



## GoldenTree InSite Partners

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### **SOUTHWEST VALUE PARTNERS AND GOLDENTREE INSITE PARTNERS ACQUIRE 4,500 ACRES OF RESIDENTIAL AND COMMERCIAL LAND IN PHOENIX, AZ**

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**Phoenix, AZ and New York, NY, March 31, 2010** – Southwest Value Partners (SWVP) and GoldenTree InSite Partners (GTIS Partners) announced today that they have acquired Merrill Ranch, a 4,500 acre parcel located in northern Pinal County, a Phoenix, AZ submarket. The parcel is partially entitled for up to 18,000 residential lots and an additional 900 acres are fully entitled for commercial use. The property was acquired from a consortium of 60 banks which had previously foreclosed on the parcel, at a purchase price that represented a substantial discount to the 2004 price of a contiguous land parcel within the same master plan.

A fund managed by GTIS Partners invested 70% of the equity capital in partnership with SWVP. SWVP, a Pacific Southwest-based value oriented real estate investment company, contributed the remaining 30% of equity capital and will manage the day-to-day operations of the partnership. Nathan & Associates Inc., the largest residential land brokerage company in the Phoenix market, served as an advisor to both parties on the purchase and will continue to provide sales and marketing services to the partnership.

Tom Shapiro, President of GTIS Partners said, "As the public homebuilders are now recapitalized and actively buying finished lots, we are concentrating our investment efforts on buying entitled land in great locations like Merrill Ranch. Once the finished lot inventory is exhausted, homebuilders will focus their efforts on acquiring good quality entitled land in markets with strong demographics."

Mark Schlossberg, Principal of SWVP added, "The supply of finished lots in the Phoenix market currently stands at 54 months based on current absorption, but only 18 months based on historical average absorption. As the Phoenix population and employment growth continues to stabilize, the residential lot market should return to equilibrium in the next several years."

Rob Vahradian, Managing Director of GTIS Partners added, "We believe at our basis, this investment is a very asymmetric bet on the recovery of the Phoenix housing market. A return to normal absorption rates and historical pricing trends should produce outside gains, while we feel our downside is well protected."

## **SOUTHWEST VALUE PARTNERS, GOLDENTREE INSITE PARTNERS .../2**

Merrill Ranch is located along the Hunt Highway approximately 30 minutes southeast from the Gilbert/Chandler/Mesa submarkets which have become Phoenix's premier markets for growth and employment.

### **About Southwest Value Partners**

Southwest Value Partners is a privately held real estate investment company, based in San Diego. Founded in 1990 by Robert Sarver and Mark Schlossberg, Southwest Value Partners has acquired diverse and substantial real estate assets, including residential and commercial land tracts, Class A commercial office towers, Class A/B multifamily apartment units, hotels, real estate based equity interests, and real estate secured notes. For further information please visit our website at [www.swvp.com](http://www.swvp.com).

### **About Nathan & Associates**

Nathan & Associates, Inc., founded in 1980, is one of the Southwest's leading land brokerage and real estate firms. While the company specializes in marketing land for master-planned communities, it also brokers land for commercial, retail, multi-family, industrial and office uses. For further information please visit our website at [www.nathanandassociatesinc.com](http://www.nathanandassociatesinc.com).

### **About GoldenTree InSite Partners**

GTIS Partners is a global real estate investment firm headquartered in New York with an office in São Paulo. The firm was formed in February 2005 in partnership with GoldenTree Asset Management. GoldenTree InSite Partners has 37 employees and manages over \$1.1 billion of committed equity. The firm pursues value-added real estate opportunities through direct equity investment and non-traditional lending activities. To date, the firm has committed capital to residential, retail, industrial, office, hotel, and mixed-use projects in the U.S. and Brazil. The firm's principals have over 80 years of investment, management, and operations experience, which spans all major property types and geographies. By combining hands-on real estate expertise with a disciplined investment approach, GoldenTree InSite Partners creates value for its investors and partners. For further information please visit our website at [www.goldentreeinsite.com](http://www.goldentreeinsite.com).

### **About GoldenTree Asset Management**

GoldenTree Asset Management, an investment advisor with offices in New York, London, Luxembourg, and Seoul, invests in bank debt, high yield bonds, distressed debt, real estate and equities. GoldenTree manages approximately \$11 billion as of March 1, 2010, and the firm has 175 employees. For further information regarding GoldenTree Asset Management, please visit their Web site at <http://www.goldentree.com>.

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