



## NEWS RELEASE

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### FDIC ANNOUNCES EXTENSION ON CLOSING SALE OF STONEBRIDGE RANCH

The Federal Deposit Insurance Corporation announced today that Ranch Development Company has given the purchaser of Texas' Stonebridge Ranch more time to consummate the transaction in exchange for additional cash and other financial commitments.

Stonebridge Ranch is a 6,230-acre master-planned community near Dallas. Ranch Development Company, whose sole shareholder is the FDIC, in June agreed to sell Stonebridge Ranch for \$61 million to Mr. Yukio Kitano of Hawaii and Osaka, Japan. Ranch Development Company has agreed to extend the existing purchase contract through January 8, 1991, in response to Mr. Kitano's request for additional time to complete financing arrangements. The closing date had been set for October 10, 1990.

In exchange for the extension of time, Mr. Kitano has agreed to advance a significant amount of additional cash to Ranch Development Company on a non-refundable basis and to make certain other financial commitments that the FDIC deemed appropriate to protect its interest.

Ranch Development Company is satisfied with Mr. Kitano's intention to finalize the transaction based on these latest financial commitments and his expressed optimism about the long-term prospects of Stonebridge Ranch. Mr. Kitano has noted, for example, that the Dallas/Fort Worth area has received much favorable attention in major national publications as having significant growth potential. Mr. Kitano is a Japanese businessman and a major shareholder in a Hawaii bank.

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The FDIC became the owner of Ranch Development Company when Congress gave the agency responsibility for the assets and liabilities of the former Federal Savings and Loan Insurance Corporation (FSLIC) in August 1989. The FSLIC had acquired Ranch Development Company from Gibraltar Savings Association, Houston, which was closed December 28, 1988.

Kenneth C. Gorham, Managing Liquidator of the FDIC's Dallas Consolidated Office, said: "Our objective is to consummate the successful sale of the Stonebridge property at the earliest possible date. However, we also respect the difficulties that a borrower can encounter at this particular time in international and U.S. financial markets. After a careful review of Mr. Kitano's request, it is our opinion that the FDIC, Ranch Development Company, the Stonebridge community and the U.S. taxpayer are best served by proceeding with the current transaction rather than beginning the sales process over again."

Mr. Gorham added: "Mr. Kitano has made substantial commitments of additional cash and other obligations in order to secure an extension. We believe these steps clearly demonstrate his intention to purchase Stonebridge as planned and adequately protect Ranch Development Company."

Stonebridge Ranch is a mixed-use community located in McKinney, Texas, approximately 30 miles north of the central business district of Dallas. Development began in 1986 and has continued to the present time. The property has about 350 homes already occupied and 622 homesites sold. Existing zoning allows for more than 27,500 housing units and 91 million square feet of retail, commercial, office, research and industrial space to be developed. Also included on the property are two championship golf courses, a beach and racquet club, a small marina and equestrian facilities.

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