

**For Immediate Release**

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**NAJAFI COMPANIES AGREES TO PURCHASE ASSETS OF TREND HOMES,  
INC.:**

***Transaction Would Result in Continuation of Well-Known Valley Home  
Builder's Operations and Services***

**Phoenix, Ariz. (Jan. 31, 2008)** – Najafi Companies, LLC, has reached an agreement to purchase substantially all of the assets of Trend Homes, Inc. and several of its affiliates for \$65 million – a transaction that may close in the spring of this year. Najafi and the privately-owned Trend Homes expect the transaction to strengthen the long-term future of the core business of the Valley homebuilder in the currently uncertain marketplace.

"We're excited about our agreement with Trend Homes, which has established itself through solidly planned housing communities and strategic pricing targeted to Arizona's families. Our proposed acquisition will ensure that this success continues and will allow us to identify new ways to improve and expand on the company's current operations," said Jahm Najafi, CEO of Phoenix-based Najafi Companies. "As the market remains unpredictable, it's important to know that we intend to continue the core business of Trend Homes, building outstanding homes while also growing its services."

The proposed transaction will involve the filing by Trend Homes and several affiliates of voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the District of Arizona. The transaction with the Najafi Companies is subject to approval by the Bankruptcy Court, a process that is expected to take approximately 90 days. If the proposed sale to Najafi is approved by the court, both Trend Homes and Najafi expect the purchaser to be healthier, stronger, better capitalized and better positioned for growth than Trend Homes has been in its 30-year history. During this process, Trend Homes expects to operate normally and without interruption and to provide warranty service to customers.

Gilbert-based Trend Homes moved its business to Phoenix from Salt Lake City in 1989. The builder has constructed more than 1000 homes per year since 2002, and has diversified into several market niches, including high-density condominium projects through its Classic Communities affiliate.

"We're thrilled and proud that Najafi Companies has recognized the value in Trend Homes in this challenging environment," said Reed Porter, Trend Homes CEO. "During our restructuring, we plan to build out our existing communities and research new opportunities in the ever-changing housing market of greater Phoenix. Our team at Trend Homes is equally energized by the prospect of a

sale, which will benefit our creditors and will positively impact all of our customers now and in the future.”

### **About Najafi Companies**

Najafi Companies is a private investment firm based in Phoenix, Arizona. The firm makes highly-selective investments up to \$2.0 billion in size in companies with strong management teams across a variety of industries, and often in industries out of popular favor. The firm takes a long-term view on its investments and focuses its efforts to create value through growth and superior performance. Najafi Companies funds investments internally, not through a fund. Free from the restrictions of a fund, the firm is able to move quickly and decisively when investing. Najafi Companies is able to make investments that create maximum value for the long term. For more information about Najafi Companies, visit [www.najafi.com](http://www.najafi.com).

### **About Trend Homes**

Trend Homes is one of the few privately-owned homebuilding companies in the Phoenix metropolitan area. The company was originally founded in Salt Lake City in 1966, then known as Trendsetter Homes. In 1989, founders of the company moved the business to Phoenix, Arizona. Their innovative floor plans and value-oriented philosophy allowed them to succeed in the very price-conscious market which existed at that time. As Trend Homes has matured and grown in Arizona, a second generation of family members has brought new insights and energy to this innovative company. Steady and well planned growth of 15% per year had allowed Trend Homes to diversify into several important market niches. Classic Communities, an affiliate of Trend, builds higher density condominium projects, while Trend focuses on single-family homes. Finally, the "Regency" brand builds value-oriented luxury homes. Each of these entities has experienced tremendous success and Trend now builds approximately 1200 homes per year. For more information, visit [www.trendhomes.com](http://www.trendhomes.com)