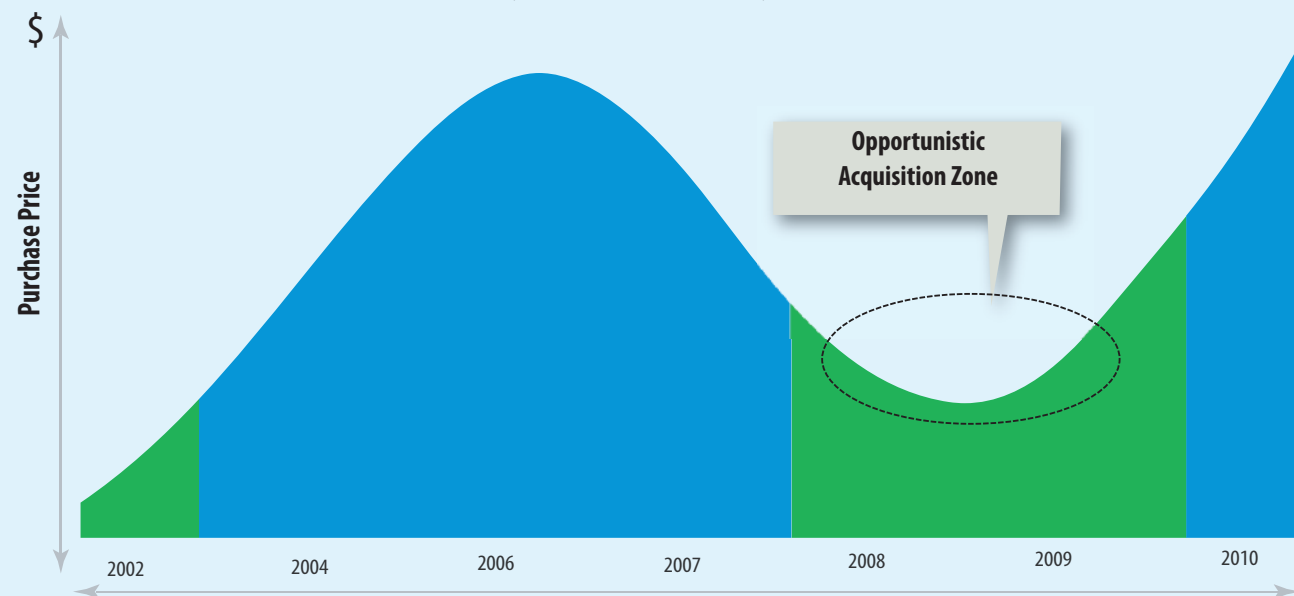
1. Real estate consultation for national class developments
2. Capital advisory services
3. Land acquisition and entitlement
4. Residential development and construction

## Building Relationships

Americap Development Partners' philosophy is clear: we believe that the strength of our business resides in the relationships we build. We see this at every level: from the types of partnerships we pursue to the projects we consider as investment opportunities.

Our approach attracts attention from a wide number of professionals who embrace our passion for relationship building and choose to participate as partners in our projects.

Typical real estate value cycle





## Creating Communities

Generating transparent and earnest value from our projects creates neighborhoods that make a positive impact not only in the lives of residents, but also in the community at large. In fact, if we cannot improve a situation for the betterment of the community, we prefer to take our business model elsewhere.

This focus on creating communities differentiates us from many other developers, while preserving lasting value within our development projects.



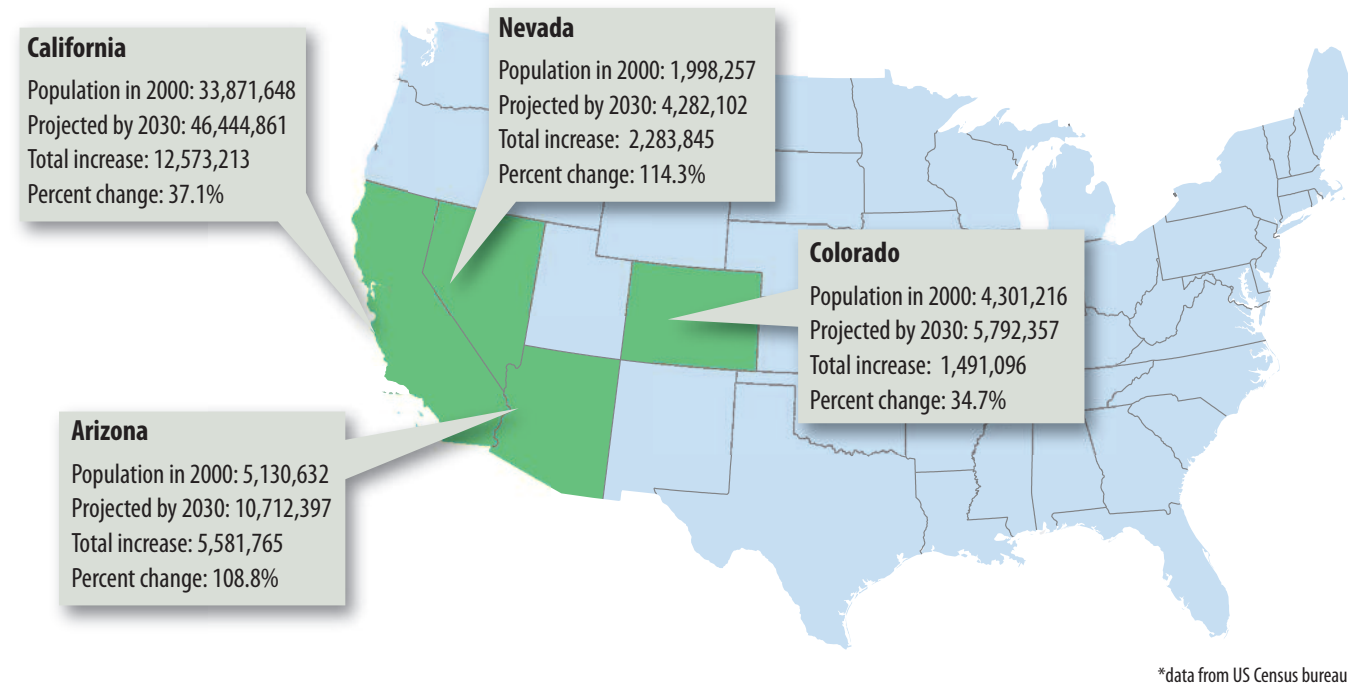
## Bringing People Together

No one is more concerned about urban sprawl and poor planning than the experts at Americap. We've dedicated our professional lives to improving the process by which projects come into being, and work tirelessly in bringing the right people together to effect positive change in the land development and homebuilding industries. By introducing new participants to the development process, we're seeing a shift in the creation of wealth from the control of the few to the partnerships and development ventures of the many.

**A Legacy of Permanence**  
 Strong communities are at the heart of shaping an enduring growth model for our nation. We are acutely aware of our responsibility as a steward of a lasting, permanent real estate legacy – and we embrace it.

## Where the Opportunities Are

We are currently identifying acquisition targets in select states throughout the Southwest and in the front range of Colorado.



## Disciplined Acquisitions in Five Steps

Our experience in underwriting \$5 billion in projects qualifies us to select successfully from a myriad of distressed projects in this current real estate environment. We believe our origination relationships and cutting edge skills in underwriting, due diligence, deal structuring and negotiation provide us with a real competitive advantage and proven ability to maximize the economics of each acquisition, while minimizing the risks inherent in real estate ventures.

This process helps build consensus and conviction around those decisions that lead to making a project viable, valuable and worthy of inclusion in our portfolio.

1	2	3	4	5
<b>Distressed asset identified</b>	<b>Site visit and market analysis</b>	<b>Existing funding structure evaluated</b>	<b>Contract negotiation and executive committee</b>	<b>Deal closing</b>
<ul style="list-style-type: none"> <li>• Characteristics regarding land, location, product and approvals fit within our acquisition criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Visit site to determine potential entitlement, development and building hurdles</li> <li>• Conduct in-house market study, including: local market, absorption, population and job creation</li> </ul>	<ul style="list-style-type: none"> <li>• Examine current debt and equity structure</li> <li>• Negotiate potential seller carry when applicable</li> <li>• Create financial model for acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiate and contract with seller</li> <li>• Prepare deal structure</li> <li>• Present deal to executive committee</li> </ul>	<ul style="list-style-type: none"> <li>• Manager approves transaction and allocates funds</li> <li>• Final contracts executed and funds dispersed</li> <li>• Acquisition completed</li> </ul>

**Thanks**

**We are genuinely honored that you have taken the time to learn about our company and our values.**

**We are proud to be advocates for vibrant, innovative solutions designed to address our nation's challenges in meeting the continuous need for quality housing.**



**Would You Like To Know More?**

**Visit us on the World Wide Web at  
[www.americapdp.com](http://www.americapdp.com)**





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