



Joint Ventures

Federal Parking LLC uses industry-wide formulas to build a customized joint venture development. The structure outlined below allows the development team to place its resources towards the completion of a sound development plan in order to secure equity and debt for the project.

1. The land owner contributes the land (free and clear without encumbrances) into the joint venture ("The Company") as equity.
2. Federal adds value to The Company by providing a range of pre-development and project management services along with the capability to assist in obtaining comprehensive financing. When the land is contributed as equity into the project, it allows the development team to allocate the up-front dollars towards the completion of the following pre-development activities:

- Prepare legal documentation package utilizing internal and external legal team
- Create development program based upon site constraints, zoning, and market analysis and economic requirements
- Prepare development and business plan
- Undertake master planning activities utilizing internal staff and external planners and architects
- Undertake site planning including site analysis, site design, and architectural studies utilizing internal and external resources
- Manage the joint venture relationships through bidding, documentation, due diligence, economic feasibility, community outreach, entitlements, design, permitting, construction, property maintenance, common area management, and asset management phases
- Manage the asset and economic relationships between the developer and public and third-party private entities which have economic partnership interest through a joint venture agreement, development agreement, or lease agreement
- Conduct comparable analysis to determine basis for accurate pro formas and establish residual land values through the comps identified in the market including as appropriate
 - Raw land comps - zoned and unentitled
 - Finished building sites
 - Vertical product finished values
 - Rental rates for garage structures and surface parking lots

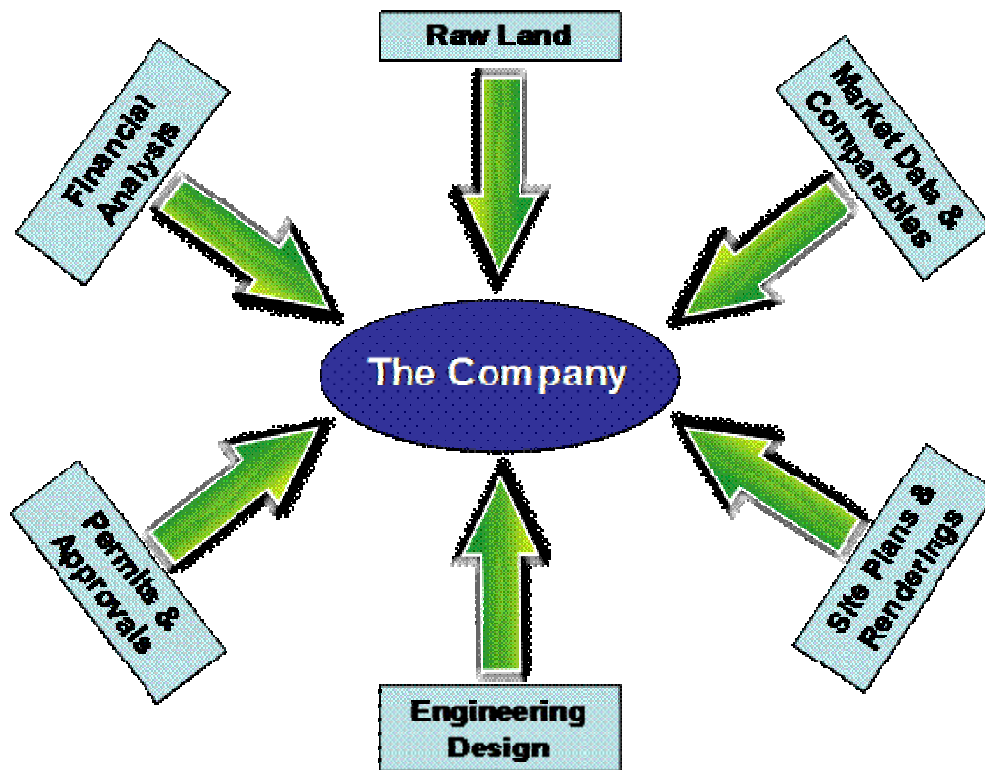
- Work with civil engineering and design and construction teams to prepare horizontal development budgets
- Prepare horizontal development pro formas
- Work with civil engineering and design and construction teams to prepare vertical development budgets
- Prepare vertical development pro formas
- Work with financial team members to create finance plan including optimal equity and debt
- Create marketing plan and manage its implementation including public relations, advertising, leasing, and marketing
- Identify comprehensive, creative, and effective methods to capitalize real estate projects.

Project Management Activities

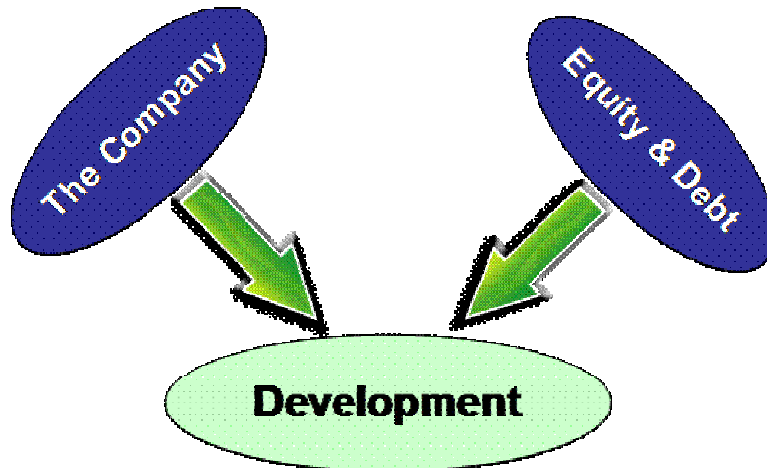
- Create and implement property management plan utilizing property management affiliate
- Recruit, hire and manage staff (full-time, part-time, and independent contractors) required for each project office and as budgeted in the project pro forma (typically a project manager, assistant project manager, financial analyst, marketing associate, and administrative assistant) throughout the 2 to 5 year life of the project
- Review economic analysis of the project(s), including basic cost, leasing, financing, disposition and tax impact assumptions as appropriate
- Prepare economic fiscal analysis for negotiations with public partners on project economics to ensure public entities and local jurisdictions of fiscal neutrality and for community outreach purposes
- Monitor reviews with local, state and federal jurisdictional agencies and assist the architect, engineer and construction manager in securing all necessary permits and required public agency approvals
- Manage horizontal civil engineering and design process and bidding process to secure guaranteed maximum price (GMP)
- Manage the entitlement process either through federal agencies or local land use jurisdictions
- Manage the land development permitting process
- Review easements, covenants, deed restrictions, etc.
- Assist in design reviews with the design team
- Manage the vertical permitting and applicable entitlement processes (after conceptual design)
- Review the schematic design process and preparation of budget based upon schematic design
- Review design team contracts as to quality, timeliness of performance, payments, compliance with contract requirements, etc.

- Evaluate potential costs related to site considerations and selections, including existing topography, availability of utilities and/or relocation of same, soil conditions, parking requirements, etc.
- Review existing analyses of the development site to insure complete information on surveys, topography, utilities and soil conditions is provided to the design team
- Prepare master development schedule
- Review the architectural and engineering programming, conceptual design, schematic design, design development and construction drawings prepared by Federal Design Group and design partners.

The following figure illustrates the assets incorporated into The Company from both the land owner and Federal:



3. While engaged in the pre-development activities, the development team will actively seek equity and debt from various interested parties. Federal will negotiate the best terms for The Company. The capital infusion into the project, coupled with the additional resources added to the project by The Company will serve to create a dynamic development. The following figure represents the process:



4. The following is a list of project management activities and responsibilities for horizontal development and vertical development or vertical co-development as agreed upon on a project-by-project basis:

- Review development time schedules for the design phase and coordinate the activities of the architect, engineer, interior designer and other consultants. The schedule should show the responsibilities of each party and the proper time spans and sequence of activities.
- Create and implement common area maintenance program utilizing property management affiliate
- Manage horizontal construction process
- Implement effective and efficient project management programs
- Review, negotiate and award consulting and construction contracts
- Review requirements for necessary site infrastructure, bonds, etc.
- Review development design requirements (programming, outline specifications, etc.) in coordination and consultation with all relevant parties
- Review design development progress
- Manage vertical construction process
- Evaluate the early purchase of long lead items as required to meet development schedule requirements
- Review design development documents and budget based upon design development
- Review construction loan draw requests
- Assist in pre-qualification requirements for trade contractors
- Review contractors' proposals, make recommendations regarding selection of contractor(s), and negotiate contracts (including warranty, bonding, insurance, shared savings, liquidated damages, etc., provisions)
- Manage general contractor's coordination of base building and tenant work

- Review contractor performance as to cost, quality, schedule and compliance with insurance requirements
- Attend key job site meetings with contractor and trades, review meeting minutes and follow up as required, and prepare monthly reports addressing development progress and issues
- Review contractor applications for payment and supporting documentation and review/take action on proposed construction change directives and change orders
- Coordinate construction activities for equipment and move-in, and monitor required inspections and permits
- Insure delivery of all close-out documents (as-built drawings, warranties, lien releases, etc.)
- Confirm delivery of keys, manuals, plans and specifications, attic stock, etc., manage completion of punch list items, and manage performance of corrective and warranty work.

5. The following is a list of parking management activities and responsibilities as agreed upon on a project-by-project basis:

- Parking Management Services
- Managerial Support
- Revenue Control Systems
- Revenue Maximization Services
- Accounting and Reporting Services
- Ticket Revenue Control
- Operational Audits
- On-site Staffing
- Human Resources
- Risk Management