

Process Summary

Project Management Services

Ferrell works with the Owner or Board of Directors to assist in planning, organizing, leading and controlling the project direction and outcome. These efforts focus on meeting project needs in the context of quality, budget and schedule control.

Typically, we provide the following services:

1. Project Goals and Strategy

Based on the overall review of the client's needs and vision, we develop and present a clear report of project definitions, goals, and strategy along with the corresponding budgets and schedule ramifications.

2. Phasing Options

Many phasing options exist which are usually controlled by funding availability. We develop a comprehensive phasing option plan, which forms the framework for future decisions and direction as funding considerations are developed.

3. Planning

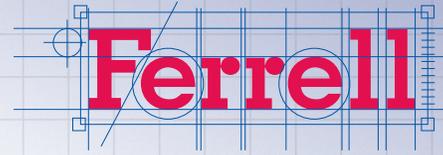
With the identification of the phases of work, we assign individual and technical disciplines, as well as responsibility, authority and accountability guidelines. The individual key to the project's success is the project manager, whose responsibilities are as follows:

- a) Making/facilitating decisions.
- b) Creating communication channels between individuals and groups to assure comprehension of ideas and clarity of direction.
- c) Motivating and encouraging all participants.
- d) Coordination of all project planning and implementation.
- e) Building, supporting and nurturing relationships among project participants.
- f) Ensuring accountability for total project implementation.

We will lead the project so that the necessary decisions are made in a timely manner, according to project goals.

4. Facility Programming

Ferrell can work with your Association to suggest various strategies to accomplish long-range and improvement goals. We assist in the development of specific projections, financial forecasts, specific functional needs, as well as phasing options, which most effectively support the direction of the project.



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5. Funding Assistance and Financing

Ferrell will review with you various ways to accomplish any number of financing and funding options for new and improvement projects. We are also able to provide leadership training and program development to your organization that will enable you to optimize Capital Funding projects.

6. Consultant Selection

In addition to the architect and civil engineer, the potential exists for a number of additional specialty consultants to address other elements of your project. These might include soils engineering, landscaping, structural, mechanical, electrical, etc. We will work with you or your Board of Directors, (and any current consultants) to offer suggestions and assist with the selection and contracting process for these services as required.

7. Budgeting

The project budget is the foundation of our overall control system. We use the budget to provide maximum visibility, define the scope of work, identify project manpower requirements and assist with the scheduling and planning effort. The scheduling effort will include identification of elements that have long lead times. The budget also acts as a checklist to ensure the design documents and bid packages correspond to the scope and program requirements of the project.

Steps often must be taken to bring or keep the budget into conformity with available funds. The following options are often implemented:

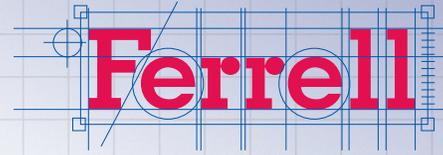
- a) Change in program scope.
- b) Recommend design changes affecting quantity or quality requirements.
- c) Eliminate non-essential cost elements.
- d) Recommend alternate material or construction systems.
- e) Manage value review sessions.

8. Estimating

Our estimating system uses a detailed component database and makes possible the preparation of project cost estimates at any level of detail desired. At times we may recommend using specialized estimating consultants.

9. Value Management

Our Value Management system utilizes "Zero-Based Budgeting" with the primary emphasis on maintaining the function originally intended. Coincident with this is the implementation of "Design-to-Cost" methodology to provide cost information and alternatives to client and contracted design professionals.



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10. Scheduling Responsibilities

A milestone schedule will be developed with you, the design professionals and other team members using the PAC principle:

- Participation** - In the planning
- Acceptance** - Of the goals
- Commitment** - To achieve the goals

Each participant receives their specific portion of the project schedule with the bid documents. Upon execution of each contract, participants share in the refinement of the schedule logic.

11. Control Systems

Monthly Cost Control is achieved through managing variances while assuring that the project hits a predetermined "cost target". By identifying all major activities and managing them through planning project management intervention, we can maintain monthly schedule control.

12. Design Management

We propose to work with the design professionals to review the current project concepts and develop information that will lead to enhancement of conceptual design refinement.

13. Governmental Fees and Assessments

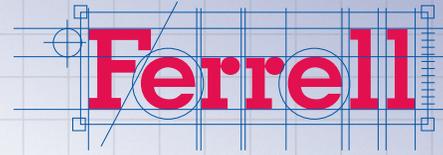
Depending upon decisions made by government agencies it may be appropriate to initiate a focused effort to minimize or reduce fees and assessments that will be placed upon the project, both initially and long-term.

14. Construction Documents

We work with the design consultants to provide construction technology, cost information and product research results. This service will assist in the development of the contract documents and improve the value of the facility.

15. Site Development

We work with government agencies and utility providers involved in the development of the project to ensure proper coordination and implementation of all systems. This would include grading, site improvements, water, sanitary sewer systems, storm sewer systems, electric, telephone, data, cable, gas and any other necessary services.



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16. Procurement

We implement a multi-faceted procurement effort to recruit responsive bidders, ensure clear communication, minimize gaps or overlap and ensure equity in the project bidding and buy-out process.

When we provide construction management services, our field manager becomes an integral part of the project early enough in the process to communicate with all bidders. Our input into the bid documents from a bidder's perspective will minimize confusion. A bidder's response is improved by clear documentation and scope identification. Ferrell's on-going review of documents will identify areas of duplication and inadequacy.

17. Bidding and Negotiations

We work with design consultants to ensure a smooth overall management process. We will work to attract responsive bidders, assemble the necessary bidding documents, receive and evaluate bids and then recommend action to the owner or Board of Directors on all items for which bids are necessary.

18. Construction

We provide project management services, acting as your direct representative without regard to whether a general contractor or construction management approach is utilized for the project. This includes processing of all project documentation, change order procedures, payment applications and the interface with all required government agencies.

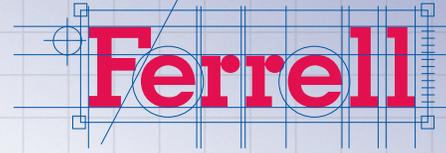
19. Job Control

As part of our construction management services, our field manager assists each subcontractor with the planning and coordination of his work to meet the project objectives. Daily walkthroughs and weekly field meetings are held to aid in resolving the day-to-day problems.

20. Quality Control

The key to quality contract compliance lies in our anticipatory management strategy and enforcement of:

- a) Proper environment (i.e., temperature control, humidity).
- b) Material delivery and storage in a timely manner.
- c) Qualified and skilled craftsmen and proper equipment to ensure performance.
- d) Documented understanding transferred to the personnel performing the work.
- e) Scheduling to provide adequate time for quality work.
- f) Periodic review and early identification of deviations from previously set quality standards.



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21. Occupant Coordination

Many projects must be completed within existing facilities that are occupied by Residents or Homeowners. In this situation we provide a coordinator to assist the occupants through the construction process.

22. Safety Program

We will tailor an "Accident Prevention Plan and General Safety Program" specific to your project. This plan will be reviewed weekly with contractors to ensure that all workers are current throughout the project.

23. Change Orders

Change Orders are not prepared until work has been approved and a cost proposals submitted. By then, Ferrell will have made the determination about whether additional work is necessary.