

300-Year-Old Spanish Land Grant Twice the Size of Boston Changes Hands in New Mexico; New Town Planned

ALBUQUERQUE, N.M., December 19, 2006—It's not every day a company purchases a single piece of property twice the size of Boston. Add the fact the land was part of a 17th century land grant handed down to Spanish settlers in what is now New Mexico by King Charles II of Spain, and you've got yourself big changes to one unique piece of the American Old West.

That's exactly what happened this month when heirs of the Atrisco Land Grant west of Albuquerque decided to sell their shares in Westland Development Co.—a publicly held company established to manage the 57,000-acre land grant for the heirs—to community developer SunCal Companies and a member of the D. E. Shaw group in a deal valued at more than \$250 million.

Westland shareholders voted overwhelmingly to approve the sale, with more than 88 percent of votes received in favor of the proposal. The deal will provide Westland shareholders \$315 for each of the company's approximately 800,000 outstanding shares. It will also create an Atrisco Heritage Foundation, funded by SunCal at \$1 million each year for 100 years, to preserve the land's cultural significance. Escrow closed on the transaction December 7.

"This is one of the most significant land transactions in recent history," said George Rizk, head of real estate investments at the D. E. Shaw group. "Development of this land will reshape the Albuquerque/Bernalillo County region—potentially the entire Southwest—and we commend SunCal for its exceptional efforts to ensure the success of this transaction."

SunCal now plans to work with the Atrisco heirs, local community and elected officials on a vision for the land that combines well-planned residential communities, business and recreational opportunities, and cultural and environmental preservation. Details such as number of units and project timing will result from this collaborative process.

"This is a significant occasion on a number of levels," said Bill Myers, SunCal's Regional President. "Atrisco heirs can now finally realize a return on their families' centuries-old investments, the rich Atrisco heritage now has a mechanism for ongoing preservation, and Albuquerque and Bernalillo County can now grow westward in a planned fashion with beautiful new communities and new employment opportunities. It's a win-win all around."

Going Back 300 Years for a Land Plan

SunCal has teamed with famed land planner Stefanos Polyzoides to incorporate feedback it receives into a land plan that will also incorporate elements of the Law of the Indies, a historic set of land planning principles that guided the creation of some of the world's finest cities, including Albuquerque, Lima and some 2,000 North, South and Central American towns. Easily identifiable, communities designed using the Law of the Indies feature landscaped plazas at central points in a town, surrounded by homes on streets that follow a grid pattern and a unique sense of walkability and neighborly interaction.

"The storied heritage and rich culture of this land deserve far more than a sea of tract homes," Polyzoides said. "We see a unique opportunity to draw upon the historical significance and success of these laws to create truly sustainable new communities that will honor this site and endure for generations."

Many Atrisco heirs are equally excited about the acquisition.

“The time has come for our people to finally benefit from this land. Other offers have come in the past, but none from a company as experienced and sensitive to our culture as SunCal,” said heir and shareholder Rita Zacardi. “We were looking for far more than a strong financial package; we were looking for a company that would preserve the great Atrisco heritage and help create a lasting legacy for our land. We found that in SunCal.”

Details of the Approved Merger

SunCal’s offer was submitted to Westland on June 26 and was subsequently deemed the “Superior Proposal” by the Westland Board of Directors. The merger was approved following a six-week proxy solicitation process and a November 6 shareholder meeting.

Provisions of the approved merger include:

- \$315 per share, or approximately \$250 million, for each of Westland’s nearly 800,000 outstanding shares.
- The creation of Atrisco Oil & Gas LLC, a new company that will ensure Westland shareholders receive 100 percent of the rights under Westland’s two existing oil and gas leases on the property and a 50 percent interest in all oil, gas and other mineral rights of Westland. Shareholders will receive one share of Atrisco Oil & Gas for every one share of Westland owned at the time of the merger.
- SunCal’s contribution of \$1 million per year for 100 years to the Atrisco Heritage Foundation for the preservation of the historical and cultural resources on the site, with \$2 million, representing the first two annual payments, paid at closing. Atrisco heirs will hold a majority of the seats on the Foundation’s Board of Trustees, which will have direct oversight of how this money is spent. Projects could include museums, continuing education, cultural programs, daycare, private schools and scholarships. SunCal will transfer ownership of the Santa Clara, San Jose de Armijo and Evangelico cemeteries on the property to the Foundation.

For more information on the merger, please visit www.SunCalNM.com.

History of the Atrisco Land Grant

Spanish settlers first arrived in present-day central New Mexico in the 1600s and claimed much of the land for their country until forced off by Native Americans during the 1680 Pueblo Revolt. Twelve years later, Spanish soldier Don Fernando Duran y Chavez led a group that re-conquered the area for Spain. As a show of gratitude for his efforts, King Charles II rewarded Duran y Chavez more than 82,000 acres west of the Rio Grande near where his father had lived before the Pueblo Revolt. This land became known as the Atrisco Land Grant.

A second piece of land was added to the Grant in the 1760s as more settlers came to the area, and the two parcels became the Town of Atrisco. The Treaty of Guadalupe Hidalgo was signed in 1848, ending the Mexican War and transferring control of New Mexico to the United States. In 1905, President Theodore Roosevelt recognized the validity of the Atrisco Land Grant, allowing the Spanish settlers to retain their land holdings.

Heirs to the Grant voted in 1967 to form Westland Development Co., Inc., a publicly held company created to manage the unoccupied land. Heirs were provided an amount of shares in Westland relative to the amount of land on the property their families once owned. A small amount of development has occurred on the land over the past decades, but the original grant remains largely intact.

About SunCal Companies

SunCal Companies is the largest privately held community developer in the western United States, with more than 70 years of experience acquiring, entitling and developing property for sale to leading residential and commercial builders. The company specializes in creating distinctive mixed-use and master-planned communities that emphasize quality of life, environmental and cultural sensitivity, and recreational opportunities, and currently has more than 70 master-planned communities in various stages of development throughout California, Arizona and Nevada. For more information, please visit www.SunCal.com.

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