

## DEVELOPMENT ADVISORS' COMMUNITY DEVELOPMENT PRACTICE

**Clients.** Development Advisors, LLC ("Advisors") offers a wide range of services in our Community Development Practice. Our clients include community developers (urban and suburban), land lenders and investors, homebuilders and local municipalities.

- **Community Developers.** We can assist with strategic planning including the formulation of marketing plans and financing plans that reflect the realities of today's marketplace. To supplement downsized developer staffs Advisors can also execute some or all tasks typically performed by in-house personnel. In conjunction with our School and Church Practice, we also get involved in marketing and developing school and church sites.
- **Land Lenders and Investors.** For lenders and investors involved with existing master-planned communities, Advisors provides financial analysis and recapitalization planning. We also assist with pre-foreclosure strategic consulting and post-foreclosure REO dispositions. Advisors can step in and provide comprehensive community development and asset management services to preserve land values and marketability until market conditions are more favorable for sales of lots and land parcels.
- **Homebuilders.** Advisors assists homebuilders locate finished lots for acquisition and helps homebuilders and lenders structure creative build-through strategies for lenders' lot inventories.
- **Municipalities.** Advisors has been retained by municipalities and local governmental entities to assist with the planning of public/private facilities sometimes involving the participation of community developers.



*Advisors' Community Development Practice Senior Team (l to r) Dan Poremba, Tim Dreessen, Scott McLean, Les Gruen, Tom Mussallem*



*Green Valley Ranch Master-Planned Community, Denver, Colorado*

**Representative Communities.** Advisors' principals have had various involvements in the following master-planned communities and larger mixed-use land developments: Green Valley Ranch, Highlands Ranch, Castle Pines and Castle Pines North, Thompson River Ranch, Broadlands, Cumberland Green, Regency Denver Tech Center and Denver Tech Center West, Rolling Hills Ranch, The Meadows, Prince Williams Commons, The Gables, South Academy Station, The Commons and Denver Union Station properties.



*The Commons and Denver Union Terminal Properties  
Downtown Denver, Colorado*

**Our People.** Advisors' Community Development Practice is directed by Dan Poremba, Tom Mussallem and Les Gruen, with additional management and execution capacity provided by the other Advisors' team members, including principals Scott McLean and Tim Dreessen. This senior team is pictured above.



**DANIEL POREMBA** has 20+ years of hands-on real estate experience in connection with diverse projects and land developments nationally. He has worked with a prominent developers, property owners and financial institutions. Dan has been involved in development, asset management and disposition of many projects including office, retail, land, residential, industrial, and single-purpose assets. He has been involved in the acquisition, development and financing, of numerous community-sized and mixed-use land parcels. As a licensed attorney with a strong background in finance, Dan often gets involved in structuring creative joint venture transactions.



**TOM MUSSALLEM** has extensive financial accounting and operations experience with 20+ years in the development of master-planned communities and home building operations at the senior management level. His background includes public accounting, asset management and hands-on management of large community developments. Most recently, Tom spent 16 years as the CFO for Oakwood Homes, Colorado's largest non-public builder and community developer. At Oakwood, Tom managed financial strategy, created business plans and cash flow models, maintained the financial records for 30 operating entities, secured bank lines of credit, implemented and managed a \$125 million bank syndicated credit facility and issued \$100 million in general obligations bonds for metropolitan districts. Tom was directly involved in acquiring more than 5,800 acres of Colorado Front Range land and 6,500 platted and/or finished lots, financing the development of 7,800 lots and the construction of more than 9,000 new homes.

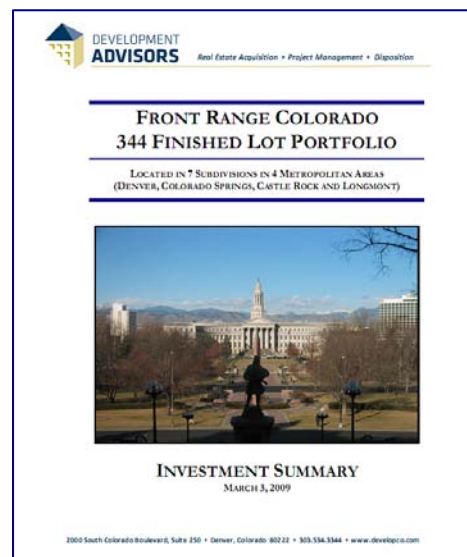


**LES GRUEN** is an active strategic partner in Advisors' Community Development Practice. Les is president of Urban Strategies, Inc., a real estate advisory services company founded in 1999. Following his role in Mobil Land Development Corporation's 1981 acquisition of the famous 22,000-acre Banning-Lewis, he moved to Colorado Springs in 1984 as Marketing Manager for the Ranch and later became Manager of Mobil's Colorado Springs office. He was also responsible for formulating business plans and disposition strategies for other significant community development properties nationally. He now assists clients, including lenders and major property owners, enhance the value of their holdings including the conception and implementation of development and disposition strategies. The Broadmoor Hotel is one of his long-time clients and he has helped guide much of their award-winning development over the past decade. In 2007, Les was appointed by the Governor to the State Transportation Commission.

**Community Development and Asset Management Roles.** Advisors can step in the community developer or asset manager role. This may require a comprehensive scope of development, administrative and marketing related tasks.

We have been involved in situations where an original community developer is no longer operating. The developer's role needs to be replaced to ensure the value and marketability of the remaining lots and land parcel. This may involve:

- Re-gaining management of metropolitan improvement districts, through negotiations with homeowners and bondholders, to provide mechanisms for maintenance and financing of future public improvements;
- Re-establishing control of homeowners association to ensure enforcement of covenants and community design guidelines;
- Re-establishing community marketing programs, market analysis and selection of appropriate combination of homebuilders segmented by product and price point.



The image shows the cover of an investment summary report. At the top left is the Development Advisors logo with the tagline 'Real Estate Acquisition • Project Management • Disposition'. The main title is 'FRONT RANGE COLORADO 344 FINISHED LOT PORTFOLIO'. Below this, it states 'LOCATED IN 7 SUBDIVISIONS IN 4 METROPOLITAN AREAS (DENVER, COLORADO SPRINGS, CASTLE ROCK AND LONGMONT)'. The central image is a photograph of a large, classical-style building, likely a government or institutional structure, with a statue in the foreground. Below the photo is the text 'INVESTMENT SUMMARY MARCH 3, 2009'. At the bottom, there is a small line of text: '2000 South Colorado Boulevard, Suite 250 • Denver, Colorado 80222 • 303.534.3344 • www.developco.com'.

*Finished Lot Portfolio Recently Offered to Advisors' Institutional Clients*

**Community Development Re-invented.** The development of existing and new master-planned communities is expected to change radically for the foreseeable future.

- Public homebuilders or their “lot bankers” will not be purchasing or placing large deposits on bundles of platted or finished lots but will be looking to acquire lots on a real-time, as-needed basis.
- New housing price points will be lower on average than in the past few years. This will impact lot prices and, in turn, the amenities that can be provided by community developers. Changes in the bond markets will also impact the scale and phasing of public improvements.
- There will be a new generation of homebuilders started by highly-qualified industry professionals free of the financial baggage of previous operations but with limited access to traditional debt financing for the construction of new homes.



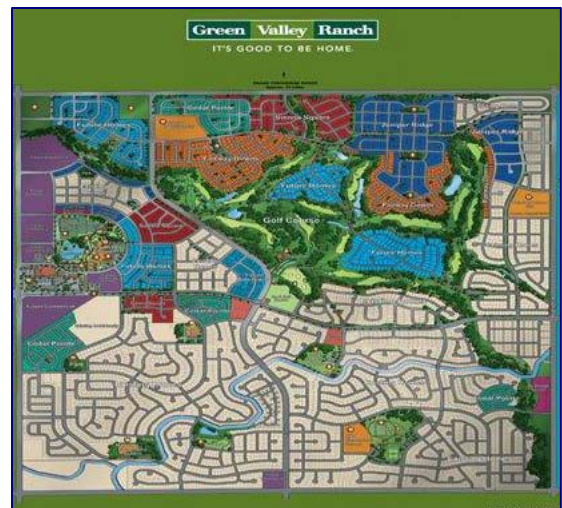
*Thompson River Ranch, Northern Colorado*

Advisors is prepared to help its community development clients deal with these changes in a number of ways, including the following:

- identification of new capital sources for land acquisition and development evaluation of new partner-like deal structures with homebuilders.
- proper sizing and phasing of new communities scaled to reflect the realities of the re-shaped financial and homebuyer markets;
- selection and management of multiple builders, including integration of multiple builders within the same communities, subdivisions and blocks and increased focus on community governance, maintenance and marketing;

**Expertise.** Please see the Specialties tab on our website ([developco.com](http://developco.com)) for a detailed description of each of our functional specialty areas which support Advisors' Community Development Practice:

- **Acquisition Services;**
- **Land Development Services;**
- **Commercial Development Services (including project management);**
- **Strategic Dispositions;**
- **Financial Services;** and
- **Valuation Services.**



*Green Valley Ranch, Denver, Colorado*



**On behalf of Development Advisors' entire Community Development Team, we look forward to discussing your needs and objectives to determine how we may assist you.**