



## **Structuring Real Estate Development Joint Ventures A View from the Trenches**

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### **FORMATION OF THE VENTURE**

- Who should be in charge?
- Major Decisions
  - Additional Capital Contributions
  - Significant or Unbudgeted Expenditures
  - Changes in Purpose of Venture or Scope of Project
  - Financing
  - Development and Operating Budgets and Amendments
  - Sale of Project
  - Affiliate Agreements
  - Reserves
  - Leasing Parameters

- Additional Capital Contributions or Members
- Management Performance Standards
  - Budgets
  - Leasing Plans
- Initial Financing and Guaranty Agreements
  - Guaranty Fees

### **ONGOING MANAGEMENT OF THE VENTURE**

- Ongoing Operating Budgets and Leasing Plans
- Reporting
- Additional Capital Contributions and Remedies for Failure to Make Contributions
  - Loans
  - Squeeze-Down of Interests
  - Right to Purchase
  - Dilution/Right to Bring in New Members
- Removal of Management
- Refinancing or Additional Financing
- Dispute Resolution

### **EXIT STRATEGIES**

- Buy-Sell
  - Triggers to Buy Sell
  - Price

- Right of First Refusal
- Forced Dissolution or Sale of Property
- Put-Call
- Protections Against Failure of Party to Abide by Exit Strategy

### **OTHER ISSUES**

- Acquisition and Disposition Commissions
- Development Fees
- Property Management
- Leasing
  - Rents
  - Tenant Approval
- Marketing Control and Branding
- LEED/Green Building Requirements