Inside the Deal
BOOM TIME IN THE ROCKIES
More jobs and fewer hassles have Americans heading for the hills

SEPTEMBER 1993
HISTORY

[Image of an old man]

[Image of a document]
Founded in 1991, McWhinneyy is currently a team of 60 associates.

Current portfolio includes:

• 3 Large Scale, Multi-Use Projects, Comprising 4,500+ Acres
• 20 Office, Medical & Industrial Properties
• 5 Retail Centers
• 1 Full Service Hotel
• 6 Limited Service Hotels
• 4 Apartment Communities
Our Strategy

We are a diversified real estate company that creates large-scale, multi-use projects; and develops, owns and manages income-producing properties, primarily for our own account.
RANGEVIEW II

Bldg Sq.Ft: 39,006 Sq.Ft.
Sale Date: January, 2010
Total Price: $10,750,000
Price/SF: $275.60
Cap Rate: 7.90%
LAKE VISTA APARTMENTS

303 Unit Apartment Community
Our Criteria

- Alignment
- High growth markets
- Distinct competitive advantage
- Limited downside risk
- Excellent financial returns
THE WALL STREET JOURNAL

Who’s had the greatest positive impact on mankind in the last 100 years?
“Success often comes to those who get in front of the inevitable.”

- Thomas Alva Edison
14

HEADLINES

**TIME**

*Holding On forDear Life*

**US News & World Report**

The Next Shoe to Drop: Commercial Real Estate

By ALEX MARKELS

Posted: March 3, 2008

**The Wall Street Journal**

**COMMERICAL REAL ESTATE**

March 26, 2009

Commercial Property Faces Crisis

Delinquency Rate at 1.8%, Near Peak of Last Recession; Parallels to S&L Debacle

**THE WALL STREET JOURNAL**

Banks Ramp Up Foreclosures

Increase Poses Threat to Home Prices; Delinquent Borrowers Face New Scrutiny

**REAL ESTATE**

April 15, 2009

**McWHINNEY**
“O.K., folks, let’s move along. I’m sure you’ve all seen someone qualify for a loan before.”
"I could've huffed and puffed, but the price dropped so much.
I just decided to buy it..."
“The most common cause of low prices is pessimism -- sometimes pervasive, sometimes specific to a company or industry. We want to do business in such an environment, not because we like pessimism but because we like the prices it produces.”

- Warren Buffett
2030 - 100 MILLION NEW PEOPLE

• 73 million new jobs
• 70 million new homes
• 100 billion new sq. ft. of commercial space

Arthur Nelson, Co-Director
Metropolitan Institute
Virginia Tech
What is the most powerful force in the universe?
“Compound interest is the most powerful force in the universe”

- Albert Einstein
LONG TERM vs. SHORT TERM

- **16,367 Pre Tax**
- **13,043 After Tax (13x)**
- **5,806 After Tax (5.8x)**

**Note:** Assumes taxed as ordinary income. Rates: 35% Federal. 4.5% Colorado; & 2% transaction costs

**Note:** Assumes taxed at 15% US capital gains rate & 4.5% Colorado tax; & 2% transaction costs

18 month hold at 25% annualized return, sell property, pay taxes + transaction costs; sit 1 year, reinvest net proceeds to restart 18 month hold cycle, for 20 year period

- Invest and hold for 20 year term, accrue 15% annual returns
KEEPING AMERICA GREAT

Warren Buffett and Bill Gates
CNBC Town Hall Event
Columbia University
November 12, 2009
Credit Crunch | Annual change in total loans outstanding at FDIC-insured banks

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<tr>
<td>Value</td>
<td>-7.4%</td>
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<td>-2.3%</td>
<td>-1.0%</td>
<td>0.7%</td>
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Source: FDIC

Lending Falls at Epic Pace

BY MICHAEL R. CRITZ, CHEN AND MARSHALL EICKHOLZ
U.S. banks posted last year milestones. According to the FDIC, the number of U.S. banks at risk of failing hit a 16-year high at 702. More than 5% of all banks in taxpayer aid injected into the financial industry over the last two years. Banking groups and their members count of $150,000 to $350,000 since 2008. He says his home-healthcare franchise could hire 20 to 30 aides and even one or two of...