

## **SAMPLE Joint Venture Activities and Legal Documents**

<b>Phase</b>	<b>What are we doing?</b>	<b>What are the risks?</b>	<b>Legal controlling document of process</b>	<b>Outcome Document</b>
<b>1. Concept/ RFQ / Selection</b>	<ul style="list-style-type: none"> <li>● Proposal to LAND OWNER</li> </ul>	<ul style="list-style-type: none"> <li>● Staff time</li> <li>● \$10K in consultant fees</li> </ul>	<ul style="list-style-type: none"> <li>● MOU with SENIOR PARTNER (non-binding)</li> </ul>	
<b>2. Site Control with LAND OWNER</b>	<ul style="list-style-type: none"> <li>● Negotiate DDA with LAND OWNER (and possible ENA -Exclusive Negotiating Agreement)</li> <li>● Community Outreach</li> <li>● Form placeholder limited partnership (will eventually admit tax credit limited partner)</li> <li>● Form JUNIOR PARTNER entity to serve as co-general partner?</li> </ul>	<ul style="list-style-type: none"> <li>● Staff time</li> <li>● Legal costs, \$50K</li> <li>● Costs for formation of entities</li> </ul>	<ul style="list-style-type: none"> <li>● MOU with SENIOR PARTNER (non-binding)</li> <li>● ENA with LAND OWNER? (LAND OWNER will provide if applicable)</li> <li>● Partnership agreement; secretary of state filings</li> <li>● Co-GP formation documents</li> </ul>	<ul style="list-style-type: none"> <li>● ENA (LAND OWNER will provide if applicable)</li> <li>● DDA (binding, with LAND OWNER)</li> <li>● Formation documents and related filings for partnership and co-GP</li> </ul>
<b>3. Design/ Entitlements / Due Diligence</b>	<ul style="list-style-type: none"> <li>● Design work</li> <li>● Community Outreach</li> <li>● Applications for approvals</li> <li>● Environmental reports</li> <li>● Title and survey</li> <li>● Misc planning</li> </ul>	<ul style="list-style-type: none"> <li>● Staff time</li> <li>● Design fees &amp; other predevelopment costs (approximately \$300 to 500K)</li> <li>● Title company</li> <li>● Surveyor ; Misc challenges</li> <li>● Water district easements</li> <li>● Costs for related review</li> </ul>	<ul style="list-style-type: none"> <li>● DDA (binding, with LAND OWNER)</li> </ul>	<ul style="list-style-type: none"> <li>● Entitlements from LAND OWNER or Zoning Dept (binding)</li> <li>● Environmental review</li> </ul>
<b>4. Competitive Financing</b>	<ul style="list-style-type: none"> <li>● Funding Applications</li> <li>● RFP for tax credit investors and construction lenders</li> </ul>	<ul style="list-style-type: none"> <li>● Staff time</li> <li>● \$200 to \$300K in predevelopment costs</li> <li>● Legal costs</li> </ul>	<ul style="list-style-type: none"> <li>● Lender term sheets</li> <li>● Investor letter of intent</li> <li>● Public funding award letters/materials</li> </ul>	<ul style="list-style-type: none"> <li>● Funding awards: tax credit allocations, bond allocations, loan agreements with various lenders and public agencies (binding)</li> <li>● Amended and Restated Limited Partnership agreement and related</li> </ul>

				ancillary documents (with tax credit investor as limited partner)
<b>5. Building Permits / Construction Documents</b>	<ul style="list-style-type: none"> <li>• Design work (architecture and engineering agreements)</li> <li>• Construction drawings</li> <li>• Land acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• Staff time</li> <li>• Design fees &amp; other predevelopment costs (Another \$500 to \$700K for a total of \$1.2M in predevelopment)</li> </ul>	<ul style="list-style-type: none"> <li>• DDA (binding, with LAND OWNER)</li> <li>• LAND OWNER conditions of approvals</li> </ul>	<ul style="list-style-type: none"> <li>• Building permits (binding)</li> <li>• Land title transfer; ground lease or deed</li> <li>• Use restrictions (related to LAND OWNER requirements for land title transfer)</li> </ul>
<b>6. Construction</b>	<ul style="list-style-type: none"> <li>• Building stuff!</li> </ul>	<ul style="list-style-type: none"> <li>• Various: completion guarantees, cost increases, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• LP Agreement (binding)</li> <li>• DDA (binding, ongoing provisions)</li> <li>• General Contractor (binding)</li> <li>• Loan documents</li> </ul>	<ul style="list-style-type: none"> <li>• Form of operations period agreements are drafted/finalized at this time.</li> </ul>
<b>7. Completion/ Operations/ Partnership project documents</b>	<ul style="list-style-type: none"> <li>• Leasing up and operating the property</li> </ul>	<ul style="list-style-type: none"> <li>• Various: general liability, operating guarantees, tax credit recapture guarantees, environmental indemnity agreements, compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• LP Agreement (binding)</li> <li>• DDA (binding, ongoing)</li> <li>• Lease Agreement for office space (binding)</li> <li>• Residential tenant leases</li> <li>• Management Agreement (binding)</li> <li>• Various loan and regulatory agreements</li> <li>• Guarantees</li> </ul>	

**General notes:**

- Cost estimates are based on a reasonable development timeline and lack of legal challenges or unforeseen conditions/ environmental constraints