KATCHEN COMPANY

Joint Venture Participation

A team of knowledgeable professionals has been assembled by Katchen Company over the last 50 years. These professionals have the diversified experience and technical skill necessary to make Joint Venture projects a reality. Aided by the latest technological advances, our team is poised to take on projects of any size in either the commercial or residential real estate sectors. However, Katchen Company is concerned with the quality of the projects they develop and chooses to limit the scope and number of projects which are in progress at any particular time. This decision has proven to be a valuable ingredient in the company's success.

Financial Leverage

Katchen Company has established a good working relationship with a number of lending institutions which are willing to extend construction financing. These institutions are usually interested in securing the loans with the land and require that subordination agreements be executed. Upon completion of construction long term financing is obtained using a combination of land value and improvements as equity for the loan.

Liquidity

The nature of the Joint Venture project as determined by a feasibility study will dictate the liquidity of the venture. However, since Joint Venture projects are usually being developed as an investment property, it will have less liquidity and be subject to market conditions present at the time of the projects completion.

Yield

Actual yields are dependent upon the financial structure of the project and Joint Venture agreement. Katchen Company strives to maintain a profitable minimum pre-tax return on all projects that are undertaken. Usually a minimum 10% per annum and a 20% annualized return, over the life of the project is targeted.

Risk

Investment in real estate involves a high degree of risk and isn't suitable for all investors. By investing in a Joint Venture with Katchen Company, you are representing that you:

1) Understand the risks inherent in real estate investment and are financially able to withstand investment losses;

2) Have determined that real estate investment is suitable for you, considering your financial situation and investment objectives.

Development Strategy

The concept for developing a property through a Joint Venture requires equity partners to contribute 20 - 30% of total development cost to the project. A portion of these funds will be used to purchase the land, with the remainder being used towards overall development costs associated with the project.

If a landowner is contributing land as their equity position, the landowner of the ground and the other equity partners will agree to the following:

Land Owner

1) The land owner must be willing to allow the developer adequate time to put the project together. The time varies, dependent upon the complexity of the project;

2) The land owner must be willing and financially capable of carrying the property and any debt that currently exists until the completion of the project;

3) The land owner must be willing to secure subordination agreements on any property debt, and provide the same;

4) The land owner must be willing to give partial releases as each phase is completed;

5) The developer will provide the necessary expertise and support to make the project successful.

The value that the developer will add to the project will include, but not be limited the following:

Developer

1) Promote the interests of the equity partners;

Property Management

- Retail
- Office
- Apartments
- Warehouse
- Industrial
- Flex

Brokerage

- Seller Representation
- Buyer Representation
- Lessor Representation
- Lessee Representation

Fee Development

- New Construction
- Remodel

Construction Oversight

- New Construction
- Remodel
- Tenant Finish

Maintenance Services

- Facilities Management
- Porter Services
- General Repairs

Consulting

- Expert Witness
- Cost Segregation
- Lease Negotiations
- Receivership
- BOV/BPO
- REO

Property Acquisition

JV Participation

2) Analyze the proposed site and create a concept for development of the land;

3) Place signage on the land to promote the project;

4) Supervise the design and engineering of a site plan for the project;

5) Prepare promotional packets for zoning and marketing;

6) Initiate zoning talks with city/county;

7) Form an LLC for the Joint Venture;

8) Market the project for sale/lease depending upon the project;

9) Obtain construction financing;

10) Bid and let construction contracts;

11) Money and materials management;

12) Distribution of funds for expenses;

13) Obtaining permanent financing;

14) Distribution of proceeds

In compensation for the contributions that each member of the Joint Venture brings to the organization the allocation of funds will be made in two stages. The first allocation will be yearly net proceeds, which will be distributed after the closing of books and accountants reconciliation at the end of the calendar year. The second allocation will occur after the sell of the project and the repayment of all debts associated with the project.

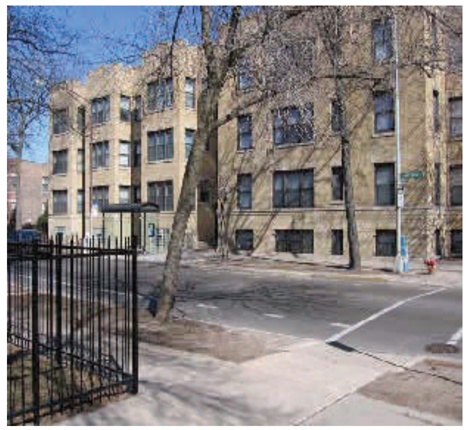
Yearly net proceeds distribution will give the equity partner a priority distribution of year net profits up to 10% of their total capital contribution. If yearly net proceeds exceed 10% of total capital distribution, the equity partner and developer will share in the remainder of the net proceeds equally (50:50).

Upon the sell of the project and before the dissolution of the Joint Venture, the second allocation of funds will occur. This distribution will be made after the payment of all debts associated with the project to include but not be limited to permanent financing, the equity partner's original capital contribution, operating costs, real estate commissions and closing costs. After all debts have been relieved, the net sale proceeds distribution will give the equity partner a priority distribution of the net sales proceeds up to 10% of their total capital contribution. If net sales proceeds exceed 10% of total capital distribution, the equity partner and developer will share in the remainder of the net sales proceeds equally (50:50).

Current Joint Venture Projects

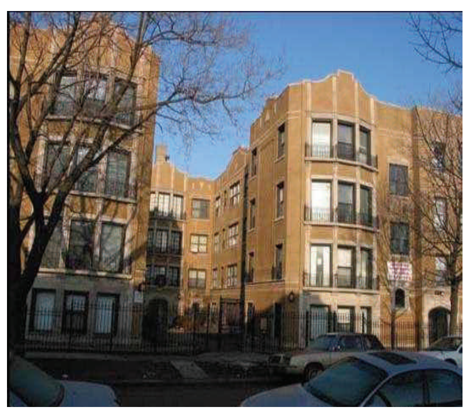
7763 South Shore Drive, LLC

The project consists of a 22 unit apartment complex that has been purchased through a joint venture. The property will be renovated, converted to condominiums and placed back on the market to sell individual units.



6914 South Clyde, LLC

The project consists of a 53 unit apartment complex that has been purchased through a joint venture. The property will be renovated, converted to condominiums and placed back on the market to sell individual units.



Joint Venture Opportunities

Katchen Company is currently actively looking for retail, office, warehouse, industrial, flex and apartment properties suitable for development and re-development within the Denver, Chicago, Miami and Las Vegas metropolitan markets. If you are interested in learn more about Joint Venture opportunities please give us a call.

Property Management

- Retail
- Office
- Apartments
- Warehouse
- Industrial
- Flex

Brokerage

- Seller Representation
- Buyer Representation
- Lessor Representation
- Lessee Representation

Fee Development

- New Construction
- Remodel

Construction Oversight

- New Construction
- Remodel
- Tenant Finish

Maintenance Services

- Facilities Management
- Porter Services
- General Repairs

Consulting

- Expert Witness
- Cost Segregation
- Lease Negotiations
- Receivership
- BOV/BPO
- REO

JV Participation

Katchen Company

7111 W. Alameda Ave., Ste. O

Lakewood, Colorado 80226

303.237.8658

(f) 303.237.2600

www.KatchenCompany.com