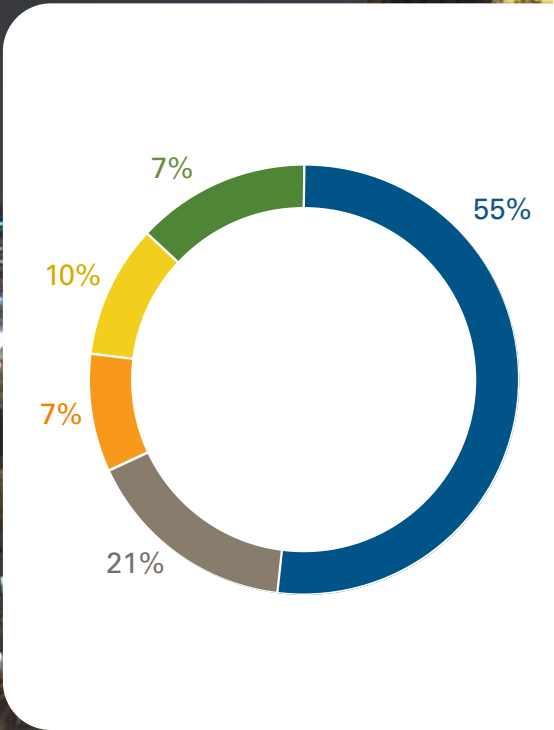


WELSH

Welsh Asset Services

*Providing innovative solutions
for commercial, multi-family and
hospitality assets*





The Benefits of Welsh's Fully Integrated Platform

Founded in Minneapolis in 1977, today the Welsh organization consists of more than 300 professionals whose expertise extends into virtually every aspect of commercial real estate. Over the years, Welsh has distinguished itself locally and regionally through its significant experience as a full-service provider of asset solutions. The principals of Welsh have transacted business in numerous metropolitan areas, cultivating extensive relationships with major institutions, investment banks, lenders, REITs, private equity funds, and more. Welsh is able to offer advisory services as a single point of contact, while enlisting our in-house service groups and in turn providing a cost-savings to our clients. This type of approach enables us to skillfully and efficiently deal with even the most complicated issues facing our clients in today's market.



Managed Property Summary

Property Type	Total Square Feet	% of Portfolio
Industrial	16,000,000	55%
Office	6,000,000	21%
Office/Tech	2,000,000	7%
Retail	3,000,000	10%
Residential/Other	500 Units	7%
29,000,000		
Welsh Special Asset Portfolio		2 Million SF

Asset Management / TIC Solutions

The asset management team at Welsh can take a project from acquisition due diligence to full implementation of the specific acquisition plan for assets to increase value during the hold period. They also oversee the development of annual business plans and budgets, approve capital expenditures, give hold/sell/refinance recommendations and manage the disposition progress. Currently, our asset management group oversees assets totaling over 18 million square feet.

Financing

Welsh Capital's financing experts are available to work with lenders on behalf of real estate investors to restructure loans. Unlike a local bank, our commercial loan division has extensive real estate experience and a variety of local and national funding options which provides our clients with a powerful advantage. A broad range of commercial banks, life insurance companies, credit unions and credit companies, Wall Street CMBS lenders and private lenders are considered to provide a solution tailored to meet the investor's requirements. Welsh Capital is a member of SAM (Strategic Alliance Mortgage), an organization comprised of 20 privately-owned mortgage banking companies with 43 offices across the US, \$67 billion in loan production since 2003 and \$31 billion in current loan servicing.

WELSH		Welsh's Fully Integrated Platform				
WELSH COMPANIES	WELSH INVEST	WELSH CAPITAL	WELSH SECURITIES	WELSH CONSTRUCTION	GENESIS ARCHITECTURE	FACILITECH FACILITY SERVICES
Property Management Property Accounting Facility Management Brokerage Investment Sales Valuation Special Asset Services Development	Acquisitions Dispositions Investment Services Fund Management Legal Asset Management Investor Relations	Permanent Financing Construction Lending Mezzanine Debt Servicing Equity Financing Loan Restructuring Note Purchases	Member FINRA and SIPC Equity Placement 1031 Exchanges 721 Exchanges Broker-Dealer Relations	Design/Build Tenant Improvements General Trade Construction Construction Management Cost Estimates	Master Planning/ Site Analysis Programming Space Planning Architecture Interior Design	General Maintenance Building Services Plumbing Electrical HVAC Locksmith

Special Asset Services

An increased demand for receivership services is a result of the turbulent economic climate; however, Welsh has long been in the business of successfully preserving the value of assets on behalf of mortgage holders nationwide. Welsh's experience with all product types, throughout all markets and combined with their depth of service, provides clients with a one-of-a-kind fully-integrated platform for receivership services, REO listings, TIC turnaround and distressed asset disposition.

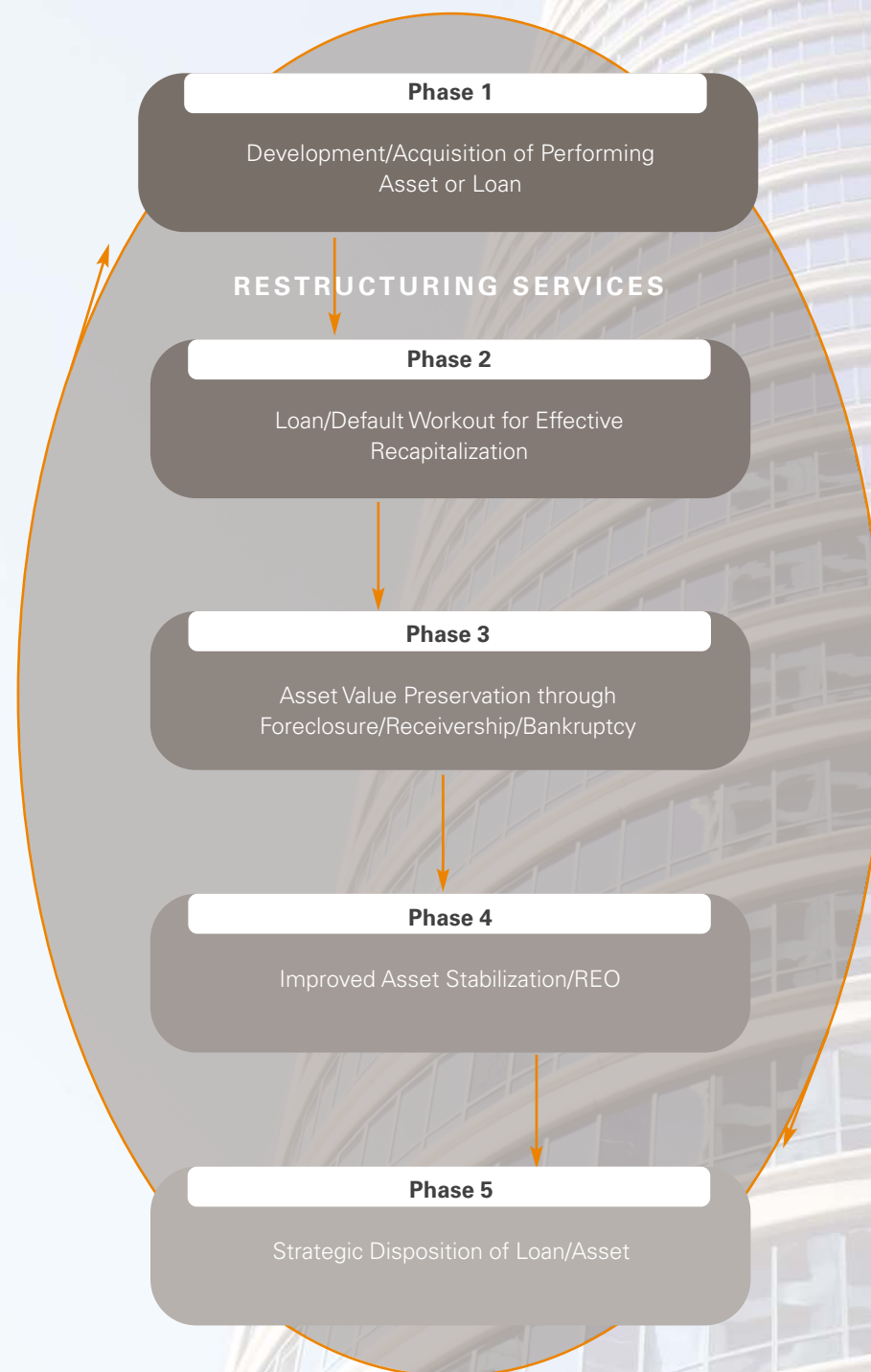
Brokerage

Consistently ranked as a top brokerage firm by the Minneapolis/St. Paul Business Journal and Midwest Real Estate News, our NAI Welsh and X Team brokerage specialists tirelessly seek creative solutions to fulfill our clients' needs with careful consideration of each market alternative and close attention to every specified set of parameters. Through our partnership with NAI Global, the world's only managed network of commercial real estate firms, our expertise extends around the world with global access to over 5,000 real estate professionals in more than 325 offices and 55 countries. XTeam International has proven expertise in more than 45 major markets, and has partners located in some of the largest cities throughout the U.S., Canada and Europe.

Investment Sales

Welsh provides capital market expertise through the acquisition and disposition of investment real estate. Our team delivers a comprehensive process utilizing aggressive market underwriting, as well as detailed and well presented packaging to each client irrespective of the property size and value. By providing creative market-based underwriting, coordinating the due diligence process, assisting with the development of property prorations and reviewing closing statements for accuracy, we are able to maximize value and returns. As a member of NAI Global's Investment Services Group, we provide access to a dedicated group of the organization's top brokers in major markets nationwide.

Special Asset Life Cycle



Case Studies



Woodbury Lakes, Woodbury, MN 300,000 sf

Welsh was appointed receiver for Woodbury Lakes in June of 2009 and retained management and leasing when the property transitioned to REO status. Welsh's initial strategy was to meet with all of the tenants and negotiate lease terms to prevent the property from slipping below co-tenancy occupancy levels, which would have negatively impacted the property value had it been allowed to happen. Welsh has been successful in reducing operating expenses and has achieved a significant reduction in real estate taxes payable. The resulting savings in CAM/RET has led to multiple leasing opportunities and has bolstered the property's value.



One Southwest Crossing, Eden Prairie, MN 233,199 sf

Welsh was approached by a TIC ownership group in late 2009 to turn around an ailing office investment in the Twin Cities. One Southwest Crossing was in need of professional asset management in the form of debt restructuring, expense reduction and lease negotiations. Welsh has been negotiating with the lender on behalf of ownership to secure new long-term debt for the project, is in the process of negotiating rate reductions from service providers and is working to extend lease terms with key tenants. One Southwest Crossing's case highlights the need for professional asset management in order to successfully navigate today's market.



Brookdale Center, Brooklyn Center, MN 1,000,000 sf

Brookdale Center is anchored by Macy's and Sears with many national retailers comprising the majority of the remaining space. Welsh has been managing this property as a bank-owned asset since July 2008. Our responsibilities include management, accounting and leasing of the center. In addition, Welsh has been working closely with the lender and the City of Brooklyn Center to establish a long-term development plan for the Center.

Multiple Property Portfolio, WI Welsh was appointed receiver of the three following properties in March of 2009



Waterford Development is a two building, 105,000 sf complex consisting of office and retail space along with 38 residential condominiums. Welsh gained understanding of the complex condominium structure, which included a master association and four sub associations, then audited the accounting information and property expenses. Welsh marketed the vacancies and assisted the Lender in selling the project prior to the end of 2009.



Northernnaire Resort and Spa is a 39-unit lodge whose condominiums are available for rent or ownership. Upon receivership, Welsh hired the on-site staff and prohibited the sale of individual units. A marketing plan was implemented, leading to increased occupancy during the summer, fall and winter season. The lender took back the resort through deed in lieu of foreclosure in November and Welsh has been retained as the manager.



The Shoppes at Woodridge is a 260,000 sf shopping mall which was only 67% occupied when Welsh was appointed receiver. An aggressive strategy was developed to retain tenants and as a result, over 57,000 sf was secured bringing life to the center. The property emerged from receivership in March and Welsh has been retained as the managing and leasing agent by the Lender.



"Welsh's level of personal service and attention to detail are second to none. They always made me feel like the most important client in the company. With the results I got, it is obvious that keeping my best interests in mind was a top priority for them."

*John Trautz, Principal,
Reliance Development Company L.L.P.*



WELSH'S FULLY-INTEGRATED SERVICES PLATFORM

Asset Services

- Acquisitions
- Asset Management
- TIC Solutions
- Dispositions
- Asset Valuation

Receivership Services

Investment Sales

Financing

Property Management

Accounting Services

Brokerage

- Industrial
- Office
- Retail
- Land
- Residential
- Multi-Family
- Healthcare
- Senior Housing
- Hospitality

Development, Construction, Architectural Services

Contact:

Jean Kane
President / Chief Operating Officer
952.897.7711
jkane@welshco.com

Mark Parten
Senior Vice President, Property Management
952.897.7814
mparten@welshco.com

Ted Jokerst
Vice President, Welsh Capital
952.897.7877
tjokerst@welshco.com

Robin Zellmer
Vice President, Corporate Services
952.837.3089
rzellmer@welshco.com

4350 Baker Road, Suite 400
Minnetonka, Minnesota 55343
952.897.7700
www.welshco.com

