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## US GLOBAL DEVELOPMENT & INVESTMENTS

Finance and construction management for a New York City in Navi Mumbai in India.

## DESCRIPTION OF THE PARTNERSHIPS BUSINESS

- Residential
- Commercial
- Community Center
- Religious buildings
- Kiosks
- Institutional
- Landscape
- Walkways
- Parking
- Waterways

PROJECT DESCRIPTION

US GLOBAL DEVELOPMENT & INVESTMENTS

## DESCRIPTION OF PARTNERSHIPS BUSINESS

### Background

In India, with explosive population growth and a shortage of capital and experience-to develop communities and the necessary infrastructure to meet the growing needs of their residents, have encouraged foreign companies to develop such communities and Infrastructure for them. Each year, billions of dollars are being committed to development projects in foreign countries.

also the development of most projects requires significant capital investment and many different fields of expertise, these projects are often developed by joint ventures comprised of many different Investors and service providers. It is often common for the joint venture participants to be multi-jurisdictional companies with each having its own business and tax incentives.

Housing deficit in India exceeds 250 million units. The Indian government has proposed business and tax incentives to private sector developers to deliver housing units to the public adopted legislation increasing the deductibility of mortgage interest to stimulate new home The real estate regulatory environment is changing to attract foreign developers to bring design, and technology to the country.

### Business Objectives

Partnership intends to acquire the Project property, master plan the site, market apartment \*\* to non-resident Indians living abroad and to domestic buyers, obtain construction financing multilateral and Indian Institutions, construct the project and attain a high after tax return investment.

KPMC ha been engaged to perform market and feasibility studies and economic and advise on international tax issues.

Partnership intends to use Bechtei or similar top 5 construction management companies to represent the Partnership, review and approve structural design, engineering documents and manage construction.

Partnership Intends to structure the investment to achieve limited liability, Insulation of its profits from creditors and political Instability, and the ability to transfer or liquidate Its assets

Objectives As per year 2,000 estimates

Units	11,000
Gross revenue	\$ 680,000,000.00
Profit (27.5%)	\$ 187,000,000.00

Gross currency is United States dollars unless otherwise specified.

Partnership's business plan strategy and goals are summarized as:

### First Stage

- Preliminary market and feasibility study conducted by KPMG India to determine market characteristics
- Survey the property and evaluate the surrounding area.
- All hands meeting with KPMG, CIDCO, Bechtel, Indian architects, engineers financial institutions, and real estate marketing team.

### Second Stage

- Complete detailed macro and micro economic KPMG study.
- KPMG will produce a bankable document for financing purposes.
- Using market data and local focus groups, begin conceptual designs of the project to determine actual development and construction costs

. \* Pre construction marketing to the non-resident Indian ("NRI") population in California, Hong Kong, London, and New York. Market to local population.

### Third Stage

- Complete construction documents.
- Structure project credit and equity financing for Institutional Investors.
- Obtain commitments from Indian Institutions for mortgage financing.
- Comience construction and sales.

### Acquisition of the Property

Purchase price for Module 1 of the Property is US\$20 million and US\$53 million Modelle li, with commencement of construction after a Module has been fully paid for by the in corporation. The Partnership will supply capital and oversee and control the Mauritius corporation, which will provide the equity Investment in the Indian corporation (see "Use of Tax" and "Ownership, Financial and Tax Structure below).

Real property asset will be acquired in two Modules at a price set by the State of Rs.1,500 square meter and only escalation permitted will be 15% to the rs 1.500 per square meter. The CIDCC board of directors acting under authority of the State has will fully approved and executed a Memorandum of Understanding ("MOU") which sets forth the acquisition price payment terms, (iii) organizational requirements. (iv) buyer's performance conditions, and (V) ability of buyer and CIDCO to modify any development criteria usually established by the state in connection with the Property and its development.

The procedure for Modulo I is (t) a ninety day period for the Partnership to complete its wilty and appraisal studies (the "Study Period") with an automatic 30 day, extension upon notice of the Partnership. ( ) execution of the Letter of Allotment by CIDCO, (1) delivery \*Partnership of a Deed conveying interest and rights to development and sale from

**CIDCO to the Partnership** (iv) transfer of the earnest money deposit ("EMD") equal to ten percent of the purchase price of Module 1 within sixty days of completion of the Study Period to CIDCO. (v) payment of 40 percent of the purchase price within 60 days of remittance and receipt of the EMD by CIDCO, and (vi) payment of the balance of the purchase price one year from payment of the EMD.

The same closing procedure will be used for the acquisition of Module II, which will begin one year subsequent to payment of the EMD for Module 1. Acquisition of Module I will occur without interest charge or premiums.

### **Ownership, Financial and Tax Structure**

Indian regulation require a corporation organized under indian jurisdiction to own and operate the project. Most development projects require the use of an entity organized in the local country in order to satisfy regulatory or other requirements. In such cases, use of an entity eligible to elect treatment as a partnership ("hybrid generally will provide greater flexibility for US partners.

### **Project Structuring Considerations**

The Project will be structured to take into account both the business and tax objectives of the Partnership and local law considerations.

### **Use of Tax Treaties**

To the extent applicable, ownership and financing of the Project will be structured to obtain the benefits of available tax treaties. The partnership contemplates ownership and financing of the project by a Mauritius company because the tax rate paid by an Indian company a Mauritius company are reduced to 5 percent under the Indian-Mauritius tax treaty. When completing the final structure, it will be necessary to ensure that the single-purpose tax treaty Intermediary Is treated as a resident of the treaty Jurisdiction and otherwise eligible for treaty benefits under the local law and provisions of the treaty.

## PROJECT DESCRIPTION

The New York City Project is a 200-hectare master planned community of approximately 11,000 dwelling units, retail shopping, amenities, American-style business management school, medical university situated on 200 hectares (500 acres) of oceanfront property. The community about seven miles from the Gateway to India by hovercraft.

Navi Mumbai was master planned more than 20 years ago by the State of Maharashtra and is believed to be one of the largest new city projects ever undertaken in the world. A strategically catered, environmentally friendly alternative to the severely congested metropolis of Greater Mumbai it is a totally new, 344 sq. km. master planned modern metropolis with an infrastructure designed to meet the growing needs of economic and population expansion into the 21st Century. The City Industrial Development Corporation ("CIDCO") is the government agency responsible for urban planning and administering development of Navi Mumbai.

CIDCO has invested over Rs 40,000 million (US\$1.14 billion) in basic infrastructure preparing the region to absorb the imminent, large-scale shift of population, business, commerce and pollutant industry from Mumbai, and elsewhere, into the area. There have already been many successful large residential and commercial developments completed in the region.

Positioned to become the most sought-after address for corporate India, Navi Mumbai is well balanced and beautifully landscaped, and has been designed as fully self-contained nodal with the Central Business District ("CBD") at the heart of the metropolis. The city has been planned to avoid the problems of urban congestion. Nearly half of the total township area is reserved for green space, making Navi Mumbai one of the greenest larger projects in the world.

### Many Features

- One of the largest, fully master planned new cities in the world
- Total Area: 344 sq. km
- An efficient integrated transportation system covering all modes of transport
- Adequate and reliable power supply: current consumption is 90 MVA, 960 MVA is installed, and 1500 MVA is planned for 2020. With the completion of the Enron Dabhol and Reliance Patanganga power projects, the state of Maharashtra will have surplus power.
- State-of-the-art telecom network: 0.4 million are planned for 2003 with 70,000 currently available.
- Greater Mumbai is easily accessible from Navi Mumbai through a variety of already existing transportation modes: hovercraft, railway, ferry and road.

### Mini Township Site

Project site is located within the township of Dronagiri. The property is comprised of 200 hectares 7.2 miles directly across from The Gateway of India and the business of Bombay. This close proximity to the financial capital of the second most populated city in the world.

### **First Stage**

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### **Second Stage**

- Complete detailed macro and micro economic KPMG study.
- KPMG will produce a bankable document for financing purposes.
- Using market data and local focus groups, begin conceptual designs of the project to determine actual development and construction costs.
- Pre construction marketing to the non-resident Indian ("NRI") population in California, Hong Kong, London, and New York Market to local population.

### **Third stage**

- Complete construction documents.
- Structure project credit and equity financing for institutional investors.
- Obtain commitments from Indian institutions for mortgage financing.
- Commence construction and sales.

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Payment and purchase price for Module 1 of the Property is US\$20 million and US\$53 million Module II; with commencement of construction after a Module has been fully paid for by the Indian corporation. The Partnership will supply capital and own and control the Mauritius corporation, which will provide the equity investment in the Indian corporation (see use of Tax treaties and "Ownership, Financial and Tax Structure below).

Real property asset will be acquired in two Modules at a price set by the Sale of Rs.1,500 square meter. The CIDCO board of directors acting under authority of the State has fully approved and executed a Memorandum of Understanding ("MOU") which sets forth the acquisition price, (ii) payment terms, (ii) organizational requirements, (iv) buyer's performance conditions, and (v) ability of buyer and CIDCO to modify any development criteria jointly established by the State in connection with the Property and its development.

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country in the world offers unique development opportunities, in addition to conventional roadways and rail services, the ferry service delivers passengers from downtown Mumbai to the property in 30 minutes. The City's future development plans include construction of a hovercraft property and will provide a rapid 20-minute connection to Greater Mumbai.

Additional access to the site is provided both by railway and road. The project is localized located only 13 miles from the Central Business District of Navi Mumbai. A major bridge connection between Greater Mumbai and Navi Mumbai has been planned with approximately 3 miles from the Project.

The 200 hectare property is divided into two modules: Module I contains 55 hectares (5,918,000 sq. ft.), and Module II is comprised of an additional 145 hectares (15,602,000 sq.). Connected to the bay separates the two parcels. Through appropriate design this would afford the site an scenic cornice promenade. This would be several site specific attributes of the development, including man made lakes, marina complex and expansive landscape open spaces

**Following is a land use summary:**

- 11,000 dwelling units
- 2.1 million sf medical university
- 40,000 sf clinic
- 300,000 sf American-style business management school
- 2 man-made lakes
- Marina complex
- 494,000 sf regional shopping center
- 530,000 sq ft of local shopping

USGDI Partners has allocated space in accordance with the general guidelines established by CIOCO. The population of our master planned development will ultimately reach about 50,000 people. Provision will be made for schools, temples, synagogues, churches, mosques, local shops, a regional mall, restaurants, cinemas, swimming pools, tennis courts, squash courts, bowling alleys, and marina and yacht club, among other amenities. The partnership plans to enhance the property's value by phasing the construction. We propose to first develop Module I, and later to develop the higher-valued, mostly oceanfront acreage of module II.

**Regional Developments**

- **Developments At Dronagiri Node**

Dronagiri is the biggest node, with a developable area of 2000 Ha (25% of developable area in all 12 nodes). This includes over 500 Ha of warehousing park and port-based industries park. Thus, port-based activities could form the basic economic nucleus for the proposed residential township at Dronagiri.



- CIDCO is currently planning a study to determine the feasibility of using Dronagiri as a high-technology industrial park for developing Mumbai's own "Silicon Valley."
- According to information available from CIDCO, over 60 corporations have purchased close to 300 Ha in the warehouse.) park to provide various port related Services for JNPT. These include firms such as Maersk, Central Warehousing Corporation (CWC), Maharashtra State Electricity Board (MSEB), Shell, Punjab State Container & Warehousing, Etc. Investment plans of these projects are not available. However, based on preliminary estimates, these project proposals could entail investments of close to 7.500 crores (US\$ 1 billion).
- According to our preliminary assessment, these Investments, though not employment intensive, are likely to be largely in the services sector for port related services at JNPT.

#### **JNPT Related developments**

- JNPT is being expanded with private sector participation into a modern container port. This will involve an Investment of close to Rs. 900 crores (US\$ 1 billion plus, and will result in considerable employment generated in the services sector, both direct and indirect. P&O Ports, the developer, is also expected to have housing requirements for its employees and expats.

- Further, the services sector activity in Navi Mumbai is increasing. Banks, financial institutions, public sector undertakings, railways etc. are in the process of shifting their offices to Navi Mumbai. At present, there are no facilities at Navi Mumbai to meet the entertainment and recreation requirements of the resident population.

#### Connectivity With Navi Mumbai

- The ongoing passenger rail MRT link to CBD Belapur and Panvel will establish the vital rail connectivity for Dronagiri with the rest of Navi Mumbai, it will also establish rail connectivity with Greater Mumbai.

#### Trans-Harbour Bridge Connecting Greater Mumbai

- Future connectivity with mainland Mumbai by the proposed 7 km. trans-harbour link Nhava - near JNPT, to Sewri) and hovercraft services will reduce travel time to South Mumbai to 45 minutes. Thus, in future, the project can become a preferred residing location for senior corporate executives in South Mumbai. Dronagiri can also emerge as a weekend "get-away" destination offering quality entertainment and recreation facilities for top executives in island Mumbai. This completion will be by 2022

#### New Airport

CIDCO is consulting with Airports Authority of India (AAI), Government of Maharashtra and the Central Government, and proposes to locate the new domestic airport at Khandeshwar (near CBD Belapur). This could spur economic activity in Navi Mumbai. Thus, Dronagiri, with its entertainment and recreation infrastructure could complement the large-scale residential and commercial development that has already taken place at CBD Belapur and other nodes.

#### Demographic Analysis

Mumbai is undergoing rapid infrastructure and industrial development. The present population is 3 million and is projected to increase to 5 million by 2023 and to reach 3 million, by the income distribution of the population is 50 percent low-income group 30 percent middle income and 20 percent high income. Dronagiri offers this 2 million population increase attractive accessible alternative to other locations within Navi Mumbai. Statistically, the average Indian family is comprised of 4.5 members. Therefore, within 13 years Navi Mumbai have approximately an additional 134,000 middle-income people and an additional 90,000 low income. - To be successful, the Dronagiri Project only needs to capture 4.2% the steady increase in middle-income group population; and 5% of the increase in the high income group population.

#### Factibility Study.

General Partner considered and reviewed the credentials of two other internationally sized firms before selecting KPMG as the firm to conduct the market and feasibility, study the Partnership's Project. The other two firm's, which had been considered by the General partners, were Pricewaterhousecoopers and Arthur Andeiser, both of India. The General partners made its decision to hire KPMG over the other firms based upon the criteria established. Partnership, including years of experience, national reputation, specialization in real state market studies and financial structure for reduction of India tax liability in connection with operation, of profits from the Project.

As of the Market and Feasibility Firm, Prior to its engagement by the General on behalf of the partnership, KPMG india had no prior business relationship with the partner or any of its other affiliated entities.

Provides services to 26,4% of the world's top 1.000 commercial and industrial. The KPMG infrastructure makes it possible to create international or local nory client teams which are united in their commitment to find investors, client-solutions. KPMG employs more than 92.000 professionals who collaborate across service and national boundaries to deliver global solutions In 157 countries.

Preliminary report has been completed and the findings were most encouraging. The findings have covered the following issues.

- Project feasibility and economic modeling
- Determination of product mix
- Selling prices of comparable units
- Projected absorption
- Tax planning
- Development program
- Market research
- Product development

Leadership team will translate the findings of the Market Analysis and Feasibility Study into plans and specifications during the schematic design process.

Has some of the aspects the Partnership will consider are:

Project planning - will consider the best means to mobilize and begin construction quickly initially fast track, design and build system will be used to "kick start the project.

And use Alternatives - Partnership will find the best balance between quality of life, eyes and receive on Investment Some of the competing land use to be.' considered are residential commercial, recreational, entertainment and open spaces.

Master Plan Development - Alternate phased developments will be considered in ms of overall attractiveness of the development meeting market demand and prioritise cash flow, Particular attention will be directed towards enhancing the value subsequent phases of the project

Landscape Architecture - the oceanfront property will benefit from the effective use appropriate banciscane architecture. This can be used to enhance the potential

- Get away atmosphere of the location. Landscape will be considered in terms of quality of life, aesthetics, air quality, energy conservation, operations cost, maintenance and water usage.
- Architect ñure and Engineering - Architecture will be of a high-rise "American Style" residential nature, but will incorporate proper Indian cultural attributes.

The overall development will bring modern style and amenities to the Indian public. Engineering will be done to International Standards Organization (ISO 9000) specifications. The best passive environmental, electrical, mechanical, and telecom systems will be combined with appropriate reinforced concrete construction

Suggested Development guidelines were established by the feasibility study. The market focus is residential homebuyers in the upper middle income and the upper income group market. A through discussion with local Mumbai architects, we have established that the appropriate dwelling unit sizes are 950 square feet (Type I) and 1,100 square feet (Type II), respectively. Using a product mix of approximately 60 percent Type I and 40 percent Type II and the

Allowable square footage for residential units established by CIDCO, we arrive at the total number of residential units as 11,000.

## MARKETING AND SALES

### Activities and goals

Partnership will position the Project in the market to take advantage of the proximity to the way of India, the increasing demand for a resort-like residential settings, and the desire of resident Indians to own a flat in India. The Project's positioning is middle to upper-income class. The goals of the Partnership are:

- Achieve sales of no less than \$150 million in the first 12 months from the start of construction with sell-out in 36 months.
- Provide a total, planned community solution with a high standard for the Project's consumer profile.
- Create worldwide demand among non-resident Indians.
- Local Brokers. The Partnership will use local Indian real estate brokers to handle bookings and the sale transaction.

### La and Internet Advertising

And marketing will utilize the following media:

- **Print Advertising.** Traditional marketing advertising mix. Use experts in the creation and placing of traditional print media as well as all other forms of media. The public relations firm will identify specific print media opportunities that reach our target audiences and design the campaign that will motivate customers to visit the *project's website and purchase an apartment*.

### Indian News Magazines and NRI Magazines.

- **Radio Spots.** Radio advertising can be highly targeted to NRIs during commute *time in the US and London*.
- **Television Commercials.** *One of the most effective marketing methods is local TV commercials.* Additionally, local cable companies' technologies are now better suited for targeting specific audiences, thus the Partnership's message will reach its *intended audience*.

- **Interactive Advertising.** *The Partnership will utilize the Internet to promote the*

Project worldwide. The Project website will allow visitors to take a virtual tour of the Project, view plans of areas, green areas, services and take a "walk".

Relations will focus on:

**Article Placement.** The Partnership will conduct an "edito Jur with the advertising agency to promote the Project in the domestic indian market and Hong Kong. California, New York and London.

**Event Sponsorship.** Creates immediate response. Events promoting sales of the apartment units held at hotels in London, California, Hong Kong and New York can produce impulse sales.

**Press Releases.** Used on a regular basis provides consumers with information about the Project, economic and population growth of the area, and news.

**Contests and Giveaways.** This sales method is proven to be effective in bringing potential apartment buyers to a Project event or sales office. Contests attract potential buyers and bring attention to the Project.

**Incentives.** A variety of incentive programs will be designed to encourage !he: purchase of an apartment...

**Search Engine Optimization.** One way a web-surfer may find the Project is through the use of search engines. Web sites such a Yahoo'o: Excite use "spiders to locate destinations based on inquiry typed in by the user. The keywords or meta-tag captured by the spider: can be manipulated by the Partnership, causing the Project 2. name to be listed in the top 3 returns to a query. This placement facilitates a potential visitor to visit Project's site first.

## MANAGEMENT OF THE PARTNERSHIP

Managing partner of the Partnership is US Global Development & Investments, a sole proprietorship company formed in Jan 2019. The General Partner's principal executive offices will be the same address as the principal executive offices of the Partnership.

All Partners will have the exclusive right and full authority to manage, conduct and execute of the Partnership. The General Partners will devote such time as they desire to conducting the business and affairs of the Partnership. Neither the General or affiliates are prohibited from engaging in activities outside of the operations of the Partnership, whether in the real estate business or otherwise. Such outside activities are authorized in the partnership agreements of the Partnership.

Partner, through domestic and foreign partnerships of domestic and foreign ends to provide a full range of engineering, construction and related services on a fee basis to clients in one broad market sector: Master Planned Private and Public which include residential and commercial construction and related power. The types of services provided by the General Partner, directly or through partnerships jointly owned or affiliations with other companies, include: feasibility study design, engineering, procurement, project and construction management, maintenance, plant operations, technical, project financing, quality control, start-up assistance, site evaluation, consulting and environmental

Partners management team is an experienced full-service staff list has implemented many international projects. Our experience working on foreign urban development programs and our diversity of capabilities will enable us to act quickly to the needs of specific tasks that will be part of the Dronagiri program. The team has an exemplary record working with various foreign governments.

Are the names, ages, and employment history of the executive officers of Development Co.. All of such persons also presently serve as executive general Partner.

Age	Position
42	Chairman of the Board of Directors and Chief Executive Officer
42	Vice President Finance and a Director
48	Senior Vice President of Operations and a Director
61	Senior Vice President of Product Development and a Director
73	A Director

### Team A

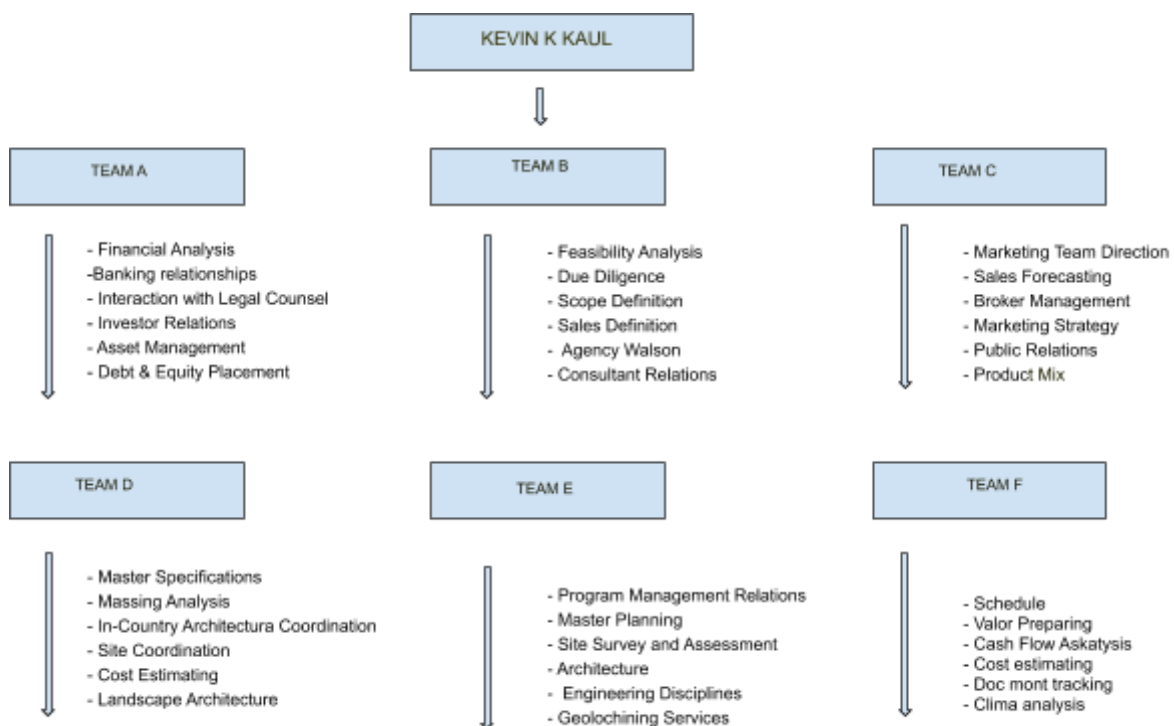
More than 10 years of experience in corporate management and investment, finance and analysis of development and construction. The expertise.

Includes land planning, market and cost perspectives in the domestic market, as well as construction finance of urban development projects involving government-mandated pension funds and central bank-regulated trust funds in Latin America has provided project financial advisory to multinational Latin American corporations, with an aggregate value in excess of \$1 billion.

Team B has over 20 years experience in corporate and real estate finance, treasury management, and strategic planning. Mr. Polsen has extensive experience resulting from 13 years in corporate finance with a major New York bank and has raised debt and equity capital, negotiated and structured corporate transactions, supervised asset liability functions and managed diversified professional staffs.

Team C, has over 25 years of experience managing design and construction of large international projects has expertise in project planning, management of architectural and engineering design of multi-clto program management, implementing project controls systems, contract administration, on-site engineering, sub-consultant supervision, and quality control.

Team D, has more than 30 years experience in prefabrication of housing, the exportation of housing components to China and South America, and has set up and operated factories in the United States. is experienced in plant management, production, and construction of housing projects in foreign countries.





### Partnership Organization

The business of the Partnership currently consists exclusively of investment in the Project India, corporation organized under the laws of the Union of India for the purpose of development and construction of the Mini-Township in Navi Mumbai as follows: (i) to acquire and develop the project site (ii) to provide, directly through the Partnership, for the continued management, operation and disposition of such assets, (iii) to provide construction management and marketing of dwelling units to the home buying public, and (iv) all matters incidental thereto.

## PROGRAM MANAGEMENT

### **Project Experience**

The management team of the General Partners Includes individuals with direct experience in international project finance, project management, architectural design, engineering and planning.

Project finance experience encompasses political and credit risk analysis, structure and placement of debt and equity with multi-national institutional investors.

The management group has extensive experience in project evaluation, conceptual design, cost estimation, and construction documentation. Each manager has experience in managing all disciplines involved in starting and completing large and complex construction experience in the Middle East, Europe and Asia. Completed work consists of power plants, industrial buildings, airports, roads, housing units, schools, and medical facilities. hermore, the group has worked with multi-national construction and engineering teams and pertinent agencies.

### **Project Coordination**

General Partners propose to use a Team of professional organizations, that represent the firms operating in their fields. Our team is comprised of the General Partner, KPMG and CIDCO.

General Partner's approach to Program Management is to use a combination of in-house expertise and the best external program management firms. The General Partner's internal management group is comprised of a highly skilled cadre of architects and engineers with international experience. This experience is critical to this success of the project cause for them to effectively function in a India within International Standards Organization It also expedites the General Partner's ability to interact more productively with foreign government agencies and consultants.

The Design Development, Construct!on Document and Construction Phases of ihe work, the Partners plan to retain the services of Bechtel, a world leader in the International program management field. Our selection process to only the most experienced. national firms, wo ensure that the management team will have an extensive background with foreign designers, contractors and government agencies. This will facilitate the development of suitable designs, along with concurrent mobilization of the construction In. Time is of the essence for project success. To accomplish this it may be necessary to the design effort so that construction could begin in the shortest possible time.

Bechtel is a global engineering construction organization Bechtel provides premier technical, management, and directly related services to develop manage, engine, build, and operations, customers worldwide. For more than a century, the group has mastered every engineering, procurement, construction, imanagarnent, development, and financing engs imaginable, working on more than 19.000 projects in 140 nations on all sites. Mirroring an increasingly gióba: marketplace.

Of transnational partnerships and alliances likewise, it teams with local and regional companies to provide added value to customers. Founded in 1890, Bechtel a privately held company Bechtel, an organization of some 30,000 manual employees, is divided into four geographic units: Europe, Africa, Middle East, Southwest Asia; Asia Pacific: North America, and Latin America. The company's main offices which provide most of the engineering, construction, and nontechnical workforce necessary to execute projects are located in San Francisco is the corporate headquarters

By assigning one group to responsibility of managing both the design and construction activities, possible design ambiguities are reduced and construction conflicts eliminated. This will result in a "value added" construction management approach. The end result will be higher construction quality, in less time and for lower cost. An additional benefit is that it provides greater cost control, the ultimate goal of which is to obtain a firm fixed price contract. Having a lock on the project cost enables the Partners to obtain a holistic perspective on the economic feasibility of the Project.

There are many different components to this program that will have to be coordinated and consistently managed to ensure that each project is completed on time, is performed cost-effectively, and best serves the Project. Because there will be different entities responsible for various aspects of pre-design, design, and construction, it is vital that consistent approaches to the work be developed and used throughout the entire program. The following services provide way for the General Partner to make certain that the project goals are met.

**Project Procedures Manual.** The Partnership develops a project-specific procedures manual for each project. The manual contains information concerning the division of responsibilities between the project staff, from members, contact information, and project approach. This task will be accomplished early in the program, with input from each team member.

**Project Controls.** The focus of the Partners Team will be to control the project's overall quality, duration and cost by managing the activities of our specialty consultants. To accomplish this objective, the General Partner uses state-of-the-art Project Controls Software and Personnel skilled in its use, Project Controls are used to prepare detailed resource-loaded Schedules to monitor the Project from conception to occupancy, each of the stages feasibility studies, land acquisition, schematic design, program management, marketing, sales, and turnover can be assigned a duration, cost, and level of manpower. The intention is to anticipate problems, reallocate resources, and reduce the time and cost impact of changes. Project Controls can be used to compare planned and actual cash expenditures. They are the basic tool of Project accounting and are used to plan cash flow requirements.

**Project Schedule.** A detailed schedule will be developed for the programs that will include the activities of the planning groups involved in the program including KPMG, the designers, involved agencies Bechtel, and construction contractors.

Project schedules will generally consist of two separate schedules, the target (or control) schedules and the working schedule. The target schedule will be the base schedule established at the beginning of the program for each project. Approved changes will be the only basis for altering the target schedule.

Schedule Oversight. The team will work with the to ensure that they are managed and have the least impact on the program schedule and to complete the program on time designers and contractors need timely advice from the general partner team on technical issues and of costs. Partners are highly interested in the need for timely information and will have systems in place for a rapid response.

Schedule control means expediting the processing and return of shop drawings, requests formation (RFIs), and change orders. If the schedule-slips, we will notify the appropriate and require an immediate response for recovering the slippage.

Meet with each group on a quarterly basis to review the as-planned schedule. During \* meetings, we will discuss perceived deficiencies in the schedule and will work with all to obtain a revised schedule that will serve as the basis for monitoring progress.

Performance. The General Partners measure performance on each project using a cost of earned value or physical progress. Physical progress is calculated by measuring the accomplished, comparing it to the estimated quantity of work at completion, and utilizing the overall project percentage of work completed by using a weighted factoring. An estimate of labor hours required to perform each of the work activities is developed estimated effort for the work completed can, be compared with the total labor estimate, estimated labor effort can be distributed over both the best (early start) and worst (late schedules to establish an envelope of acceptable progress.

Reporting. The Partners intend to tailor progress reports to requested requirements, a program of this size would require a report presenting the highlights, issues and status of progress. The progress report would summarize the status of expenses, that is, RFIs, change orders, and claims; show the total potential cost of the project and the possible projected completion date or change orders and claims and present a comparison and full planned percentage. The monthly report would be accompanied by detailed cost reports and a progress schedule.

Level reporting tools are critical for effective communication for large programs. The such tools is their ability to provide summary information from the scheduling, cost document management, and reporting systems in use on the project, such that senior can easily obtain up-to-date details program status.

Meetings. Telephone and internet based weekly coordination meetings will be and held with the designers, contractors, CIDCO staff, and others es appropriata; to resolve work-related issues and to coordinate activities for the following week. To reach meeting will be circulated showing action items that were identified and for resolving each item. Action items will he reviewed at each coordination meeting not be removed from the list until rescivèd.

Flow analysis and forecast. Private investors will provide financing for the Project. In fulfillment of his fiduciary responsibility, the General Partner will manage the capital and income stream of his investments. These funds will cover program management activities, the closing effort, construction work, and for debt, Project Controls will be responsible for preparing and analyzing projections. The Association's objectives to maintain a positive cash position

consistent with project completion, and (b) to provide the City with accurate forecasting about planned expenditures enable the allocation of appropriate funds.

Estimating and Cost Control management. Cost and labor estimates are important tools for monitoring requires work efforts. The Team has experienced conceptual and detail estimators who will be able to establish overall program, individual contract, and change order estimates.

Estimating the cost of extra work and claims requires the evaluation of direct costs, indirect costs, and impact costs. Impact cost analysis requires expertise in evaluating costs resulting from extended overheads and loss of efficiency. Loss of efficiency claims are typically related to weather impacts, learning curve disruptions, stacking of trades, and extended periods or over time. The General Partners will estimate the cost of all change orders and claims to provide a basis with which to negotiate impact and to ensure that the effect of consequential and impact costs have been examined.

Value Engineering and Constructability Review. A structured process of value engineering (VE) and constructability review is encouraged for any contract: The review team will include individuals who can bring to the review lessons learned from other similar projects.

Our approach to value engineering follows the Society of American Value Engineers (SAVE) guidelines. The goal of analysis is complement the ongoing efforts of the designers by presenting options that:

- Enhance bid ability and constructability
- Facilitate operability
- Minimize lifecycle costs
- Optimize material selection

It has been our experience that this study conducted early in the design phase of a project, around 30 percent design completion, can typically save 5 to 20 percent of the project costs.

Document Tracking. Document tracking software will be used to log submittals, RFIs, requests for clarification (RFCs); and other correspondence, and to track the status of these documents. Reports testing items, due dates, and the party responsible for taking action will be issued regularly.

Our primary tool for document control will be Expedition software. This state-of-the-art tracking system tracks submittals RFIs, RFCs; change orders, claims, progress payments, and other records, and includes features such as interlinking that reduce data entry costs and assist in expediting critical documents.

Claims Analysis and Management. The Partner's Team will be proactive and aggressive in its claims avoidance approach. The Team relies on experienced staff and effective procedures for prevention and mitigation of construction claims.

The Team's members are experienced in conducting their duties in a manner that avoids claims and associated cost overruns. Our team members are skilled at recognizing potential claim.

Situation early. In evaluating RFIs, reviewing rejected submittals, or rejecting defective work, our team will be alert for potential claims and will act promptly to prevent or mitigate such claims.

For evaluating claims, our managers will apply the rules of contract interpretation applied by the courts. Our goal will be to avoid litigation over issues likely to be decided in the contractor's favor. By applying the rules of contract interpretation in analyzing claims, we can resolve most claims before construction completion. For any disputed claims at project completion, we will make sure that we possess a solid rationale, and documentation, that will help ensure settlement in the Partnership's favor.

### Services During Design

Procurement and oversight of outside firms makes up a significant portion of the Project Coordination effort. Review and evaluation of the design will be conducted at the conceptual design, design development, and construction document phases. The team will make recommendations on the design aspects discussed below.

**Scope Definition.** Part of the program management master planning process is to establish a defined scope of performances or architectural and engineering programming. Scope is impacted by existing site conditions, local needs, historical data, code requirements, budgets, costs and phasing of the work. Work will be performed with team collaboration to ensure that all issues will be considered, such as design build, alternative solutions, environmental sustainability, demographics, community concerns, code compliance, and long-term performance goals.

**Geotechnical Services.** Predesign geotechnical services will be provided by CIDCO early in the New York City Project. The Team will review this data and then retain the services of their own geotechnical engineering firm. The selected firm will be responsible for providing recommendations for foundation design, dewatering, lateral earth pressures, site grading, remedial excavation, and temporary excavation; estimation of magnitude of settlement; and Valuation of slope stability, liquefaction, and corrosion potential of subsurface soils: A separate firm will be selected to provide owners inspection service including soil compaction testing and import approval, and review of contractor-proposed shoring systems.

**Assessment:** Each portion of the project will require a review of existing site conditions, site documentation, topographic data, boundary conditions and all existing physical site uses in order to assure completeness and accuracy of the site assessment. Accessibility, massing, existing materials, parking space requirements, and surrounding land use situations will be evaluated. This information will be documented and available for the variation of environmental assessments, if required.

**Environmental Review - Phase I Assessment Approach.** The focus of the Phase I assessment will be to identify recognized environmental conditions. The Team conducts the following as part of the Phase I approach: project meetings and coordination, agency file review, site records review and Interviews, and site reconnaissance, before evaluating the findings in a written Phase I ESA report.

**Phase II Assessment Approach.** The General Partners conduct the following as part of the phase II approach: project meetings and coordination, data review, sampling and analysis plan, health and safety plan preparation, field work preparation and investigation, and data review before evaluating and documenting the findings in a written Phase II ESA report.

Architecture. The architectural design review will be performed during schematic design, design development, and construction document stages of the project, in coordination with all engineering disciplines. Value engineering will be an integral part of this process. In addition to more of design solutions, functional layouts, adjacencies and spatial considerations, emphasis will be placed on the selected building systems, materials, finishes, code compliance, and compliance with historical guidelines. Alternative materials and finishes will be discussed and used if proven cost effective, without impacting approved design.

Civil, Electrical, Mechanical, Structural, instrumentation and Control Engineering. The General Partners foster a team environment where these services are coordinated with the architectural design. They are viewed as equally important in achieving an integrated end product for the user. Our design review will be performed at various stages, coordinating all design-engineering disciplines with the architectural design review.

Landscaping and Irrigation. Interior and exterior landscaping will be used on each project to enhance the quality of life and soften the urban environment. The aesthetics, energy reduction capabilities, and interior air quality characteristics of landscaping will also be considered. Proposed landscaping will be evaluated to minimize initial costs, energy, water usage, and maintenance.

Data and Voice Communications. Residents now require integrated design of data and voice communications equipment to provide an information resource where LAN, WAN, and Internet services have become the focus. Therefore, it is imperative to utilize the most advanced communications equipment, including servers, routers, fiber optics, broadband, and data compression equipment. The well-designed residential unit will accelerate the use of data and voice communications, and will need to allow for rapid future expansion in these areas.

Fire/Life/Safety. High-rise residential facilities require special attention to the fire, life, and safety needs of users. Design will be carefully reviewed regarding their integration of egress, materials used, fire suppression equipment, exit markings, and emergency lighting, among others.

Security Systems. The successful design will integrate passive and active security measures... Passive security aspects will include limiting access and enhancing visibility. Active security pools may involve lighting, CCTV, card readers, fob pads, security fencing, and motion and intrusion detectors.

Graphics. Graphics are an important part of the design review and construction management process. The team will review and evaluate proposed graphics for architectural renderings, CAD drawing standards, CAD three-dimensional representations of spatial organizations, reports, progress presentations, and reproduction services. The objective will be to establish clear communication standards, using graphics appropriate to each activity. Graphics also play a major role in ornamentation for both the interior and exterior aesthetics of the planned facilities. Careful consideration will be given to the cultural aspects to ensure that the graphics used are appropriate.

Agency Liaison. The General Partnership is fully prepared to assist in coordination with all approving authorities of the local, regional and national governments. We work diligently to ensure that good relations are maintained with all government agencies.

Occupancy Optimization. The General Partnership will work with the designers to achieve the correct balance between workspaces and support spaces to optimize the occupancy of a facility. Reaching the appropriate balance in these requirements is an essential art of good design.

**Technical Specification Writing and Review.** Master Project specifications and standard details will be prepared. Both will be reviewed for acceptance by a team made up of CIDCO, program management, the design engineers and architects. Specifications must meet project needs and local codes, and must be written for bidding clarity and to promote competition. The specifications will be treated as a living document. Changes will be made over the use of the project; however, any changes will be coordinated to achieve a consistent end result.

### **Process During Construction**

Foundation of the General Partnership's business is the integration of design and construction. Staff, processes, and tools have evolved to effectively and efficiently support facility projects.

At the start of the Construction Contract Bidding Process, the Team will plan and conduct the 5 tours and conferences for each construction contract. During the tour, special attention will be paid to significant design and coordination considerations. Prebid questions will be asked and forwarded to the appropriate party for a response. Each question and response will be attributed to all bidders by addenda. A cutoff date for questions will be included in the documents to allow sufficient time to respond and distribute answers to all planholders by the bid date.

Evaluating construction bids, the project team will determine if the bids are valid and if the contractors are qualified. The supply breakdown will be reviewed for irregularities, such as unreasonable mobilization costs or other areas that would provide a means to pursue excessive exchange order costs.

Action Quality Assurance/Quality Control (QA/QC). The General Partnership has a need for quality assurance quality control (QA/QC) procedures that ensure a high-quality project is constructed while maintaining a non-adversarial role in the field. These procedures are the means for personnel overseeing the construction to implement and maintain. QA/QC will give the City the constructed product they expect. The process for developing and managing a construction phase QA/QC plan are as follows.

Tailor the Partnership's QA/QC procedures to meet this project's and the designer's objectives.

Incorporate appropriate language in the bid documents and follow through in the bid phase, stressing what is expected out of the project so contractors will know what is expected of them prior to bidding.

Conduct "kickoff" meetings that will ensure that CIDCO, the designer, and the contractor know their roles and responsibilities prior to breaking ground.

Review the designer's and contractor's QA/QC program and monitor its execution during the work. Continue this effort throughout the project, until completion.



- On every project, the Partners develop an independent QA/QC materials testing plan. We intend to use industry standards and our established criteria and procedures to ensure that testing on the project is thorough and properly documented. We have our testing laboratories take a team approach, in that they assist the contractor with their work and are not just in the field to document results.

Construction Contract Administration. Construction projects elevate neighborhood concerns regarding traffic, dust, and other elements. Our Program Team has successfully dealt with these issues on similar projects and will help develop appropriate construction requirements and limitations to deal with the specific issues important to the neighborhoods. Our team will focus on building positive relations with the neighborhoods through open communications, - regular meetings, construction activity announcements and related activities.

Other elements of our approach to contract administration include:

- Maintenance of all significant program, activity.
- Continuous inspection of all contract work, supplying special inspectors, as required and providing written activity reports.
- Monitoring and recording the contractor's work performance and compliance with the contract requirements, and conducting final inspections, preparing punchlists, and collecting closing documentation
- Oversight of materials testing and survey services.
- Oversight of the program's safety programs.
- Environmental mitigation and monitoring.

Administer the submittal Process. The General Partners require the contractor to assemble the submittals, as defined in the construction documents, and to provide a review schedule submittals.

The project team will promptly process submittals, including shop Drawings, samples, and other data submitted by the contractors. The team will review each submittal for compliance with the specifications before forwarding them for review. When submittals are returned; our field staff will check whether engineer-requested resubmittals do, in fact, require resubmittal. Times can be saved if all "approved As noted" action can be used. In lieu of resubmittal.

Contract Closeout. Maintenance of as-built documentation is another key element of the program. It is important that these records are maintained throughout construction. Successful approach to ensuring records are properly maintained is to include the review of -dated record documents as a part of the monthly progress payment review, and withhold an . in appropriate amount from the requested payment for work not properly documented.

Inspector will be responsible for noting changes to the design and making certain that the contractor follows up with these changes during the progress payment review. The designer will be provided this information as directed.

Cause each project is unique, the specific requirements for completion and close-out reports will vary. Part of the program-specific procedures manual will address the completion reports needed information for these reports will be collected as the project progresses.

## COST AND PROFIT SUMMARY AS PER YEAR 2,000 ESTIMATES

Module 1 Estimate	Construction	Sales
Land Cost	20,000,000	
Infrastructure Cost	4,400,000	
Total Residential	88,801,776	158,060,448
Total Clinic	1,468,400	3,000,000
Total School	2,332,400	4,900,000
Total Services		
Total Regional Shopping	9,124,920	28,307,700
Total Local Shopping	2,572,200	11,981,000
Total Misc. Buildings	499,800	1,271,400
SUBTOTAL Direct Costs	129,199,496	
Architect Fees 2.5%	2,729,987	
Bechtel Fees 6%	6,551,970	
SUBTOTAL Direct Costs	138,481,453	
Construction Price Plus 35%	186,949,962	
Marketing	(3,738,999)	
Sales Commission	(7,477,996)	
Total Revenues	175,732,964	
Profit Based on Price Plus 35% Minus COS	37,251,511	
Total Sales Price		207,500,548
Marketing 2% Sales		(4,150,011)
Sales Commission O 4% Sales		(8,300,022)
Total Revenues		195,050,515
Profil Based on Projected Sales Price		56,569,062

Módulo II Estimate	Construction	Sales
Land Cost	53,000,000	
Infrastructure Cost	11,600,000	
Total Residential	172,368,400	306,802,721
Total Clinic	2,936,800	6,000,000
Total School	4,998,000	10,500,000
Total Services	0	0
University	77,091,000	157,500,000
Total regional Shopping	1,458,589	4,518,609
Total Local Shopping	5,001,500	23,257,500
Total Misc. Buildings	2,998,800	7,628,400
SUBTOTAL Direct Costs	331,451,060	
Architect Fees 2,5%	6,961,278	
Bechtel fees 6%	19,707,064	
SUBTOTAL Direct Costs + Consultants Fees	355,119,400	
Construction Price Plus 36%	479,411,190	
Marketing	(9,588,224)	
Sales Commission	(19,178,448)	
Total Revenues	450,646,518	
Profit Based on Price Plus-35% Minus COS	95,527,119	
Total Sales Price		516,207,221
Marketing @ 2% Sales		(10,324,144)
Sales Commission @ 4% Sales		(20,648,299)
Total Revenues		485,234,787

## NEGOTIATING THE PROJECT CREDIT AGREEMENTS, SECURITY DOCUMENTATION, AND INTERCREDITOR ARRANGEMENTS

### Phases to Partnership's Financing Transaction

These may be summarized as follows

- Planning and preparation
- Structuring
- Documentation
- Issue to closing
- Post-closing administration

This phase involves the following steps:

- Establishing a financing working group
- Defining objectives - on/off balance sheet
- Establishing an initial timetable
- Reviewing asset documentation and lending terms
- Reviewing data capture
- Initial selection of lead Manager and possibly a consultant (If required).
- Composing a basic structure incorporating key tax factors
- Selection of the issuer's lawyers
- Having an Initial rating meeting
- Seeking board senior management approval

### Topics

- Project Documents
- Project Credit Agreements
- Sponsor Support Documentation
- Collateral Security Documents.
- Offshore Collateral accounts
- Intercreditor Arrangement

### Project Documents

- Underline initial relationships
- Design, construction, operation
- Corporate governance
- Legal structure
- Prior to lenders' arrival

### Critical Lender Issues

- Risk allocation and identification
- Collateral and cash flow access
- Exoneration of parties
- Deal-specific credit issues

#### · Policy concerns

- Lenders' engineer
- Lenders' review will focus on:
  - Pricing
  - Schedules and completion
  - Liquidated damages
  - Force majeure
  - Termination
  - Insurance
  - Dispute resolution
  - Assignment

#### Credit Agreements

- Set forth lender-borrower relationship
- Coordinate other documents and parties
- Address lenders' communication and control concerns
- Provide framework for project's activities

#### Support Documentation

- Initial equity investment or subordinated debt
- Risk mitigant: construction delays and cost overrun
- Completion guarantees
- Cash deficiency agreements
- share retention undertakings.

#### Structure

- Identify parties and collateral
- Grant security interest
- Describe perfection mechanics
- Set forth customized representations and warranties and covenants
- Provide for enforcement rights and remedies

#### Security Documentation

##### Objectives

- Notice
- Priority and Perfection
- Control
- Mortgages and Chattel mortgages
- Share pledges
- Assignments
- Trust and retention agreements

#### Offshore Collateral Accounts and Waterfall Provisions

- Aim to collect and maintain cash proceeds
- Secured account in an acceptable financial institution
- Mitigate currency risk
- Different names

#### Offshore Collateral Accounts Documents

- Establish and identify accounts
- Grant security interest
- Set out waterfall
- Address default consequences
- Appoint and govern trustee

#### Intercreditor Arrangements

- Rights and obligations of creditors with respect to each other and the borrower
- Deal with defaults, collateral security sharing arrangements, and enforcement mechanics
- Differ from common and subordination agreement

#### Types of Lenders

- Commercial banks
- Export credit agencies
- Multilateral and bilateral agencies
- Equipment suppliers
- Rule 144A bondholders

#### Types of Credit Facilities

- Direct loans
- Insured loans
- Guaranteed loans ,
- Construction financing
- Permanent financing

#### Deal-Specific Issues

- Nature of project
- Number of lenders in deal
- Dollar exposure of lender
- Amortization schedule
- Role of lender in transaction
- Familiarity with industry
- Relationship with borrower

### Intercreditor Negotiations

- Anticipating issues through the life of the deal
- Sharing of payment provisions
  - Equal treatment principle
  - Sharing mechanics
- Voting mechanics
  - Number of votes
  - Percentage for each action
  - Timing
  - Special votes for different parties
  
- Waiting or standstill periods
- Role of intercreditor Agent
- Borrower's interest
  - Pre-default: requires flexibility
  - Post-default: at risk
  - May seek to replace or add lenders

### Keys to an Effective Intercreditor Agreement

- Clarity of the agreement
- Consistency with other agreements
- Capable agent
- Cooperation among creditors

### Project Financing Documentation

- Key to risk allocation
- Delay, cost, and complexity
- Challenge and creativity

## PROCEDURE FOR SITE PROCUREMENT AND ANALYSIS. CHECK LIST

September 1, 2020

A) OBJECTIVE: Site Selection is the most critical aspect of the successful development. It is important to arrive at a clear understanding of what type of site is being sought and in what market. Because there are numerous site choices, in all markets at all times, the ideal situation is to have several real estate sources searching at one time. These sources may be:

1. Real estate brokerage houses
2. Contractors
3. Designers - architects/engineers/urban planners
4. Banks
5. Private individuals

We should attempt to contact a minimum of three of each of the above to increase the choices for the site selection.

Realizing that only a select few of the available sites will have any true development potential, and that a lot of effort, time, and money can be expended on poor sites, the objective of this check list is to establish criteria and make a guideline that can help to minimize waste. To accomplish this we need to establish a quick method to separate out the properties with promise.

A) METHOD: The analyzing method needs to examine and establish data to evaluate the five most important parts of the equation for success in development. These are:

1. Location- in path of development, highest and best use, surrounding areas, zoning, types of access, restrictions (environmental, green areas, roads, FAR, coastal or others), easements, liens, etc.
2. Land Cost - Price per unit (sq. int.), comparable sales.
3. Unit Building Cost - ROM costs for sq. ft. residential, commercial, industrial, cost for off-site and on-site infrastructure, etc.
4. Unit Comparable Sales - Prices and absorption rates for competitive units, rental rates per sq. ft., capitalization rates for rental property, etc.
5. Cost of Money.- cost of seed money: loan to equity for construction loans, mortgage loans, rates for these loans, IRR etc.

This information will enable a rapid determination of the proposed project's viability. The fast collection of this data is key in speeding up the decision process. If we focus on only a few markets at a time, we can develop a database to do this quickly. The sources identified in A) above should be able to provide all of this critical data.

## C) DATA COLLECTION

- 1) Obtain topographical survey site plan
  - a) Check for slope and flat areas