



**TO: El Paso Media and Press Representatives**  
**FROM: Hunt Communities, LLC**  
**SUBJECT: Statement Regarding NE PSB Tract**  
**DATE: March 6, 2008**

### Background

Hunt Communities, LLC has notified the El Paso Public Service Board and the City of El Paso that it will not proceed with the closing for the first-phase purchase of a 4,800-acre Northeast El Paso Master Planned Community tract. Hunt Communities was the successful bidder on the property in a competitive bid process in August of 2007.

### Company Statement

Hunt Communities notified the PSB and the City (see attached letter) that it is impossible to perform the obligations required under the Agreement (and the Bid Documents). The Agreement (and the Bid Documents) requires the successful bidder to design, develop and construct the Community using Smart Growth Principles and in accordance with the City's master plan vision for the property. Without clearly defined subdivision regulations that support the City's development outcome, there is no legal way to successfully implement the City's vision for the Community.

As one of El Paso's most active community developers, Hunt Communities remains committed to the future of the City and the region. Hunt Communities continues to support attempts to integrate Smart Growth into land development planning, the development of Parcel MPC in accordance with such Principles, and improving the quality of development in the City. Hunt Communities thanks the PSB, its management, and its board for striving for quality development in the City and hopes that the PSB and the City will work together to correct the deficiencies and bring the property back to the market.