



Distressed Project Recovery Services

DMG/Advisors, LLC brings together a collaborative partnership to provide Distressed Project Recovery Services for real estate owners and lenders as they struggle to deal with partially constructed, under- or non-performing projects.

Today's real estate and capital markets present complex and rapidly changing legal and business challenges for real estate owners and lenders. Using a results-based and interdisciplinary approach, we provide a highly sophisticated and unique project management program to analyze and develop objectives for our clients' distressed projects. We then work together with our clients to achieve practical and effective solutions to those objectives.

Combining years of technical expertise with accumulated business acumen, the principals of DMG/Advisors, LLC offer more than 80 years of collective experience in real estate acquisition, development, project and construction management services. We are well positioned to immediately add value for our clients by proactively managing the risks and exposure inherent in the construction completion of distressed projects.

We are uniquely qualified to:

- ▶ Provide critical assessment of loan documents to identify potential courses of action
- ▶ Provide detailed forensic accounting and job cost analyses
- ▶ Determine completeness of all design and development documentation
- ▶ Determine the status of all project entitlements inclusive of government approvals, permits, and inspections
- ▶ Prepare "cost to complete" budgets
- ▶ Analyze and determine the efficacy of "in place" construction
- ▶ Survey, catalogue and document defective construction
- ▶ Retain experts in all fields to provide in-depth analyses of building and MEP systems
- ▶ Manage the completion of partially constructed projects using either the original contractor or retaining a replacement contractor
- ▶ Provide asset disposition guidance and strategies

For more information on our Distressed Project Recovery Services, please email us at info@advisors-llc.com or call us at **301.951.7922**.

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Due Diligence

- ▶ Interview of all development team members
- ▶ Provide a forensic analysis of all development documents to include:
 - ▶ Review land records and underlying document performance requirements
 - ▶ Provide review of zoning district requirements and any conditions of zoning approval and special exceptions
 - ▶ Provide analysis of project reporting and review requirements by local jurisdictions
 - ▶ Review all engineering reports and documents to include Geotechnical, Environmental, Archaeological, Land Surveys, Life Safety Analysis and Code Analysis
 - ▶ Analyze the project contract documents including plans, specifications, change orders and other contract documents to determine the project requirements and confirm that the plans and specifications are reasonably complete
 - ▶ Review all construction logs for completeness, open issues and exposures including Cost Reports, RFI Logs, Submittal Logs and Daily Job Reports
 - ▶ Perform an overall project schedule analysis
 - ▶ Determine the status of all inspections performed by third-party and/or government inspectors and the fire marshal
 - ▶ Review third-party testing agency daily observation, testing and inspection reports to confirm that all work has been properly performed to date and/or to catalogue deficiencies, if any

Cost Analysis

- ▶ Review and analyze all claims for additional costs made by each contractor and its respective sub-trades
- ▶ Develop and render opinions as to whether each claim or pending claim for additional costs is warranted and, if so, whether or not the scopes of work and costs are accurate, fair, reasonable and customary
- ▶ Identify and quantify any deficient, defective or non-conforming work which may require credit or remediation at no cost to client
- ▶ Conduct a full and detailed review of all original and interim budgets and compare these to claims for additional costs and changes in respective scopes of work
- ▶ Conduct a full and detailed review of all project cost reports as issued by the owner and the respective contractors and analyze each against appropriate budgets
- ▶ Conduct a full and detailed review of all documentation related to general conditions and self-performed work
- ▶ Review all subcontracts to determine status of claim pass-through, change order accuracy and payment status
- ▶ Review payment performance of all subcontractors, suppliers and materialmen

Program Management & Project Completion

- ▶ Work with the existing general contractor or assist in the retention of a replacement general contractor to prepare cost estimates for the completion of construction. If and to the extent the cost estimates to complete the work exceed the current funds available, we will qualify the cost estimates and present them to the lender in order to obtain funding to complete the project
- ▶ Assist in negotiating a new project construction agreement
- ▶ Represent the client in all matters arising during the construction phase of the work and monitor all activities of the contractor(s), subcontractor(s) and materialmen to ensure that the work is being properly performed
- ▶ Establish regularly scheduled on-site construction coordination meetings
- ▶ Ensure that the work is being performed in accordance with the construction agreement(s)
- ▶ Review construction progress on the project site and, if requested, provide periodic reports
- ▶ Review and approve progress payment application requests
- ▶ Ensure receipt of compliant waivers of lien and other documentation required by the contract
- ▶ Coordinate with the lender to ensure compliance with provisions of the loan documents
- ▶ Collect and organize all required close-out documentation and conduct inspections as required
- ▶ Obtain all applicable warranty, guarantee and other close out documentation and certifications prerequisite to final payment
- ▶ Maintain records of all contracts, drawings, specifications, samples, material and equipment purchases, change orders, and any other construction-related documents
- ▶ Determine whether Substantial Completion of the work or designated phases thereof has occurred and prepare punch lists
- ▶ Determine if Final Completion has occurred and thereafter ensure all required warranties, guarantees, final waivers, affidavits, transfers of utilities, releases and records and as-built drawings have been obtained
- ▶ Provide timely reporting to owner and lender of status of work, project cost projections, schedule and open issues

Every workout is distinctive to each loan and the challenges the property is facing. In many cases, adjacent properties can require different solutions only because they are constructed differently, have a different tenancy, or attract a different kind of tenant or purchaser. Since there are dozens of factors that can come into play in determining a property's success or failure, there are obviously as many possible workout formulations, undoubtedly several that would be successful. It is therefore incumbent upon the parties to determine which workout formulation would be the most beneficial to both the borrower and the lender.

Our Bios

Robert F. Williams, PE, LEED® AP, Principal



Rob Williams has over 18 years experience in commercial development and construction management. Before co-founding Advisors, LLC, he held executive management positions at Combined Properties, Inc. and First Washington Realty Trust. In these positions, he was responsible for managing the development, construction, and renovation

of some of the region's most well-known neighborhood shopping centers, and for negotiating and administering project financing on multi-million dollar projects. Earlier in his career, Mr. Williams worked as a civil engineer on land development design for multiple residential and commercial projects. He earned a B.S. degree in Civil Engineering from Bucknell University and a MBA from George Washington University. Licensed as a Professional Engineer and certified as a LEED® AP, he is a member of the Urban Land Institute, American Society of Civil Engineers and the U.S. Green Building Council.

D. Joseph Luce, II, Principal



Joe Luce has more than 30 years of experience in both residential and commercial development and construction management. Prior to co-founding Advisors, LLC, he held executive positions at Clark Realty Advisors, Combined Properties, Inc., and Dart Group Corporation; he also served as a project manager at Franklin Property Company, a division of BF Saul

Mortgage Company. His responsibilities at those companies included the oversight and management of more than \$500M of commercial development and construction. Prior to that, Mr. Luce began his career in custom home project management, where he was responsible for the completion of high-end custom homes. Mr. Luce has been published in Fine Homebuilding (Taunton Press) and is a member of the Architectural Woodwork Institute. Mr. Luce studied at the University of Maryland for a B.S. in Finance.

Brian J. Spencer, Principal



Brian Spencer founded Development Management Group (DMG) in 1994 to provide program and project management services to commercial real estate owners, developers and managers. DMG provides a wide range of development services including new development project management, renovation, design management, land entitlement, re-zoning, tenant coordination, lease documentation, due diligence and pre-planning services. Mr. Spencer provides DMG with twenty-seven years of hands-on experience in the development of new real estate projects and the redevelopment and renovation of existing properties. Mr. Spencer has successfully completed work on more than nine million square feet of mixed use properties, office buildings, multi-family residential projects and shopping centers, including regional malls, marketplace centers and specialty retail and entertainment centers, for national and international real estate owners, investors and developers. Prior to his position as principal of DMG, he most recently spent 11 years

in the development department of the Rouse Company as a Senior Project Manager. After graduating from California State University in 1979, Mr. Spencer spent four years as Vice President of Development for The Nouveau Group, Ltd., a California and Colorado based real estate developer.