



STEPHAN BADEN, RECEIVER AND JCF REAL ESTATE - RECEIVERSHIP AND REO SOLUTIONS FOR COLORADO'S MOUNTAIN RESORT COMMUNITIES

Stephan Baden, a Colorado resident since 1979 and John Fitzmaurice, principal of JCF Real Estate and a part-time Colorado resident for more than 10 years, have pooled expertise to provide Colorado's mountain resort communities with unparalleled receivership and REO solutions. One of Colorado's leading brokers with expertise in resort development and brokerage, Mr. Baden has been actively involved in the regional real estate market since 1988. As a principal broker, he has access to extensive real estate resources and databases. JCF Real Estate is a Chicago-based, full-service real estate firm specializing in commercial brokerage and asset management. Since 1993, JCF Real Estate, through Mr. Fitzmaurice, has been entrusted as a court-appointed receiver or manager on hundreds of office, industrial, retail, multi-family and land assets. The Baden/JCF team has worked with dozens of law firms, lenders, and banks, establishing strong industry relationships throughout the region. With more than 20 years of experience and 100 current receivership and REO assignments, Baden/JCF maintains unsurpassed market knowledge and industry relationships and consistently builds value in under-performing assets.

Some of our current and past receivership clients include:

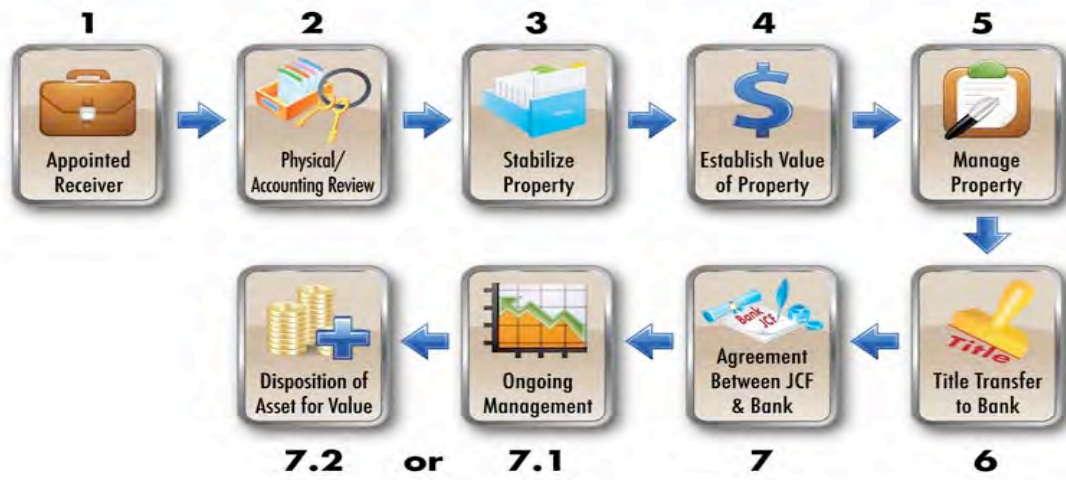
Harris Bank	First Midwest Bank	Cosmopolitan Bank & Trust	John Alden Life Ins. Co.
Fifth Third Bank	Bank One Ohio	American National Bank	Various Limited Partnerships
Cole Taylor Bank	Private Bank	The PNL Companies	Vectra Bank
Household International (HSBC)	Bank One Chicago	Park National Bank	
Wintrust Bank	LaSalle Bank FSB	First Bank	
	First American Bank	Barrington Bank	

RECORD & RELIABILITY

Choosing a court-appointed receiver is one of the most important decisions surrounding distressed commercial assets because of its impact on the asset's financial recovery. Mr. Baden, strategically located in Steamboat, Colorado, together with JCF Real Estate is in a position to handle a wide variety of property types throughout the mountain region. Baden/JCF has access to extensive resources and employs an experienced staff to carry out day-to-day management and maintenance issues as necessary. To properly protect the asset, a court-appointed receiver must be knowledgeable in business operations, legal issues and local real estate markets. With more than 20 years of experience managing and selling distressed commercial assets, JCF Real Estate, through John Fitzmaurice, has a proven track record of solving complex asset management challenges. Baden/JCF's objective is to manage the receivership property professionally, aggressively and proactively to stabilize the asset and maintain its value through the receivership period.

Baden/JCF has worked with a number of high-profile developers, lenders, attorneys and insurance companies by whom they are often recommended. Mr. Baden's extensive real estate experience in Colorado's mountain resort communities enables him to utilize his knowledge of the market's dynamics to create optimal solutions to maximize the value of his clients' assets. Mr. Fitzmaurice's real estate expertise dates back to the early nineties, enabling him to creatively solve the most complex real estate challenges that his clients face. Working in tandem, Baden/JCF provides comprehensive receivership and property renovation programs as well as overall management and leasing programs. Baden/JCF is your go-to real estate advisor on complex real estate matters.

TYPICAL RECEIVERSHIP FLOW CHART



Selecting a court-appointed receiver is one of the most important decisions made for the future of the distressed commercial asset. Decisions as important as this cannot be made in a vacuum. Instead, they should be made upon a thorough evaluation of the credentials earned and processes followed by the experienced receiver. This individual should be able to quickly and expertly demonstrate these credentials and processes, not just speak to them. With more than 20 years of experience managing all property types through the receivership process, Baden/JCF has devised a process that is designed to stabilize an asset and enhance value.

- **Court Appoints Receiver** - the first step in the road to recovery.
- **Physical and Accounting review of property** - before an asset can be effectively managed we gain a thorough understanding of the property's situation through a comprehensive physical and fiscal assessment.
- **Seek to stabilize the management of the property** - an appropriate course of action is determined and set in motion, with an assessment in place.
- **Establish value of the property** - Prepare budgets and conduct property analysis to assist lender or owner in establishing the value of the property; value can only be determined with the appropriate supporting information.
- **Manage property through Receivership** - Executing the plan, being aware of any unforeseen issues and challenges that may arise, and adapting the plan accordingly.
- **Title of Property transferred to bank, Receiver discharged** - in many cases, the foreclosure process ends with the bank getting title to the property, whereby releasing the Receiver of their duties.
- **Agreement between Baden/JCF and bank** - Third-party property management agreement, leasing agreement and/or property sales agreement is then engaged between us and bank to complete the following alternatives:
- **Property held by bank for a longer period and rehabilitated to increase value for future sale** - We work with bank on capital improvements, leasing efforts, etc. to help create additional value to property.
- **Property disposed by bank** - We work with bank on listing property, showing property and ultimately selling asset for highest value achievable.



RESPONSIBILITY

With a broader process view in place, it is appropriate to discuss the responsibilities and duties of the receiver, which are expansive and burdensome when one considers the difficulties a property incurs when facing a potential foreclosure or difficult financial period. **The primary receivership objective is to secure the physical asset, accounts and records to protect the integrity of the asset on behalf of the court.** The duties of the receiver parallel that of a property management company and seek to establish management procedures that stabilize, protect and preserve the asset. These include:

- Collection of all rents and fees at the property
- Supervision of all ongoing daily activities and maintenance of the property
- Supervision of all third party service contracts at the property
- Competitive bidding and awarding of all third party contracts
- Management of all utility accounts at property
- Hiring and supervising all personnel required to manage the property
- Provide proper management of lease obligations at the property
- Provide full accounting of all income and expenses of the property
- Provide going-forward budgets for income and expenses of the property
- Compliance with all Governmental Orders relating to the property

In addition, the receiver is also responsible with additional functions beyond that of a typical property management assignment. Some of these additional responsibilities include:

- Act with third-party independent control as a fiduciary of the court
- Maintain extensive understanding of the legal process as it relates to receiverships and the foreclosure process
- Facilitate any special banking needs of the receivership
- Generate reports tailored to the needs of the court and secured creditors
- Provide assistance with the leasing of a property
- Provide assistance with the disposition of a property
- Full cooperation after the receivership period to continue the stabilization of the property



ABOUT BADEN/JCF

Baden retains JCF Real Estate under a management services agreement for desired property management and other services on a property by property basis.

The Baden/JCF team delivers a complete range of integrated commercial real estate services to meet the financial needs of its clients in the Colorado mountain communities. The team strives to manage, lease, develop and construct assets as effectively and efficiently as possible, ultimately contributing to the prosperity of those we serve. Our operational philosophies are based on the premise that value is added by improving assets and building relationships. We recognize the importance of making your needs our top priority. We meet these needs by listening attentively and applying our extensive knowledge to a client's individual situation.

As receiver and manager, the Baden/JCF team represents owners of both investment grade and distressed properties. The JCF portfolio of current projects and historical successes consists of residential, retail, office and industrial properties. Since we are a privately held concern, we are able to provide a higher level of value-added management to the real estate assets acquired or developed. **If you require more information for court submission, please contact our office at (970) 875-1873 or s-baden@jcfre.com and a resume will be sent to you.**