

CONDUCTING DUE DILIGENCE IN THE PURCHASE AND SALE OF COMMERCIAL REAL ESTATE

Turning Due Diligence into a Competitive Advantage

January 17-18, 2006 • Newport Beach, CA

This program is designed to sharpen the due diligence skills that commercial property owners and investors must apply to the purchase and sale of all classes of commercial real estate. This unique program will address the complete gamut of due diligence considerations including:

- **Lease Analysis** – Evaluate responsibility for maintaining contracts, ability to obtain transference of municipal benefits, and status of appurtenances attached to the sale of the property.
- **Condo Conversions** – Establish best practices for pre-empting opposition, moving entitlement process forward and accommodating affordable housing requirements.
- **Legal Issues** – Determine the optimum legal structure for conducting deals, scrutinize representations and warranties, and prepare for post contract issues.
- **Tax Considerations** – Get a primer on deferring tax consequences as well as accounting for costs related to acquisitions, improvements and meeting environmental requirements.
- **Financial Metrics** – Learn to analyze leases, insurance coverage, appraisals, debt loads and expenses in assessing the market value of commercial real estate.
- **Physical Evaluations** – Determine how asbestos, oriented strand board, plumbing, electrical, engineering, vertical transport and architectural conditions affect property valuation.

Don't miss this unique opportunity to learn how you can achieve higher returns on your investments by improving your property selection processes; better evaluate the cash flow contributions associated with a variety of real estate investments; and, structure your transactions for expedited closings and reduced tax liabilities.

FEATURED PRESENTERS:

- AEW Capital Management
- American Realty Advisors
- Arden Realty, Inc.
- Argus Realty Investors, LP
- ATC Associates, Inc.
- Baniqued Realtors
- Bank of America
- California Institute of Technology
- CBRE Investors/U.S. Advisor LLC
- Colliers Seeley International
- CWS Apartment Homes LLC
- Dechert LLP
- Eagle Real Estate Group, LLC
- First Industrial Realty Trust Inc.
- Fulbright & Jaworski, L.L.P.
- Grubb-Ellis
- Guardian Realty Advisors
- John Laing Homes
- Hopkins Real Estate Group
- KBS Realty Advisors, Inc.
- Kennedy Wilson International
- Koleman Real Estate
- LaSalle Investment Management Inc.
- LNR Property Corporation
- Lowe Enterprises
- Luce, Forward, Hamilton & Scripps LLP
- Merrill Corporation
- Morgan Stanley
- Pacific Property Company
- Promus Management
- Property Condition Assessments, LLC
- SENTRÉ Partners
- Shorenstein Properties LLC
- Stewart National Title Services
- Strand Earthquake Consultants
- University of California, Irvine

CONFERENCE CHAIRMAN:



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**CONDUCTING DUE DILIGENCE IN THE PURCHASE
AND SALE OF COMMERCIAL REAL ESTATE**

AGENDA

JANUARY 17-18, 2006 • NEWPORT BEACH, CA

DAY 1- JANUARY 17

**8:00 REGISTRATION, NETWORKING &
CONTINENTAL BREAKFAST**

8:20 WELCOME AND OPENING REMARKS

Conference Chairmen:

John Luna, President, Property Condition
Assessments, LLC
Thomas Clark, CIO, Property
Condition Assessments, LLC

**8:30 BEST PRACTICES FOR DISPOSING OF
COMMERCIAL REAL ESTATE**

- Inventorying and classifying assets
- Putting incentives in the deal
- Full disclosure
- Sales presentation
- Pricing the deal for profitability
- Minimizing free look period
- Achieving non-refundable deposits
- Qualifying the buyer
- Negotiating the deal
- Getting contingencies waived

Moderator: David Wanetick, Managing Director, The Wall
Street Transcript

Panelists: Robert Birmingham, SVP - OREO West
Manager, Bank of America
Art Fong, Executive Director, Morgan
Stanley US RE Investing Division
William Y. Milligan, Regional President,
Western U.S., KBS Realty Advisors, Inc.

9:15 FINANCIAL DUE DILIGENCE

Determine how to estimate future cash flow, optimum debt
loads, return on investment, and the financial conse-
quences of contingent liabilities.

Topics include:

- Pre-emptive Due Diligence
- Competitive properties
- Raising equity
- Contending with decreasing ROI and declining cap rates
- Creative financing
- Investment threshold
- Income statement analysis
- Repositioning debt
- Acquisition of operating properties (portfolios) / detecting
the dogs
- Tenant interview

Moderator: Kenneth R. Melton, Principal, Eagle Real
Estate Group, LLC

Panelists: Curt Stephenson, President – National
Land Group, LNR Property Corporation
Howard Stern, SVP & Chief Investment
Officer, Arden Realty, Inc.
Eddie Ring, Senior Managing
Director, Kennedy Wilson International
Wade Judge, Chief Investment Officer,
LaSalle Investment Management Inc.

10:15 NETWORKING BREAK

10:45 RISKS AND RAMIFICATIONS OF EARTHQUAKES

- Probable maximum liability
 - o Life safety
 - o Insurability
 - o Next buyer issues
 - o Collapseability / damageability
- Is California prepared for an earthquake?
- Risks of cracking of non-ductile reinforced concrete

Moderator: Richard Tullo, Special Situations Analyst,
The Wall Street Transcript

Panelists: Thomas H. Heaton, Professor of
Geophysics and Civil Engineering,
California Institute of Technology
Lisa Grant, Professor of Social Ecology,
University of California at Irvine
Carl L. Strand, President, Strand Earthquake
Consultants

11:30 PHYSICAL EVALUATION

Determine how a building's structure, architecture and
engineering impact investment worthiness. Topics include:

- Architectural
- Vertical transport
- Engineering
- Electrical
- Plumbing
- Structural
- Fire-Life safety
- Exterior envelope

ENVIRONMENTAL REVIEW

Determine how to detect the presence of liabilities related
to mold, radon and asbestos and how to assess the cost of
remediation as well as associated liabilities. Topics include:

- All appropriate inquiry
- Traditional environmental due diligence process
 - o Lead-based paint
 - o Asbestos / radon
 - o Mold / moisture infiltration
 - o Infra-red thermal imaging technology
 - o Innovative technologies

Moderator: John Luna, President, Property Condition
Assessments, LLC

Panelists: Gordon Howe, VP – Due Diligence, Lowe
Enterprises
Richard Fagan, Investments, CWS
Apartment Homes LLC
Christine Kwak, Senior Vice President - CTG,
Shorenstein Properties LLC

12:15 LUNCH

Sponsored by Stewart National Title Services

**1:30 EXPECTATIONS OF PENSION FUND REAL
ESTATE INVESTORS**

A discussion of institutional capital flows, investment con-
siderations, and return expectations.

Interviewer: Richard Tullo, Special Situations Analyst,
The Wall Street Transcript

Interviewee: Scott Holmes, Principal, AEW Capital
Management

2:00 LEGAL ENVIRONMENTAL CONSIDERATIONS

EPAs new All Appropriate Inquiry Rule — Get some insights
as to how commercial property inquiries will change to
qualify under CERCLA and the 2002 Brownfield Law

**agenda subject to change*

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- Shielding developers from liability from greenfields
- Strategies for developing environmentally impacted properties
- Forensic
- Risk of knowing too much
- Establishing innocent purchaser defense
- Managing your consultant and environmental attorney
- Environmental insurance

Speaker: Alan Agadoni, Senior Vice President, ATC Associates, Inc.

2:45 NETWORKING BREAK

3:05 INFORMATION TECHNOLOGY

- Potential liability for retaining information
- When to retain documents, when to purge information
- Shredding procedures
- Document management
- Public records research
- Capitalizing on data
- Cost savings

Speakers: Thomas Clark, CIO, Property Condition Assessments, LLC
James L. Sullivan, National Director, DataSite, Merrill Corporation

3:30 BEST PRACTICES FOR PROPERTY DEVELOPMENT

- Land planning
- Performing feasibility studies and analysis and document creation
- Joint venture implementation
- General marketing and land sales
- Negotiating and finalizing sales and leases of projects with brokers, corporate clients, investors and owner-users
- Best practices for converting military bases to commercial uses

Moderator: David Wanetick, Managing Director, The Wall Street Transcript

Panelists: Martin Stradtman, VP, Grubb-Ellis
Erik Hansen, SVP, LNR Property Corporation
Richard Gentilucci, President & CEO, Guardian Realty Advisors
Steve Hopkins, CEO, Hopkins Real Estate Group

4:15 TENANT-IN-COMMON

Learn about property selection, transaction structures, financing issues and current feedback from the IRS, SEC and NASD. Learn why Tenant-in-Common transactions are becoming increasingly popular. Topics include:

- TIC and DST structures
- Disclosures/due diligence concerns
- Multiple property deals
- Broker relations
- Securitization
- Voting rights

Moderator: Richard Tullo, Special Situations Analyst, The Wall Street Transcript

Panelists: Timothy Snodgrass, JD, President, Argus Realty Investors, LP
Darryl Steinhouse, Partner, Luce, Forward, Hamilton & Scripps LLP
H. Michael Schwartz, Vice Chairman, U.S. Advisor LLC / President, U.S. Commercial LLC, CBRE Investors/ U.S. Advisor LLC

5:00 ADJOURNMENT & COCKTAIL RECEPTION
Sponsored by Merrill Corporation

DAY 2 - JANUARY 18

8:00 REGISTRATION, NETWORKING & CONTINENTAL BREAKFAST

8:20 WELCOME AND OPENING REMARKS

Conference Chairmen:

John Luna, President, Property Condition Assessments, LLC
Thomas Clark, CIO, Property Condition Assessments, LLC

8:30 CONDO CONVERSIONS – IS THE PARTY OVER?

- How to insure
- Contending with union opposition
- Impact on rents
- Facilitating mortgages
- Wrap insurance coverage
- Fostering positive community relations
- Cities contributing to improvements
- Moving entitlement process along
- Developer impact fees
 - o Affordable housing
 - o Zoning
 - o Residential infill

Moderator: Richard Tullo, Special Situations Analyst, The Wall Street Transcript

Panelists: Joseph Fleischaker, President, Koleman Real Estate
Brian Baniqued, Broker/Owner, Baniqued Realtors
Daniel Flynn, VP - Land Acquisition, John Laing Homes
David Drummond, SVP, Colliers Seeley International

9:15 LEGAL DUE DILIGENCE

Better understand how to structure transactions and avoid legal entanglements. Topics include:

- Multiple asset portfolios – sampling methods
- Analysis of buyer's accounting
- Pre- and post-contract issues
- Representations and warranties
- Reconciling exclusions with state law
- Legal forms of ownership
- Title insurance
- Litigation
- ADA problems
- Liens

Speaker: Michael G. Smooke, Partner, Fulbright & Jaworski, L.L.P.

TITLE INSURANCE CONSIDERATIONS IN THE PURCHASE AND SALE OF COMMERCIAL REAL ESTATE

- Indemnity coverage
- Risk-elimination
- Searches for titles and liens
- Structuring conveyance and financings to minimize transaction expense
- Duty to defend

**agenda subject to change*

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- Handling escrow as well as transfer and mortgage taxes
- Special coverages - extended coverages, zoning, comprehensive endorsements

Speaker: Bruce E. Hawley, Senior Vice President,
Senior Underwriting Counsel &
Manager, Stewart Title Guaranty Company

10:15 NETWORKING BREAK

**10:30 LEASING: MANAGING INHERITED
CONTRACTUAL OBLIGATIONS AND RELATIONSHIPS**

- Responsibility for existing contracts
- Transferability of municipal benefits to/from buyer/seller
- Zoning and other restrictions that run with the property
- Other appurtenances attached to sale of property (e.g. air rights)
- Tenant leases and ongoing relations
- Transfer restrictions • Eroding tax abatements
- Landlord obligations • Base year anomalies

Moderator: Lewis Burleigh, Partner, Dechert LLP

Speakers: Matthew D. Belshin, Partner, SENTRE Partners
Lauri Greenblatt, President, Promus
Management
Stanley Iezman, President and CEO,
American Realty Advisors

**11:15 DUE DILIGENCE TECHNIQUES FOR SPECIFIC
ASSET CLASSES**

Learn best practices for conducting asset-class
specific due diligence.

Moderator: David Wanetick, Managing Director, The
Wall Street Transcript

Panelists: Ryan McClean, First Industrial Realty
Trust, Inc. (Industrial Due Diligence)
Steven A. Weilbach, Pacific Property
Company (Multi-Family Due Diligence)
Brigitta Troy, Vice-President – Acquisitions,
Arden Realty, Inc. (Office Due Diligence)

12:00 ADJOURNMENT

**agenda subject to change*

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The Wall Street Transcript's unique
Conference Book

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tectural and engineering consulting firm operating out of its
headquarters office in Pasadena, California, as well as from
regional offices in Baltimore, MD and Atlanta, GA. PCA's
senior-level professionals deliver over 20 years of multidisci-
plined experience to the commercial real estate marketplace.
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Maximize Your Returns on Due Diligence

You just learn of an opportunity. The deal before you could be tremendously profitable for your firm and could put your career into overdrive. The same deal could be full of traps for the unwary. A whole host of demons could be lurking in the wings – faulty physical structure, inadequate title insurance, rapid lease expiration, environmental costs, litigation, and heavy debt loads.

If you want to bag the deal, you must pull the trigger fast. Plenty of your competitors are looking at the same deal and their bids won't be long in coming. You are about to make a decision that will affect the foundation of your company. Make a bad decision and your career could be curtailed.

You have less time than ever before to conduct due diligence.

The stakes couldn't be higher.

The window of opportunity has never been shorter.

REGISTER NOW for the most comprehensive program devoted to Conducting Due Diligence in the Purchase and Sale of Commercial Real Estate.

Our speakers will cover everything from eliminating price retrading to debt repositioning; from all appropriate inquiry to establishing the innocent purchaser defense; from installment sales and wrap around mortgages to structuring conveyance on title insurance; and, from eroding tax abatements to managing inherited landlord obligations.

We will also have special sessions devoted to 1031 and Tenant-in-Common Transactions as well as Condo Conversions.

I look forward to meeting you on January 17-18 in Newport Beach, California.

I remain,



David Wanetick
Managing Director
The Wall Street Transcript & Gateway Research Reports

Register Now! Seating is Limited!

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- Cancellations – Should you be unable to attend for any reason, please inform us in writing prior to December 16, 2005 and a refund less a \$225 processing charge will be issued. No refunds will be given after December 16, 2005. Requests for substitutions for enrolled delegates may be made by emailing naomi@twst.com.
- Please note: Dress is business casual. Please no jeans.

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Look Inside for Details About Registering for This Unique Forum

KEY COMPETITIVE ADVANTAGES THAT ATTENDEES WILL GAIN FROM THIS CONFERENCE INCLUDE:

- Learn best practices for condo conversion
- Listen to how pre-emptive due diligence reduces price retrading
- Determine best practices for structuring leases
- Discern how insurance coverages, lease stability, debt loads and litigation impact the financial attractiveness of commercial real estate
- Get a briefing on how elements of a building's physical structure — e.g. vertical transport, plumbing, electrical systems — affect a building's appraised value
- Understand how liabilities associated with radon, wetlands, mold, and asbestos impact property valuation
- Understand how you can obtain tax abatements
- Listen to best practices for raising capital, moving the transaction through the committee approval process and consummating the transaction

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CONDUCTING DUE DILIGENCE IN THE PURCHASE AND SALE OF COMMERCIAL REAL ESTATE

Turning Due Diligence into a Competitive Advantage

DATE:

JANUARY 17-18, 2006

LOCATION:

THE BALBOA CLUB & RESORT
1221 W. COAST HIGHWAY
NEWPORT BEACH, CA 92663

Topics Include:

Pre-emptive Due Diligence • Lease Estoppels • 1031 Transactions • Condo Conversions • Pre-emptive Litigation • Exterior Envelope Evaluation • Insurance Coverage Issues • Devising Depreciation Schedules • Remediation Avoidance • All Appropriate Inquiry • Residential Infill • Triple Net Leases • Innocent Purchaser Defense • Tenant in Common Transactions • Development of Environmentally Impacted Properties • Declining Cap Rates • Much More