



NEWS RELEASE

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FDIC TO ANNOUNCE NEW PLANS TO MARKET STONEBRIDGE RANCH

The FDIC today ended negotiations with a buyer for the 6,230-acre Stonebridge Ranch community near Dallas, Texas, but will announce soon how it plans to market the property again.

Ranch Development Company of Dallas, whose sole shareholder is the FDIC, in June 1990 agreed to sell Stonebridge Ranch for \$61 million to Mr. Yukio Kitano, a businessman from Hawaii and Osaka, Japan. In response to two previous requests from Mr. Kitano for additional time to complete financing arrangements, Ranch Development Company granted extensions on the purchase contract until today. However, due to his continuing difficulties in obtaining financing, Ranch Development Company today decided to end the negotiations with Mr. Kitano.

By not consummating the transaction, Mr. Kitano forfeited more than \$4.9 million to the Ranch Development Company under the terms of the sale agreement and the previous extensions.

Kenneth C. Gorham, Managing Liquidator of the FDIC's Dallas Consolidated Office, said: "Our objective is to consummate a successful sale of the property at the earliest possible date. Stonebridge Ranch is prime property that, in our opinion, is even more marketable than before because of improvements in the past year."

Mr. Gorham cited strong builder activity and brisk retail home sales in the Stonebridge Ranch community that occurred in 1990, along with the improved profitability of the country clubs on the development. The mixed-use community already has more than 380 homes occupied. Another 200 developed lots are under contract to builders. In addition, builders

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recently have purchased enough land to develop about 150 more home sites. Existing zoning allows for more than 27,500 housing units and 91 million square feet of retail, commercial, office, research and industrial space. The property also includes two championship golf courses, a beach and racquet club, a small lake and equestrian facilities.

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 in August 1989. The FSLIC had acquired Ranch Development Company from Gibraltar Savings Association, Houston, which was closed December 28, 1988.

Mr. Gorham added: "We certainly respect the difficulties Mr. Kitano encountered at this particular time in international and U.S. financial markets. In recognition of those difficulties, we began in early December to develop contingency plans to operate and sell the property in the event Mr. Kitano was unable to close the transaction. We believe we are in a very strong position to achieve a favorable sales price. Until then, it will be business as usual for the builders and residents of Stonebridge."

Stonebridge Ranch currently is being operated by the Club Corporation of America, whose chairman is Robert Dedman.

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