

GROUND BREAKING ON AN INAUGURAL VENTURE

Mordini Watters Capital Partners celebrated the ground breaking on a retail construction project. In April, the formal ceremony was held to commemorate the event. In the presence of MWCP team members and business associates who played a special part in the planning of the project, Bob Mordini and Dan Watters took the first dig.

In August 2007, Mordini Watters closed on this 10.5-acre parcel of land located on the north east corner of E. Arapahoe Road and Jordan Road in south Aurora, known as The Shoppes at Arapahoe Commons. At the time of purchase, all necessary entitlements were in place for the center.

After a winter of preparation, the team was ready to break ground at the beginning of April.

When complete, the center will contain 14,260 SF of inline retail space, along with six pad sites.

Marketed by David, Hicks, Lampert Brokerage, Mordini Watters expects the project to be close to 100% reserved by the projected completion date. The project is being marketed to convenience and service related retail users, and to date, 30% of the inline space has been leased and three of the pads are under contract.

Residential development has grown exponentially

over the past five to ten years to the east, and retail development is now starting to catch up.

Arapahoe Road serves many residents in the South Aurora area, being the major corridor to the I-25 Freeway. Recent vehicle counts indicate over 65,000 cars pass by Arapahoe Commons every day. Being on the North side of the street, Arapahoe Commons will serve the to work side of traffic.

Furthermore, the development of Corner Star, a 680,000 SF power center located one block east of Arapahoe Commons, is expected to draw more traffic to the area.

QUOTES OF THE QUARTER

“Values are like finger prints, no one’s are quite the same, but you leave them all over everything that you do.”

~ Elvis Presley

“Courage is being scared to death, but saddling up anyway.”

~ John Wayne

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WEATHERING THE STORM...EXECUTIVE LETTER

This year we are faced with new challenges and opportunities. The credit markets are nonexistent, and until a new secondary market is established, nothing new will happen soon. We are in a recession, buyers and sellers are a couple hun-

dred basis points apart on most deals and there is little confidence in the market. So what do we all do now? Sellers seem to be adjusting pricing only as a last resort when they need to because loans are coming due and

there is the chance that more equity needs to be infused to underwrite properly because of the adjustment in values. This creates a buying opportunity. We are focused on Cash flow deals from

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COLORADO

ARAPAHOE COMMONS SHOPPING CENTER
AURORA, CO

ASPEN MOBILE HOME PARK
FORT COLLINS, CO

AURORA MOBILE HOME PARK
AURORA, CO

BATTLE MOUNTAIN LAND
EAGLE COUNTY, CO

CHANCELLORS MOBILE HOME PARK
FOUNTAIN, CO

COLORADO SPRINGS RETAIL PARCEL
COLORADO SPRINGS, CO

COUNTRY SQUARE SHOPPING CENTER
AURORA, CO

5275 DTC PKWY.
GREENWOOD VILLAGE, CO

DUKES MOBILE HOME PARK
ARVADA, CO

FITZSIMMONS LAND PARCEL (10)
AURORA, CO

HUNT CLUB LANE
GREENWOOD VILLAGE, CO

LAKWOOD MOBILE HOME PARK
LAKWOOD, CO

LEBARON MOBILE HOME PARK
AURORA, CO

NORTHCREEK #308
NORTH CHERRY CREEK, CO

PLEASANT VIEW MOBILE HOME PARK
GOLDEN, CO

PUEBLO DEL SOL RESIDENTIAL DEVELOPMENT
PUEBLO SOUTH, CO

ROTHE/HERTZKE FARMS
GREELEY, CO

SHANGRI-LA MOBILE HOME PARK
COLORADO SPRINGS, CO

SKY RANCH & THE HILLS AT SKY RANCH
AURORA, CO

WAYWARD WIND MOBILE HOME PARK
FORT MORGAN, CO

XEL/ SALIENT BUILDING
AURORA, CO

ZANG BUSINESS CENTER
LAKWOOD, CO

NEVADA

COMSTOCK MOBILE HOME PARK
LAS VEGAS, NV

SPEEDWAY 57 INDUSTRIAL SITE
LAS VEGAS, NV

WALNUT MOBILE HOME PARK
LAS VEGAS, NV

TEXAS

CRESTWOOD ESTATES MOBILE HOME PARK
SAN ANTONIO, TX

LAKE ARLINGTON RANCH
FORT WORTH, TX

OAK HAVEN MOBILE HOME PARK
ARLINGTON, TX

WILLOW BEND MOBILE HOME PARK
GRAND PRAIRIE, TX

MORDINI WATTERS QUARTERLY TRIBUNE

PUEBLO DEL SOL— THE ACQUISITION AND DEVELOPMENT OF 149 RESIDENTIAL LOTS

In February, Mordini Watters Capital Partners acquired 50% ownership of a 50-acre parcel of land in Pueblo South, Colorado. At the time of closing, the parcel was platted for 149 residential lots. MWCP and its partner, Major Venture Capital, will work together to develop the subdivision and sell the lots to local builders as finished lots.

The subdivision is part of a growing, up-scale area off of Highway 78, and is in close proximity to the Interstate 25. The main street through the subdivision is Bandera Road, with many private side streets and cul-de-sacs attached. Many of the lots include exquisite prairie and mountain views. In surrounding areas, high-end residences are springing up, along with supporting retail and office developments.

Mordini Watters is presently in negotiation to sell 50 of the lots to a local homebuilder. The sale would consist of a staged takedown. These lots are located at the back of the subdivision, leaving the more marketable lots to the partnership.

The partnership will develop the remaining lots to sell as finished residential lots, ready for construction, with a simultaneous presale marketing campaign. The process will be completed

in phases, with about 25 lots being released per phase. To fuel demand and sustain repeat sales, each phase of lots will be released on a lottery system that will limit the number of lots each builder can acquire. MWCP plans to complete and sell all finished lots within an approximate 2-year time frame.



Ryan Lantz, the newest addition to the MWCP team, will be heading up the project. Ryan recently transferred to MWCP from Richmond Homes, where he served as Executive Vice President of Operations. His extensive experience in land acquisitions, business operations, team management and sales will ensure the success of this project.

Many areas of Pueblo continue to exhibit population growth, in spite of the downturn of the residential real estate market. In a recent Pueblo area market study, strong net migration, relatively low interest rates, and the increase in job availability will keep the momentum of the real estate market continuing.



B AND D COMPANY— THE “BADDEST” CARWASH IN TOWN

When Mordini Watters Capital Partners purchased the Country Square Shopping Center in Aurora, Colorado last September, one of the things at the forefront of their minds was what its location had to offer. At the southeast corner of Iliff Ave. and Chambers Rd., this infill location offers ideal traffic counts and the perfect demographics for a tunnel car wash.

Over the past year, Mordini Watters has actively been searching for the ultimate retail pad sites just like it across the Denver Metroplex and beyond

to develop a portfolio of B and D Carwashes.

A relationship has been built with Ryko Manufacturing Company, an industry leader in the development, manufacturing, and installation of car wash equipment. Ryko, along with several retail brokers in the area are assisting Mordini Watters in finding ideal sites.

The first car wash at Country Square is scheduled to break ground this Summer, and several other sites are in the works. The projected end

result is to accumulate a portfolio of about 10 locations throughout the Denver Metroplex and Colorado.



MORDINI WATTERS CHOSE RYKO AS ITS EQUIPMENT PROVIDER FOR THEIR REPUTATION FOR DEVELOPING AND MANUFACTURING OF LONG LASTING, QUALITY EQUIPMENT.

TEAM SPOTLIGHT:

ALEX VOLPE, DIRECTOR OF BUSINESS DEVELOPMENT



As a veteran of the MWCP group, Alex brings his skills of

negotiation and structuring of venture agreements and the arranging of acquisition financing to the team.

A previous staff member of Icon Investment Group, Alex took time away to complete his J.D at the University of Colorado, School of Law and was admitted to the Colorado Bar in 2007. He also spent time working in the court system and international law firms of Costa Rica. His time spent away from the group has

brought him back as a integral asset to Mordini Watters, as his ties with professionals in South America will also bring unique opportunity to the group.

He is presently bringing new development opportunities to Mordini Watters, negotiating and structuring these deals, and heading up these projects as they evolve. His goals include development projects within the renewable energy space.

MORDINI WATTERS CAPITAL PARTNERS WELCOMES THE LAUNCH OF THEIR WEBSITE

Mordini Watters Capital Partners is pleased to announce the launch of their website, with the intent of making information about the company easily accessible and to keep contacts informed about new developments.

Using a local web designer, members of the MWCP team spent hours pouring over and refining content, to portray their corporate identity to those on the world wide web.

“We are very pleased with our

product,” states principal Dan Watters, “and we want our website to accurately represent who we are and what we do as a company.”

MWCP has launched their website and created their quarterly newsletter in hopes of extending and preserving their large sphere of influence, helping everyone to keep the lines of communication open and assisting in bringing more quality deals to the table.

OUR MISSION:

TO PROVIDE OUR INVESTORS WITH A SUPERIOR RATE OF RETURN WHILE ADHERING TO A CORE SET OF VALUES AND PRINCIPLES



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EXECUTIVE LETTER, CONT'D:

build to suites to finding the occasional true 8 or 9 cap and then leveraging it with 5-6 percent debt. The larger the deal, the more difficult it is to get it done from the debt and equity perspective. We are focusing on deals that are between \$3-10 million because our local banks have money for these deals. Activity is slower and we are working harder on new and existing deals more than ever. The bright spot is our diversification into hard money lending

and operating service companies that provide good returns. We have formed Momentum Funding which provides up to 100 percent of the money needed to fix and flip some of the REO or foreclosed homes that investors are purchasing. OFS is a roll up of 5 different but complimentary companies that we are purchasing in the fast growing Oil Service industry. Lastly, we are finalizing the formation of MWS land opportu-

nity fund which will capitalize on acquiring finished lots or paper lots at a discount to historical pricing in the Colorado, Nevada, and Arizona markets. This will be an exciting year with incredible opportunities. Those who have the cash and the ability to hold will prosper like those who implemented the same strategy in the early 1990s.

Robert D. Mordini, Jr.
Principal
Mordini Watters Capital Partners