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Our partner, colleague and our dear friend.

A talented professional, a loyal Aggie and above all else,
a great husband and father.

You encouraged us to strive for greatness in everything we do.
You will always be our inspiration.





A LETTER

TO OUR READERS



Steve Van Amburgh



Toby Grove

Welcome to another issue of *Developing for the Future*. As you flip through the pages, you will read about many of the exciting things happening at KDC. Our commitment to GREEN development is stronger than ever, with a goal to become one of the "GREENEST" developers in the United States. This commitment carries over to our successful *Intellicenter* program, which is in its second phase of development.

We are also focusing on two new initiatives that will broaden our business scope. The "Tech Savvy" story outlines our new 150,000-square-foot project for Perot Systems in Lincoln, Neb., and our plans to implement a speculative mission-critical data center program. On the flip side, we have created a venture with Harbert Management Corporation to launch a speculative industrial program. The Austin and Houston locations, totaling 1 million square feet, are underway.

But we aren't stopping there. KDC is starting a new chapter in the coming year. In January, you will notice the Koll Development Company name slowly fading away with the KDC name at the forefront. We'll have a new KDC web site, marketing materials and letterhead. However, one thing that won't change is who we are. KDC will be the same great company, with the same great team, that always puts its clients first.

We'd also like to recognize our new partners, E2M and Sammons Enterprises. These excellent companies will allow us to expand and improve our business platform by opening new offices across the United States and by pursuing more build-to-suit and speculative development opportunities. KDC has conducted business with both of these companies in the past, and we are excited to do so going forward.

As we walk the hallways of KDC and talk with our many business associates, it has become clear that most of us know someone who has served or is serving in the military. In this issue, we are proud to recognize some of these fine individuals.

Finally, as we went to press with this issue, our longtime colleague and friend Murray Newton passed away. Murray has been a 20-year partner with KDC and was full of integrity. Murray always looked for the "win-win" in all business dealings. As we look to the exciting changes ahead for KDC, we know that Murray's inspiration and leadership are the reasons we will get there. His vision, dedication and passion for doing the right thing will continue to inspire us to succeed.

Steve Van Amburgh
Chief Executive Officer
KDC

Toby Grove
President
KDC



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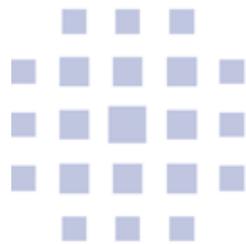


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*Cover image: Chevron
Photographer: dvdesign group, inc.*

News Wire



"Topping Out": Blue Cross and Blue Shield of Texas Headquarters

Richardson, Texas – Construction on the 1-million-square-foot headquarters — the largest build-to-suit project in Dallas-Fort Worth since 1986 — is underway. The "topping out" for the two

towers, one seven-story and one 15-story, is scheduled for the beginning of 2009.

"From the beginning, this project has been an incredible team effort beyond the vision of BCBSTX and KDC," said Tobin Grove, president of KDC. "Thanks to the exceptional contributions by The Staubach Company, Galatyn Park, city of Richardson and Collin County officials, we are well on our way to completing one of the area's largest development projects this year."



Chevron Building Complete; Receives Gold LEED Certification

Covington, La. – KDC's recently completed regional office building for Chevron Corporation received Gold Certification from the U.S. Green Building Council's LEED program.

This is KDC's first project to achieve LEED Gold status and is only the second office building in Louisiana to receive the classification.

"Chevron strongly believes in a healthy work environment, so seeking our first Gold Certification on behalf of Chevron was a logical choice and the best way to meet the needs of our client," said Mike Rosamond, senior vice president of KDC.



KDC Selected to Build New Home for Lincoln-Based Employees of Perot Systems Corporation

Lincoln, Neb. – KDC's 150,000-square-foot office building for Perot Systems Corporation will be the largest private LEED-certified building in the state. The building will sit on 21 acres at the University of Nebraska Technology Park and house around 1,000 Perot employees.

"This project represents a great team effort between the public and private sectors, resulting in a unique campus facility for Perot Systems that is cost-efficient and environmentally responsible," said Ab Atkins, senior vice president of KDC.



KDC Breaks Ground on New AAA Operations Center

Oklahoma City – The 147,350-square-foot center is KDC's first build-to-suit

project featuring design attributes of KDC's successful *Intellicenter* concept. The LEED-certified building is scheduled for completion in late 2009 and will house 825 new employees, who will provide AAA members in several states with membership, travel and insurance benefits.

"This is a great opportunity to combine our extensive build-to-suit experience, along with our knowledge of 'green' development, as seen through our *Intellicenter* program," said Steve Van Amburgh, CEO of KDC. "The final product will meet the needs of AAA as the company seeks to provide an environmentally friendly work area for its employees in a facility that enhances their business needs."



Construction Complete on Six Intellicenter Buildings

Intellicenters in Atlanta; Charlotte; Dallas; Houston; Riverside, Calif.; and Tampa, Fla., are complete. *Intellicenter-Houston* is leased to The

Travelers Companies Inc.; *Intellicenter-Atlanta* is leased to the University of Georgia for its Gwinnett Campus; *Intellicenter-Dallas* is leased to Morgan Stanley, Inc. for its Saxon Mortgage Services headquarters and Horace Mann; and *Intellicenter-Charlotte* is leased to Daimler Trucks North America.

"*Intellicenters* have been well received by Corporate America," said Jake Ragusa Jr., senior vice president of KDC. "We developed the kinds of buildings they asked for, and they have leased up very well."

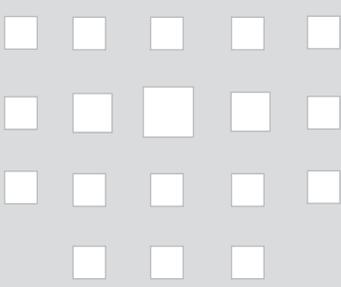


KDC Completes LEED-Certified Credit Suisse

Research Triangle Park, N.C. – KDC completed the new 205,000-square-foot global business center for Credit Suisse entitled the "Center of

Excellence," which will provide vital business continuity, information technology and operations services, as well as house support staff members for the company's investment banking division.

"The Credit Suisse build-to-suit project is another example of what we do best at KDC — development of fast-track projects with a skilled and experienced team," said Larry Wilson, president of KDC's Carolinas office.



Large Block of Space Leased at 1.2-Million-Square-Foot Redeveloped The Campus at Legacy

Plano, Texas – KDC and San Francisco-based Spear Street Capital LLC leased 110,137 square feet to seven companies at the 5360 Legacy building in the

redeveloped The Campus at Legacy. The new tenants include Dr Pepper Snapple Group Inc. (NYSE: DPS), World Ventures, Group360 Inc., MarketNet, Teleca USA Inc., Advanced Neuromodulation System and Pharmaceutical Strategies Groups.

“We are excited about the interest that the market is showing in the project since we’ve completed the latest phase of redevelopment,” said John Brownlee, senior vice president at KDC. “We are providing these tenants with a great environment and an amenity package that is truly unique in the Dallas-Fort Worth market.”



KDC Completes Corporate Headquarters Expansion for Denbury Resources

Plano, Texas — KDC completed a new 100,000-square-foot build-to-suit corporate office building located adjacent to their Denbury headquarters facility in Legacy Business

Park. The project includes a three-story building that houses approximately 350 employees and a parking structure.

“Our team certainly takes pride in all of our projects, yet we realize the significance of a corporate headquarters and understand that it helps set the tone for an entire company,” said Steve Van Amburgh, CEO of KDC. “Expanding the current campus was a logical choice, and the new building will complement the existing headquarters.”

KDC Breaks Ground on Northpointe Trade Center

Austin, Texas – Northpointe Trade Center will consist of three LEED-certified buildings totaling 448,550 square feet of industrial space. Building features include 24 to 28 feet of clear height and an Early Suppression Fast Response (ESFR) sprinkler system. Shell work is scheduled for completion in March 2009.



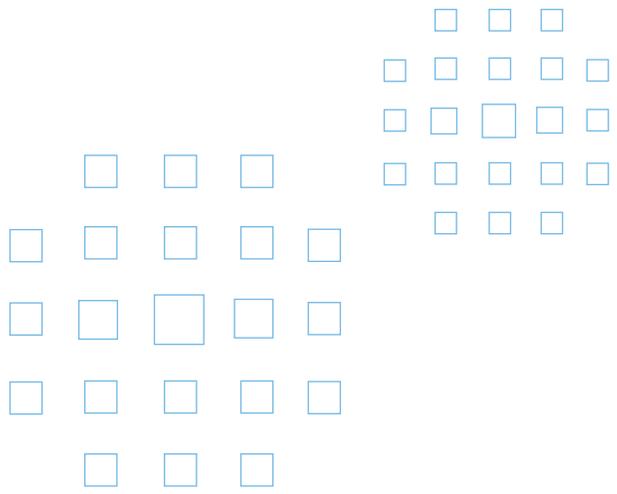
“We selected the Austin site knowing that the city has a very healthy industrial market with great opportunity for growth and success,” said Randy Touchstone, vice president of KDC and director of the industrial program.

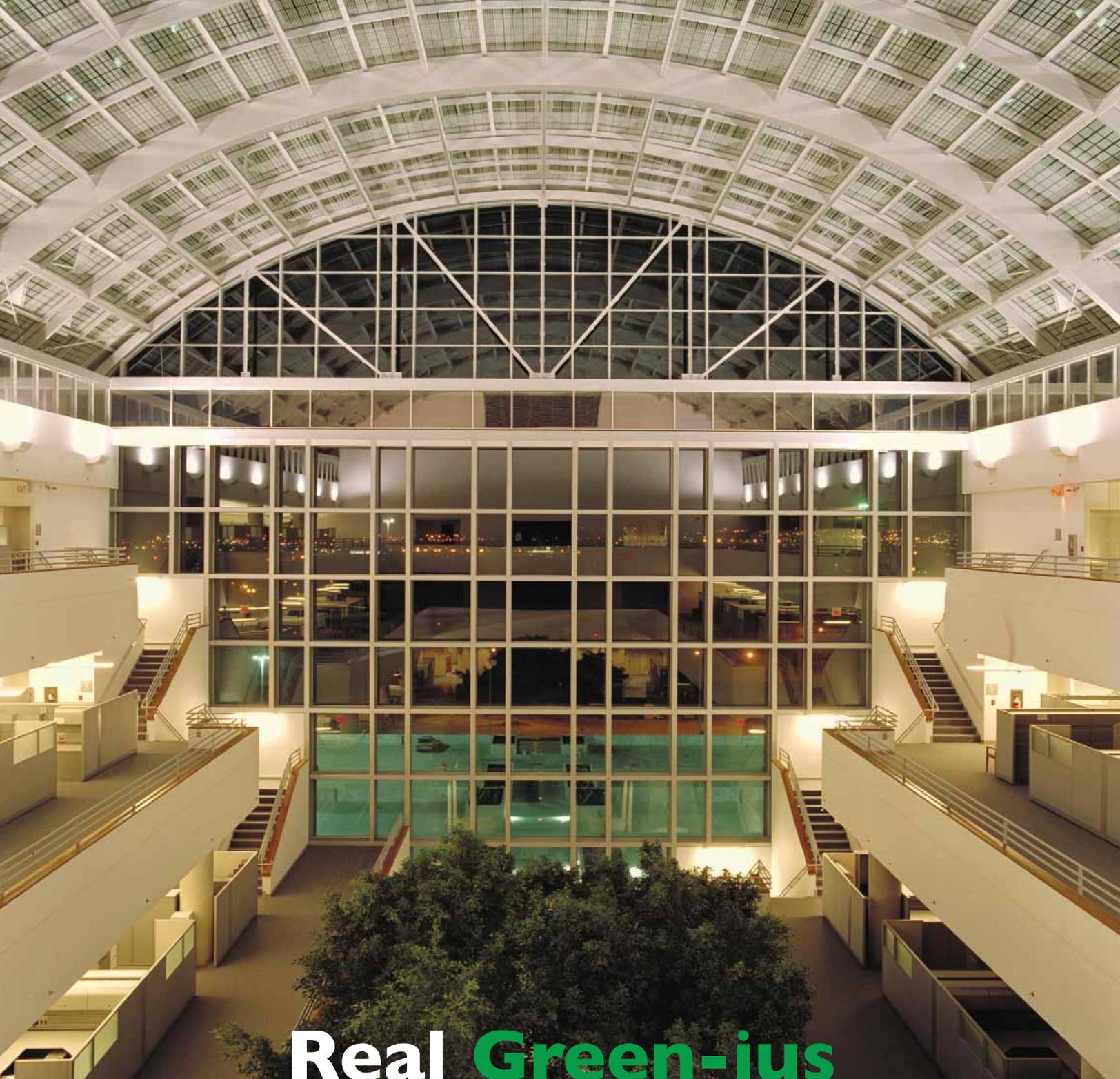
Houston Industrial Project Is First Development for KDC and Harbert Management Corporation

Houston, Texas – KDC broke ground on a 50-acre industrial site near Ellington Field in Houston. The site is being developed in two phases. Phase I development will include three buildings totaling 500,000 square feet. The Phase II development, scheduled to begin in 2010, will include

two buildings totaling 320,000 square feet.

“The Houston project is right in the middle of the fairway when it comes to location,” said Randy Touchstone, vice president of KDC. “Our industrial buildings will be perfectly positioned for users who want access to the Port of Houston.”





Real Green-ius

KDC Set to Become the Nation's Greenest Developer

While many commercial developers are only now dipping a toe into green building development, KDC has already done a complete dive into sustainable development, making a big splash in the commercial real estate industry.

“We want to be the greenest developer in the United States,” KDC CEO Steve Van Amburgh says. “Our intention is for every one of our projects to be green and have some level of LEED certification.”

Van Amburgh says KDC’s green building activity has increased 10 percent annually since 1998. Today, every single one of KDC’s projects, whether they are built-to-suit or speculative, are designed and developed to achieve LEED (Leadership in Energy and Environmental Design) certification from the U.S. Green Building Council (USGBC). Many properties have even received higher ratings of Silver or Gold.

And every single member of KDC’s design and construction group will be a LEED-accredited professional (AP) by the end of this year. “We had a corporate retreat in fall 2007, and we decided to make LEED AP a requirement for everyone at KDC,” says Mike Rosamond, senior vice president of construction management for KDC. Currently, eight KDC team members have received LEED accreditation, and another seven are scheduled to take the test and receive their accreditations.

“Green building is no longer the exception, it’s the rule,” Van Amburgh says. “If you’re a corporate real estate director, you should be doing everything in your power to provide a green building for your company and its employees.”

Creating the Green Team

KDC built its first “green” building more than a decade ago — the 220,000-square-foot regional headquarters for the Environmental Protection Agency (EPA) in downtown Kansas City. Working with the EPA and the General Services Administration (GSA), KDC established a “Green Team” to create a building that was environmentally sensitive.

At the time, the USGBC’s LEED program was still in its infancy, and the EPA facility was one of the first projects to participate in the program. But, because the LEED program was still somewhat unformed, the Green Team developed its own green standards, Rosamond says.

“We took it upon ourselves to research and evaluate green products, technologies and building methods,” Van Amburgh notes. Designed by Langdon Wilson Architects, the EPA regional headquarters is situated on a brownfield site near a river and features a fitness



center, outdoor terraces, an atrium, a fountain and expansive barrel-vault skylights.

The EPA facility was designed to provide an exceptional indoor environment for its employees. Not only did KDC focus on indoor air quality by using paints and adhesives with low or no volatile organic compounds (VOCs) and the addition of 12 ficus benjamina trees, which are one of the most aggressive pollution-fighting plants, the company also paid careful attention to building acoustics.

The building was developed with an eye toward energy efficiency, featuring a state-of-the-art building automation system, exterior light shelves, high-efficiency windows and indirect lighting with task lights. Additionally, more than 40 shade trees were planted within the visitor parking area on the west side of the building to provide shade in the summer months and to allow for solar heat gain in the winter when the leaves have fallen from the deciduous trees.

Water conservation was also required, and the building was installed with low-flow plumbing fixtures,



Beyond the *Intellicenters*, many of KDC's build-to-suit clients have implemented sustainability programs internally and now require their facilities to be designed and developed with the environment in mind.

native landscaping and drip-irrigation systems. And sand and oil interceptors were installed in parking lot drains to promote better water quality in the runoff water.

"The EPA building and the emergence of the U.S. Green Building Council were the catalysts for KDC's involvement in green building, but we've always been interested in doing things the right way and taking care of the environment," Van Amburgh says.

Spreading the Green Word

A few years after KDC completed the EPA building, the company decided to introduce green building to Corporate America. Through its *Intellicenter* program, KDC showed its corporate clients that green building could be implemented both efficiently and economically, Rosamond says (read more about KDC's *Intellicenter* program on page 34).

KDC's *Intellicenters* are built according to rapidly evolving sustainable design and construction practices to benefit tenants with lower operating expenses and increased employee productivity. Each

Intellicenter building has been designed to be LEED-certified.

Beyond the *Intellicenters*, many of KDC's build-to-suit clients have implemented sustainability programs internally and now require their facilities to be designed and developed with the environment in mind, says KDC Senior Vice President Jake Ragusa. "A lot of our clients are starting to ask for green design and construction, and we're actually proposing green building to all our clients," he explains.

For example, KDC recently completed a regional office building for Chevron Corporation that received LEED Gold Certification. The 300,000-square-foot building, located 40 miles north of New Orleans in St. Tammany Parish, is KDC's first project to achieve LEED Gold status. In addition, the Chevron development is the first office building in Louisiana to receive LEED certification from the USGBC.

Designed by HOK/Mathes-Brierre Architects and Forum Studio, along with the MAPP/Clayco Joint Venture as general

contractors, the new Chevron building is home to Chevron North America Exploration and Production Company's Gulf of Mexico Business Unit (GOMBU) and houses up to 750 employees.

"More and more corporations are seeing the benefits of LEED certification," Ragusa says, adding that KDC often plays the role of "green" educator. "If they're not familiar with LEED, we explain it to them. We also show our clients the benefits of green building as they relate to long-term cost savings and explain the payback time frame of upfront investments in green design and construction."

New Levels of Sustainability

Because KDC is constantly improving the way it does business and builds buildings, the company is taking its commitment to sustainability to a new level. In addition to LEED,

KDC has embraced the EPA's ENERGY STAR program, which measures energy consumption and efficiency from an electrical and mechanical systems standpoint, according to Rosamond.

KDC's second *Intellicenter* in Houston will be the company's first building that is both LEED-certified and ENERGY STAR-compliant. "ENERGY STAR has a verification process that we think will have tremendous value to the tenants in the building," Rosamond says. "Being able to say we built the building efficiently and having proof that it's better than a traditional building will be a big benefit."

Van Amburgh says KDC's green commitment has changed every part of the company and has influenced the way the company's employees approach their daily lives. "Being responsible and accountable just makes everything better," he says.

"The EPA building and the emergence of the U.S. Green Building Council were the catalysts for KDC's involvement in green building, but we've always been interested in doing things the right way and taking care of the environment," Van Amburgh says.





READY TO GROW

E2M AND SAMMONS INVEST IN KDC

Even smart companies experience growing pains when they expand, but they know that having the right resources can make that growth far less painful and a lot more productive. That's why KDC recently partnered with E2M Partners and Sammons Enterprises.



Toby Grove

"Fortunately, we've been very busy and have been awarded many new projects and opportunities for growth, so we sought out an entity-level financial partner to help us accommodate that growth," KDC President Toby Grove says. "With the investment from E2M and Sammons, we have the financial resources we need to grow our business."

Dallas-based E2M Partners, a private equity firm that invests in both real estate companies and assets, and

Sammons Enterprises, one of the largest privately owned companies in the United States, with assets approaching \$40 billion, have made a capital investment in KDC.

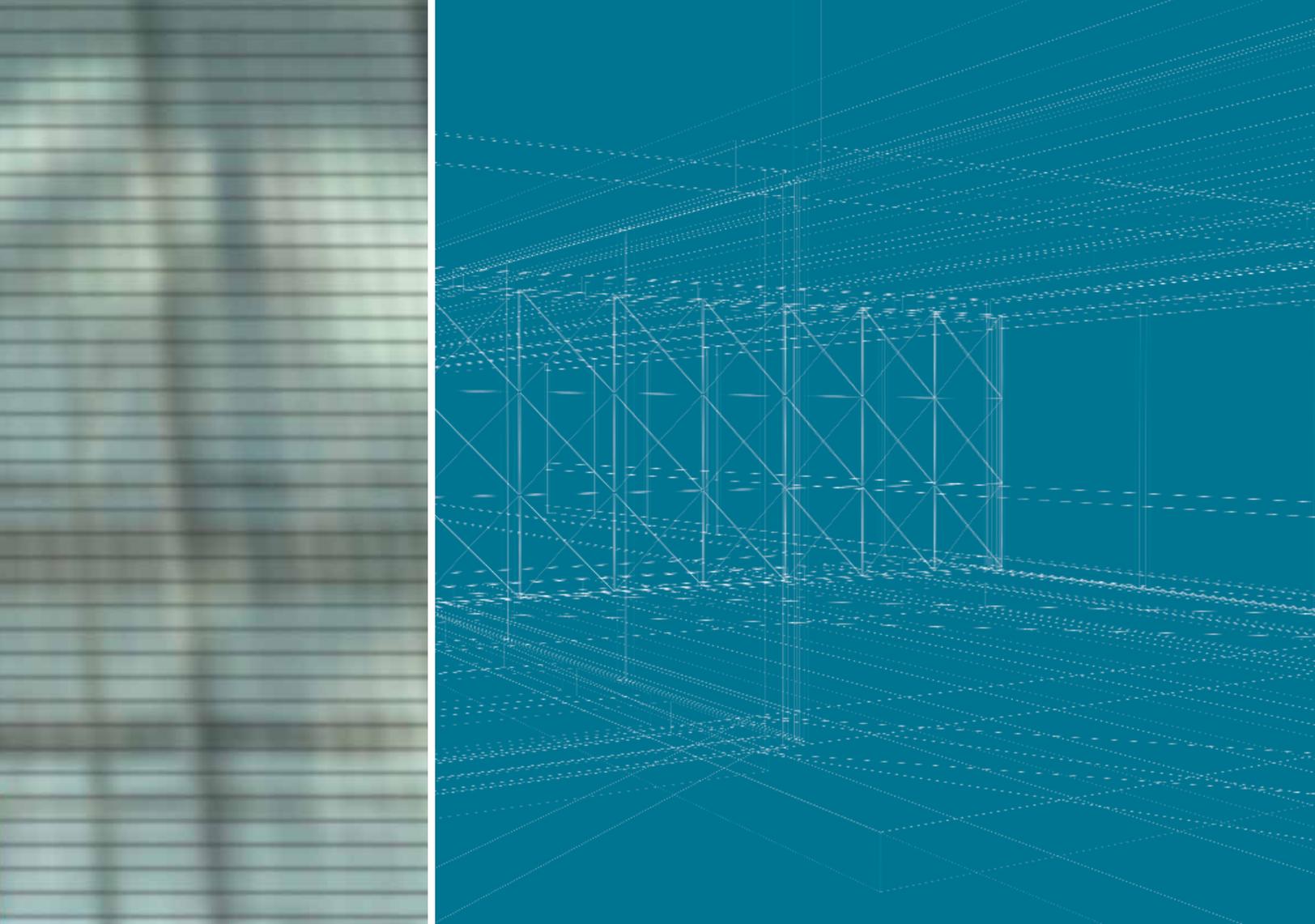


Paul Rowsey

"Since we first worked with KDC more than 10 years ago, we've been looking for another opportunity to partner with them," says Paul Rowsey, managing partner of E2M. "We think KDC is a great operator, and we're excited to invest in the company."

Finding the Right Partner

Although a financial partner has always been part of KDC's long-term growth strategy, the company only recently decided to move forward with those plans, KDC CEO Steve Van Amburgh says.



KDC has other partnership structures in place for specific projects or development programs. For example, in February, KDC partnered with Harbert Management Corporation for an industrial development program (see story on page 28) — but the company itself was operating without an investment partner.

Earlier this year, however, KDC engaged an investment bank to help it identify potential partners and ended up talking with a number of companies that the bank recommended.

“Fortunately, a lot of companies were interested in investing in KDC, yet we wanted to make sure the company that we partnered with would be a fit from a culture standpoint,” Van Amburgh says. But KDC wasn’t finding the right fit — a challenge that Van Amburgh and Rowsey discussed during one of their frequent lunch meetings. That’s when Rowsey expressed interest in E2M and Sammons investing in KDC.

“We had a successful joint venture with KDC to build the Nokia USA headquarters in Irving, Texas, in 1997, and we liked their professionalism and the high level of service they provided to the client,” Rowsey says, adding that KDC’s ability to execute its business plan in a very efficient and cost conscious basis was equally impressive.

KDC, E2M and Sammons were able to nail down the specifics of the deal in less than two weeks. The KDC investment was part of E2M’s fourth fund, which is targeted at \$600 million raised from wealthy individuals, family offices, endowments, institutions and foundations. It is one of only a few investments E2M has made in an operating company; typically the private equity fund invests in properties rather than companies, Rowsey says.

“Although we have a lot of opportunities to invest in an operating platform, it really takes a special company for us to make that kind of investment,” Rowsey contends. “We

look for best in class companies — those with experienced, talented and committed management teams that are focused on a specific business.”

Rowsey says E2M and Sammons will not participate in the day-to-day operations of KDC. Instead, the investment firms will focus their energy on helping KDC formulate growth strategies.

Growth Strategies

With E2M and Sammons’ capital investment, KDC expects to expand its business in three key areas: aggregating its own real estate portfolio; opening new offices across the United States; and pursuing more build-to-suit assignments and speculative development opportunities.

Historically, KDC has operated as a merchant builder, selling off most of its projects. To date, KDC has completed more than 90 corporate build-to-suit office and industrial projects valued in excess of \$2.5 billion and totaling more than 13 million square feet for clients including: Blue Cross Blue Shield, Citigroup, Denbury Resources, EDS, FedEx, Fluor, Intuit, Prudential, Rent-A-Center, Sally Beauty and many others.

However, in October 2005, KDC and three other real estate investment groups purchased 2.75 million square feet of real estate assets from EDS for \$217 million. The acquisition was one of the largest transactions worldwide that year involving multiple office properties.

And, KDC now intends to create a portfolio of assets for its own benefit, Grove says. “This is something that we’ve not pursued before, but our vision is to

create an enterprise that will aggregate a portfolio of properties. It is our intent to actively asset-manage the portfolio, and we will continue to sell selected assets when the right opportunities arise,” he explains.

Grove estimates that roughly 85 percent of KDC’s business today is development-oriented, and he expects activity will transition over the next 24 to 36 months to 50 percent development and 50 percent acquisition. He says this will happen through the purchase of portfolios or individual office and industrial assets, seeking both opportunistic and value-added properties of institutional quality.

Additionally, KDC has targeted three new markets for expansion: Chicago, suburban Washington, D.C., and the San Francisco Bay area. “The success of our Charlotte office has validated our model for regional offices and encouraged us to expand,” Grove says. “We are opening offices in these markets because we feel that we need a deeper reach for corporate build-to-suits and acquisitions.”

Grove says KDC expects to open offices in these markets by mid-2009, as well as expand its Houston operations. “We are actively talking with development professionals in those markets to build our local teams,” he notes. “We are well-capitalized and anticipate having substantial opportunities.”

Rowsey says KDC, with its commitment to its business model and its focus on Fortune 1000 companies, is well-positioned for future growth. “KDC creates high-quality projects that will continue to attract investment capital regardless of economic conditions,” he says. “That’s the kind of company we were interested in investing in.”



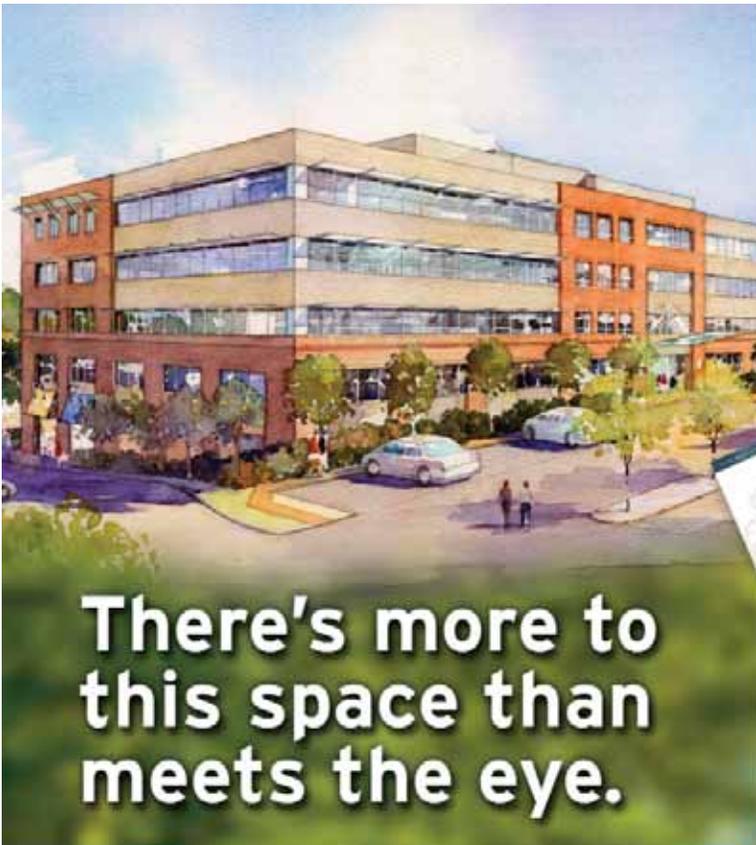
“The delivery of the Nokia USA headquarters ahead of schedule and under budget demonstrates KDC’s commitment to both client service and meeting the financial expectations of its investors.”

– Paul Rowsey, E2M Partners



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TECH SAVVY



KDC Kicks Off Tech-Focused Development Prog

Facilities that house Corporate America's information technology (IT) hubs and operations info centers are a growing part of KDC's build-to-suit business and development activity. And as with most KDC endeavors, the company has started with a huge project for a top company.

"We are developing a 150,000-square-foot build-to-suit for Perot Systems as a Phase I portion of a multi-building campus that will feature state-of-the-art 'green' technology and infrastructure design," says Ab Atkins, senior vice president at KDC. "The project is currently one of the largest private construction projects in Nebraska seeking LEED certification, and we expect the building to use up to 30 percent less energy than a traditional building."

Located in the University of Nebraska Technology Park in Lincoln, the new Perot Systems' facility will house approximately 900 employees, who will provide technology and business process support to the life insurance and annuity industry. KDC, with the help of Cushman & Wakefield Inc., identified the 21-acre site and completed a ground lease with the University to develop the new facility. Perot Systems has leased the build-to-suit for 10 years.

The new facility will allow Perot Systems to consolidate most employees from existing locations in Lincoln and will provide space for new jobs, according to Larry May, head of corporate real estate for Perot Systems. The Plano, Texas-based company plans to establish a service delivery center at the new facility, expanding its growing Infrastructure Solutions (IS) unit into Lincoln and creating 150 new technical jobs. These



ram with Perot Systems Project

new job opportunities include systems engineering and administration and utilizing technologies such as UNIX, Intel, messaging, storage, mainframe and network management.

The new two-story facility will feature a number of *Intellicenter* attributes, including raised access flooring and underfloor air distribution. "This design element, we believe, will have the greatest impact on the way we manage the daily operations in Lincoln," May says.

In addition to these sustainable design elements, the facility will also feature

redundant power through generators for uninterrupted electricity and redundant sonnet rings for uninterrupted telecommunications. It will be completed by fall 2009.

Besides the technology-related build-to-suit projects for Corporate America, KDC is actively pursuing a speculative mission-critical data-center development program, Atkins says. The company is currently analyzing sites in major metropolitan markets, such as Dallas-Fort Worth and Washington, D.C. These locations boast abundant fiber-optic communications infrastructure and attractive power prices.

"Corporate America is in the process of disposing of older facilities and consolidating into new state-of-the-art data centers with robust infrastructure that are located in highly assessable and catastrophic low risk regions of the country," Atkins says. "KDC plans to continue its lead in providing innovative development solutions in the information age in which we live."



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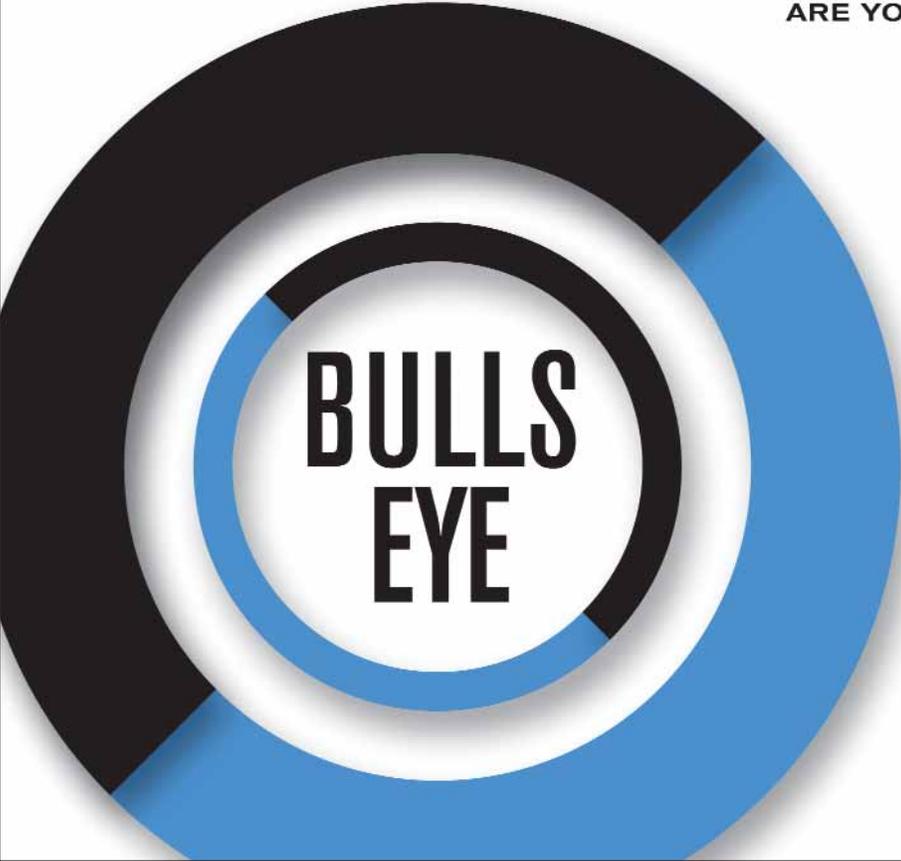


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Our Country Our Heroes

From the moment the members of the Continental Congress signed the Declaration of Independence on July 4, 1776, the United States of America has been known as the home of the brave and the land of the free. Now, 232 years later, our nation remains free, thanks to the millions of exceptional men and women who serve in the five branches of the U.S. military. We are forever grateful.



These brave men and women have made sacrifices to protect our country and ensure that Americans can continue to enjoy the “life, liberty and the pursuit of happiness” that the Declaration of Independence promises.

That’s why KDC is paying tribute to the “American Heroes” who have served our country so diligently and so faithfully, with courage and honor, in times of peace and prosperity and in times of strife and poverty.

At KDC, we believe serving others both in business and everyday life is one of the most important

attributes of a good servant leader. And we want to recognize the brave members of the U.S. Armed Forces who inspire us to be better people each and every day.

This fall, KDC asked clients, coworkers and friends to tell us about those closest to them who have committed to military duty. The only requirement was that no generation be excluded.

Below are a few of their stories. We salute, and we thank, each of these inspirational “American Heroes.”



HERO: Craig Harris



Craig Harris was in the U.S. Marine Corps from 1989 to 1993 as a second lieutenant. He fought in Desert Storm with the 5th Battalion, 11th Regiment of the 1st Marine Division, and although he was only in his mid-20s, Harris was in charge of a 208-millimeter self-propelled artillery unit.

After returning from Iraq, Harris received the Navy Commendation Medal, which recognizes sustained acts of heroism or meritorious service in direct contact with an enemy force. He now works for the FBI and, in that role, he has spent time in Iraq and Central America.

Harris was proudly nominated by his brother-in-law Blake Anderson, a senior vice president of Grubb & Ellis Co. in Dallas.

HERO: Stephen Lamar Holley Jr.



Stephen Holley was a lieutenant in SEAL Team 5, based out of San Diego, and led several platoons, including two deployments to Iraq.

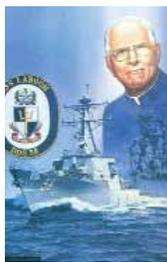
“A SEAL is said to be truly the best of the best, being a master in strategy and a professional marksman with rifles, machine guns and knives, but

Stephen Holley also has the highest integrity and character of any man you will ever meet,” says his wife, Molly Holley, who nominated him as an “American Hero.” “He proved his physical strength and courage when he became a SEAL, but demonstrated it above and beyond when he led 20 men overseas in the middle of a war and brought them all home safely.”

“Not many men could put up with the physical endurance it takes to become a Navy SEAL, and even fewer could put up with the mental strength and tenacity it takes to do what they do and willingly lead your men into harm’s way in the middle of a war — all to protect your country and loved ones back home,” Molly says.

Molly Holley says her husband always does the right thing and never puts himself first. “Ever since I have known Stephen, he has always put everyone else first ... whether that was his country, his teammates, the men he was leading or his family,” she says. “Stephen Holley is my hero.” Stephen Holley is currently a broker with Jones Lang LaSalle in Dallas.

HERO: John Francis “Jake” Laboon



The Rev. Jake Laboon, who served in the U.S. Navy Chaplain Corps, was known as a “man’s man and a sailor’s sailor,” according to Tom Lynch, an executive vice president with Jones Lang LaSalle in Washington, D.C., who nominated Laboon as an “American Hero.”

Known to most as “Father Jake,” Laboon devoted his life of service to God, his country and the Navy. He graduated from the U.S. Naval Academy in 1944. Laboon was assigned to the submarine *USS Peto* and, during his time aboard the sub, he was awarded the Silver Star for bravery for diving his submarine to rescue a downed aviator under enemy fire. At the close of World War II, Laboon left the Navy to become a Jesuit priest.

In 1958, Father Laboon returned to the Navy as a member of the Chaplain Corps, and during the next 21 years, he served in virtually every branch of the Navy and Marine Corps. His assignments included tours in Alaska, Hawaii, Japan and Vietnam, where he earned a Legion of Merit with a Combat “V.”

When he retired in 1979, Capt. Laboon was the fleet chaplain of the U.S. Atlantic Fleet. When his naval career ended, Father Laboon returned to Annapolis as the house manager for the Jesuit retreat facility, Manresa-on-Severn. His final tour of duty was as pastor of St. Alphonsus Rodriguez Church in Woodstock, Md.

Laboon passed away in 1988, and the Navy honored his memory by naming an Aegis cruiser after him – the *USS Laboon*.

HERO: Don M. Houseman



Don Houseman fought in the Battle of the Bulge during World War II and was a prisoner of war in Germany until liberation.

“Don Houseman is my role model and someone I fondly look up to,” says his granddaughter, Jenny Houseman of KDC, who nominated him as an “American Hero.” “He has all the qualities of the person I want to become. In all the years I have been alive, I have never heard him complain once.”

Don Houseman and his battalion were hit by a concentration of heavy artillery, mortar and rifle fire just after daybreak on Dec. 19, 1944. He was shot in the leg and received multiple shrapnel wounds. Due to blood loss and exhaustion, Houseman passed out and woke up to the

sound of German soldiers. While unconscious, one of the ranking officers, who felt Houseman's battalion was completely surrounded and defenseless for lack of ammunition, surrendered the battalion to the Germans.

From the beginning of the Battle of the Bulge on Dec. 16, nearly a fourth of the men in the two regiments were killed or wounded. By Dec. 21, almost all those not killed had been captured. Fewer than 150 men made it back to American lines. Back home in the United States, Houseman's family didn't know whether he was dead or alive. All they knew was that he was missing in action. Fortunately, after four months in captivity, Houseman made it back to the United States.

Jenny Houseman says her grandfather, whom she calls Pop, is always putting others before himself. And he's also incredibly humble. "He is a true example of a selfless hero and a real leader in my eyes," she says.

HERO: Jonathan Lawes



West Point graduate and U.S. Army 2nd Lt. Jonathan Lawes is one of the eight members of Christopher Bosley's family who has served his country. Bosley, a broker in Cushman & Wakefield's Irvine, Calif., office, nominated Lawes, his cousin, as an "American Hero."

"Jonathan chose to go to West Point and make a commitment to serve for something greater than himself," Bosley says. "Although I am older than he is, I look up to him and other Americans who take responsibility for our country's safety, as well as go into harm's way with honor and pride."

Lawes is currently in active duty in Iraq.

Other members of Bosley's family who have served their country with honor include: his father, Philip N. Lawes III, U.S. Marine Corps; his father-in-law, James J. Woods, U.S. Marine Corps; his uncle, Gordon P. Lawes, U.S. Army; his great-uncle, Perry H. Williams, U.S. Marine Corps; his grandfather, Philip N. Lawes II, U.S. Army; his great-grandfather, Philip N. Lawes, U.S. Army Cavalry; and his other great-grandfather, Frank Williams, U.S. Navy.

HERO: Jack Leide



Jack Leide retired as a U.S. Army major general on Aug. 1, 1995, after serving his country for 33 years. He served four combat tours — three as an airborne company commander and the fourth as Gen. Schwarzkopf's director of intelligence (J2) for

Operations Desert Shield and Desert Storm. He has always been a great servant leader.

His military awards and decorations include the Defense Distinguished Service Medal with one oak leaf cluster, the Defense Superior Service Medal with two oak leaf clusters, the Legion of Merit with two oak leaf clusters, the Bronze Star for Valor with three oak leaf clusters, the Defense Meritorious Service Medal and the Army Meritorious Service Medal with two oak leaf clusters. He also has been awarded the Combat Infantryman's Badge, the Special Forces Tab, the Office of the Secretary of Defense Service Badge and the Army Staff Badge, and he is a master parachutist.

Leide was awarded the National Intelligence Medal of Achievement for his duties in China and the Liberation Medal First Class by the government of Kuwait for his duties during Operations Desert Shield and Desert Storm. He was also awarded the Central Intelligence Agency Seal Medallion and the National Intelligence Distinguished Service Medal.

Upon retirement from the military, Jack Leide served as president of Global Information Technologies at EDS.

Leide was nominated as an "American Hero" by Philip Romano, a nationally renowned restaurateur. Romano sums up Leide in just a few words: "Jack is just an awesome guy and a stand-up Italian."

HERO: Tom Lynch



Tom Lynch, who nominated Jake Laboon as an "American Hero," is also an "American Hero," according to Jake Ragusa Jr., a senior vice president at KDC, who nominated Lynch.

Lynch spent 31 years in the U.S. Navy before retiring with the rank of rear admiral. Today, he serves as an executive vice president at Jones Lang LaSalle. During his naval career, he served as chief of Navy legislative affairs and commanded the Eisenhower Battle Group during Operation Desert Shield, reporting directly to Gen. Colin Powell. He also served as superintendent of the U.S. Naval Academy from 1991 to 1994 and director of the Navy staff in the Pentagon from 1994 to 1995.

After retiring from the Navy, Lynch joined The Staubach Company (now Jones Lang LaSalle).

HERO: John Wroten

John Wroten served in the U.S. Marine Corps for four years during the Vietnam War, attaining the rank of captain before resigning his commission. He was an inspirational leader and is an alumnus of the U.S. Naval Academy.

After leaving the Marine Corps in 1969, Wroten immediately signed on with EDS, spending 35 years at the company.

Wroten retired from EDS in 2005 as senior vice president, after leading the company's administration business support unit, overseeing EDS' global real estate portfolio and employee administration functions. The KDC Team knows about Wroten's leadership qualities firsthand, as they had the privilege of doing business with him at EDS.

Currently, Wroten serves as a member of the board of directors for Texas Stampede® Inc., a Dallas-based fundraising organization, where he also serves as chairman of the Rodeo Executive Committee.

Wroten was nominated as an "American Hero" by Steve Van Amburgh, CEO of KDC, and Randy Touchstone, vice president and partner of KDC.

HEROES: Kevin McDonnell and Scott Smiley



When Capt. Scott Smiley was blinded by a suicide blast in Mosul, Iraq, in April 2005, Col. Kevin McDonnell sprang into action to make sure that Smiley would not be discharged from the U.S. Army. Even though it would be an honorable discharge, McDonnell

knew that Smiley had more to offer the military. McDonnell was made aware of Smiley's situation by Smiley's older brother, who served under McDonnell.

With McDonnell's help, Smiley has become one of only two active servicemen in the U.S. military who is blind. He believes he has a lot to offer the military and says that he doesn't want to waste his expensive West Point education, which was paid for by the U.S. government and taxpayers.

After being injured, Smiley returned to the United States for rehabilitation. To show his resilience and mental fortitude, he climbed Mount Rainier, the tallest volcano and the fifth-highest peak in the contiguous United States.

In 2007, Smiley was named the *Army Times* Soldier of the Year, and earlier this year, he was named Best Outdoor Athlete at ESPN's 2008 ESPY Awards for climbing Mount Rainier.

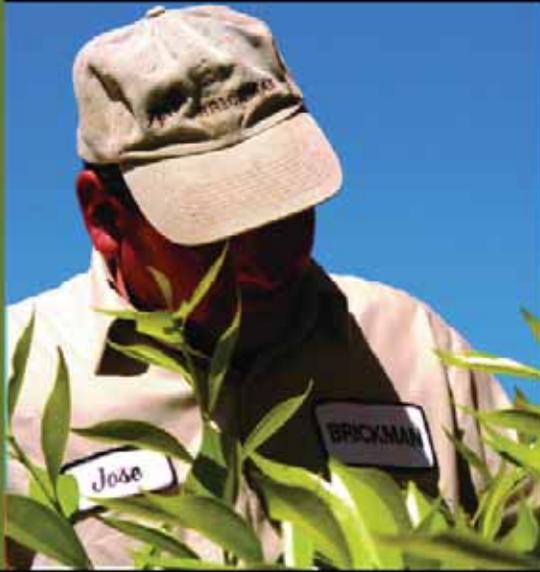
Smiley currently is working on a master's degree in business administration at Duke University in North Carolina and plans to teach cadets at the U.S. Military Academy at West Point, N.Y., after earning his degree in 2009. He is a true servant leader and is always putting others first.

"People speak so highly of Scott Smiley," says Sean McDonnell, vice president of KDC, who nominated both his cousin Kevin McDonnell and Scott Smiley as "American Heroes." "He's extraordinary."



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KDC Partners with Harbert to Develop Speculative Industrial Properties

After decades of developing office and industrial build-to-suit projects for Corporate America, KDC has partnered with Harbert Management Corporation (HMC) to build speculative industrial properties across the United States.



The Birmingham, Ala.-based investment management firm focuses on alternative asset classes, including real estate, private capital and absolute return strategies. HMC has contributed \$30 million in equity from its third real estate fund to the partnership, allowing KDC to develop more than \$100 million worth of industrial space.

"Prior to the partnership with KDC, we had not invested heavily in the industrial sector," says Alan Fuller, senior managing director of HMC Domestic Real Estate. "We were looking for a partner with a track record of performance, as well as integrity and ethics. KDC appealed to us because of their experience, professionalism and quality people."

KDC's experience and relationships with Fortune 500 corporations are important pieces of the KDC-HMC industrial development partnership. "Our industrial

activity in the past had been at the request of our corporate clients for build-to-suits, and speculative development had not been a primary focus," says Randy Touchstone, vice president of KDC and director of the industrial program. "We're expanding that focus now and think we are uniquely positioned to bring the right projects to market."

"The industrial sector is often looked at as a safe place to invest money. We think our well-located, functionally modern projects are not only a safe investment, but an investment opportunity," Touchstone says. "Real-time deliveries and fuel prices are going to require users to rethink their distribution network, creating opportunities for us to fill space in our projects."

Touchstone says the venture will develop primarily in top-tier distribution markets such as Atlanta, Chicago, Dallas-Fort Worth, Houston, and Los Angeles and locations near inland or coastal ports like Savannah, Ga., Norfolk, Va., Wilmington, N.C., Charleston, S.C., and Tampa and Jacksonville, Fla. Additionally, the partnership will be on the lookout for opportunistic niche plays in select markets.

With plenty of experience in green building and sustainability through its *Intellicer* program, KDC plans to design and construct a significant portion of its industrial properties to the U.S. Green Building Council's LEED standards. The LEED certification is expected to differentiate the properties from competitive projects in the market, attracting corporate users focused on energy efficiency and costs savings.

"Green buildings are not that common in the industrial market," Touchstone notes. "Other than location, LEED is one way you can differentiate industrial projects, and we think LEED will be a real benefit for forward-thinking corporations."

First Projects Underway

KDC has already kicked off the industrial development program with 1 million square feet of industrial space in Houston and Austin. Houston's Ellington Trade Center, located on Highway 3 across from Ellington Field, is situated on 50 acres and will be developed in two phases. Phase I, which includes three buildings totaling 513,000

square feet, broke ground in June 2008 and is scheduled for completion in spring 2009. The development of Phase II is scheduled to begin in 2010 and will include two buildings totaling 320,000 square feet. The overall value of the Houston development exceeds \$50 million, according to Touchstone.

John Ferruzzo, Griff Bandy and Jon Michael of NAI Houston are representing KDC on the leasing of the new project in Houston, and KDC has selected Azimuth Architecture as project architects, Cobb, Fendley & Associates, Inc. as the civil engineer and Rosenberger Construction as the builder.

"The Houston project is right in the middle of the fairway when it comes to location," Touchstone says. "It's near Houston's growing port, and with the widening of the Panama Canal by 2014, the biggest ships will be able to come from the Pacific Rim into Houston. Our industrial buildings will be perfectly positioned for users who want access to the Port of Houston."

In Austin, KDC has three industrial buildings under construction totaling 448,550 square feet. The project, dubbed Northpointe Trade Center, is located on the north side of the capital city a bit south of Highway 45, which is one of the main east-west corridors. It also boasts frontage on Interstate 35.

Brian Liverman, Scott Flack and Doug Thomas of Live Oak Gottesman LLC are representing KDC in the leasing of Northpointe Trade Center. KDC has selected Spring Valley Construction as the builder, Azimuth Architecture as the project architect and Garrett-Ihnen as the civil engineer.

"There's not a lot of developable land on the north side of Austin, and we saw the opportunity to develop a very unique site and get it to market quickly," Touchstone says, adding that the project will be LEED-certified. Construction will wrap up in February 2009, and when completed, the project will have a total value of \$30 million.

"We believe partnering with KDC for the industrial development program will create strong returns for our investors," Fuller says. "We're very excited about it."

Why the Glass
Is Half Full...

Not Half Empty!





Every day, there seems to be a new headline or sound bite describing the current economic crisis, the latest financial collapse or the just-released business index that has declined. When these emerging trends are released for public consumption in a highly charged election year, the combination can seem devastating to real estate owners, investors and

service providers who thrive on good news, positive trends and optimistic projections. The real estate industry is comprised of entrepreneurs, innovators, optimists and “never-say-never” professionals. When the “glass-half-full” real estate professionals are faced with the “glass-half-empty” news, doubt and concern often creep into the everyday lives of those professionals. However, all is not lost, and **the future could not be brighter**. Sure, times are challenging, but real estate development and investing is a marathon, not a sprint. We are entering a period many call the “Age of Real Estate,” where opportunities far outweigh the challenges, value can be created, and talent has many opportunities to shine.

According to a recent CEL & Associates, Inc. study, the doomsday prognosticators and “down-in-the-dumps” real estate firms can’t see the forest through the trees. Let’s dispel five popular myths.

Myth #1: Real Estate Assets Have Become Stagnant – Not True!

Real estate assets are being bought, sold and developed throughout the United States, with some markets more robust than others. Everything has not ground to a halt. The current credit crisis has not impacted real estate firms with strong balance sheets, valued banking relationships and equity to invest.

Myth #2: New Opportunities Are Not Available – False!

Well-capitalized real estate firms with a client-centric, knowledge-based business model have a pipeline of new opportunities. Corporate America is not shutting down, and the United States has an economy that is not going to disappear. The combination of corporate consolidation, growth in startup enterprises and improved productivity creates multiple asset opportunities.

Myth #3: The Stock Market Is a Better Investment than Real Estate – No!

Since 1996, the real estate industry has outperformed the stock market. Investor capital is seeking real estate opportunities both domestically and globally. According to some analysts, there is nearly “\$10 trillion seeking real estate investment opportunities worldwide.” Capital loves real estate because it consistently outperforms many other asset classes.

Myth #4: There Are No Available Funds to Re-Invest in the Real Estate Market – Not True!

There are literally billions of dollars “on the sidelines” waiting to jump back into the real estate market. If the commercial real estate sector is collapsing, why are so many investors, funds and institutions seeking real estate investment? Why are there 15 or more bidders for every “distressed” asset sale? According to noted researcher Arthur Nelson, there will be 112.2 billion square feet of new non-residential space needs by 2040. Opportunity attracts capital.

Myth #5: There Are a Lack of Options for “Greening” Commercial Real Estate – False!

The “greening” of commercial real estate has just begun. Less than 1 percent of all commercial buildings are LEED-certified; there are more than 10,000 projects (3.5 billion square feet) seeking LEED certification; and the green building industry is expected to grow from \$12 billion in 2007 to \$42 billion by 2015. The “greening” of commercial real estate has just begun.

The key to capturing these positive growth trends is to stay focused, leverage your core competencies, market your niche better than anyone else and build recurring customer relationships. KDC is a perfect example of capitalizing on the expertise and entrepreneurial spirit of a talented group of professionals who share values, are driven to exceed expectations and are committed to the best customer experience. In today’s challenging times, KDC’s focus creates opportunities and new ventures and builds a sustainable organization for years to come.

Key Strategies for Success

During the next 18 to 24 months, there are five strategies to implement for success in the real estate business. If applied correctly, each “key to success” will ensure the best opportunity to achieve a competitive edge and a strategic advantage. Remember, value and value creation are the difference between perceived benefits and the consequence of selecting a solution. “Glass-half-full” real estate leaders and producers understand this and, as a result, are often a step or two ahead of their competition. They are also the beneficiaries of more opportunities. These five keys to success are highlighted below.

1. Build Valued Customer Relationships – Not Client Lists: Building valued relationships with customers is critical and should be your first priority, particularly during a challenging economy. Customers aren’t just commission sources — they are sources of opportunity that can result in revenue and, more importantly, recurring business. Building strong relationships requires a sincere interest in the activities and goals of one’s customers; ethics and relationships built upon trust and honesty; and a visionary knowledge of how you can assist your customer in exceeding their expectations. All of these are required if you want to “build a customer for life.”

2. Communicate. Communicate. Communicate:

There is no such thing as too much communication. Keeping your customers informed, sharing proprietary knowledge and always responding to inquiries in a timely manner should be priority benchmarks in customer-centric service. And don't be afraid of your customers; engage them. Keep your customers informed. And what about past customers? Communicate with them on a regular basis, along with prospective new customers.

3. Build a Brand: Individuals and companies need a brand identity. Focused opportunities are not created in a vacuum. Opportunities are attracted to a brand. Branding oneself requires determining your value proposition, core competencies, your niche and proof points. Once your brand has been shaped, then a plan for building one's brand and brand equity can be implemented.

4. Adopt Best-in-Class Practices: Achieving excellence or perfection mandates a desire and commitment to be the best. Being in the top five or finishing second doesn't count. You need to be first! For everything from marketing materials to web site content, from human resources to financial stewardship, adopting a best-in-class mantra is required in today's competitive environment. Embrace continuous improvement, never stop learning, and always seek more knowledge.

5. Collaborate. Don't Try to Be All Things to All People: One of the biggest mistakes real estate professionals make is believing they have all the answers and that they alone can succeed with or without experience or expertise. Recent studies have revealed that when real estate professionals cooperate and collaborate, the results are far better than when the "lone-wolf approach to serving clients" is deployed. Success over the next several years will require a great deal of collaboration to solve complex and challenging situations and transactions. As one real estate CEO recently commented, "It is hard to win the game if you are missing players or if your team is not working as one."

Conclusion

As real estate owners, developers, investors and operators prepare for 2009, the path to prosperity can be bright and full of opportunity or dark and gloomy with roadblocks and



barriers to success. Which path do you want to take? Following the five strategies to success will not guarantee success, but it will provide individuals and companies the tools necessary to achieve it. Sure, the short-term outlook appears challenging, but we are on the edge of the age of real estate. How do you intend to compete? How do you intend to win? The choice is clear. All you need to do is make a decision and a commitment to get focused in this incredible time of opportunity.

Christopher Lee is president and CEO of the Los Angeles-based CEL & Associates, Inc., one of the nation's premier real estate consulting firms. Readers are encouraged to visit CEL & Associates, Inc.'s web site (www.celassociates.com) or contact Mr. Lee directly by calling 310.571.3113 or via e-mail at cel@celassociates.com.



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KDC's partnership with Prudential Real Estate Investors (PREI) to develop seven *Intellicenter* buildings — totaling in excess of 1 million square feet — has been so successful that the two companies have decided to expand the program.

In addition to the \$200 million PREI committed to the *Intellicenter* program for the first seven buildings, the institutional investor has committed another \$150 million to expand the program. KDC has already broken ground on the first *Intellicenter* that is part of the newly expanded program and is evaluating a number of markets for additional projects, says Mark Cashman, senior vice president and partner of KDC.

The newly expanded *Intellicenter* program will continue in markets previously chosen for population and job growth during the next decade, according to Jake Ragusa, senior vice president and partner at KDC. "We are constantly evaluating the *Intellicenter* program's progress to make sure it provides the most efficient design for Corporate America," Ragusa says.

KDC launched the *Intellicenter* program in 2005 with the goal of providing Corporate America with the efficient and affordable space it needs to be successful. After surveying both prospective and current clients, KDC worked with global design firm Gensler

to design the optimal office building. The result was *Intellicenter*. It's a branded, speculative initiative that combines the green building principles, design elements and amenities most desired by Corporate America.

KDC's *Intellicenters* provide tenants with features previously available only on build-to-suit projects. The high-performance buildings are built according to rapidly evolving sustainable design and construction practices to benefit tenants with lower operating expenses and increased employee productivity.

All *Intellicenter* buildings have the same design template, offering 150,000 square feet to 200,000 square feet with large floorplates that accommodate more employees per square foot than traditional buildings. These efficient, high-density buildings are designed specifically for large, national companies that need local and regional office facilities. However, the design's flexibility can accommodate tenants as small as 5,000 square feet. *Intellicenters* also provide 25 to 50 percent more parking than conventional office buildings.



et Enough of a Good Thing

KDC and Prudential Expand Intellicenter Program

Each *Intellicenter* building has been designed to be certified through the Leadership in Environmental and Energy Design (LEED) program implemented by the U.S. Green Building Council. The buildings feature raised access flooring throughout to provide easy access to route electrical, phone and data cabling, as well as underfloor air distribution to provide greater control of occupant comfort, improved air quality and lower electrical costs.

Additionally, *Intellicenters* offer many more advantages, including improved lighting and acoustic quality, easy access and changeability of building services, ease of transitioning interior components and increased daylighting opportunities.

“We’re very excited to expand the *Intellicenter* program and believe that future *Intellicenters* will be as successful as the ones that exist today,” Cashman says. “Prudential’s additional commitment to the *Intellicenter* program illustrates their satisfaction and confidence in the program.”

Now Occupied

KDC has completed construction on six *Intellicenter* buildings located in Atlanta; Charlotte, N.C.; Dallas; Houston; Riverside, Calif.; and Tampa, Fla. The *Intellicenters* in Charlotte and Houston are fully leased, while leasing continues on the projects in Atlanta, Dallas, Riverside and Tampa. Two *Intellicenters* — the Charlotte and Houston buildings — were recently acquired by a German

investment fund. *Intellicenter-Houston* is Silver LEED-certified by the USGBC, and *Intellicenter-Charlotte* is expected to receive Silver Certification in January 2009.

“The fact that the *Intellicenters* sold in a capital-constrained market really validates the initial *Intellicenter* strategy,” Cashman asserts. “The investors who acquired these buildings certainly understand LEED and recognize the underlying value of owning sustainable buildings.”

The 150,000-square-foot *Intellicenter-Charlotte* is occupied by Daimler Trucks North America. The heavy-duty truck manufacturer relocated its Portland, Ore.-based marketing and sales employees into the *Intellicenter* this past summer. KDC broke ground on *Intellicenter-Charlotte* in July 2007 and completed development in 10 months. The interior construction was completed in a fast-track time frame of three months.

KDC is evaluating the greater Charlotte metro area and other markets throughout the Southeastern United States for opportunities to develop additional *Intellicenters*, says Larry Wilson, president of KDC’s Southeast Division.

The Houston *Intellicenter*, located in the 150-acre Westway Park development at the intersection of the Sam Houston Tollway and Clay Road, is 100 percent leased to The Travelers Company Inc.

The property casualty insurance provider relocated 900 employees from six different locations in Houston to the *Intellicenter*. The building was originally designed with 150,000 square feet but was expanded to 160,000 square feet to accommodate Travelers.

KDC experienced such strong demand in Houston that it chose the Bayou City for the first *Intellicenter* in its expanded program. It will offer 200,000 square feet of office space in four stories.

Strong Leasing

Leasing activity at the four other *Intellicenters* continues to be strong. In Atlanta, the University of Georgia (UGA)'s Gwinnett Campus occupies 60,000 square feet in the building, which is situated on 14 acres in the renowned Huntcrest development midway between the Mall of Georgia and Gwinnett Place Mall.

At *Intellicenter-Dallas*, KDC recently signed a 51,791-square-foot lease with Horace Mann Service Corp. The insurance company, which focuses on educators and their families, is relocating and expanding from its current offices in Springfield, Ill. It will occupy the entire third floor of the 200,000-square-foot *Intellicenter-Dallas*, which is located in Regent Center, a KDC-developed 123-acre master-planned business park in Irving, Texas.

In addition to Horace Mann, *Intellicenter-Dallas* also houses Morgan Stanley's mortgage division, Saxon Mortgage. The firm, which occupies 75,000 square feet, moved approximately 400 employees into the new space in September 2008.

Together, Horace Mann and Saxon Mortgage occupy 63 percent of *Intellicenter-Dallas*. Cashman says a number of qualified prospects seeking 10,000 to 70,000 square feet are evaluating

the remainder of the space. "Based on the number of proposals and interest in the marketplace, we expect more announcements within the next couple of months," he adds.

First Green Buildings

KDC's *Intellicenters* in Riverside and Tampa are among the first "green" office buildings in those markets. In Riverside, leasing continues on the three-story, 150,000-square-foot *Intellicenter*, which was completed in June 2008. Located on 11 acres next to a future Metrolink station in the Meridian business park, the building has the capacity to house about 1,000 people. "We are well-positioned with our Riverside *Intellicenter* because we're one of the only LEED-certified buildings in the Inland Empire," Cashman says.

The four-story, 200,000-square-foot *Intellicenter-Tampa*, located in Tampa Telecom Park, is the first LEED-certified commercial building in the city's metro area. "Although the Tampa market has softened a bit, we're seeing good activity, particularly with 100,000-square-foot users," Wilson notes, adding that KDC has room to develop a second 150,000-square-foot *Intellicenter* in Tampa near the first project.

KDC is identifying additional *Intellicenter* sites in Tampa and Orlando, which are both markets the company originally identified. Orlando is a land-constrained market with high barriers to entry, which makes it very attractive to our program, according to Wilson.

In addition to Orlando, KDC is looking for *Intellicenter* sites in Raleigh-Durham, N.C.; Fort Worth, Texas; Phoenix; Northern California; the Pacific Northwest; Chicago; and Washington, D.C. "There are several markets where an *Intellicenter* would be successful," Cashman says.

Corporate America's Most Wanted

Requests Grow for Intellicenter Design Features

KDC's *Intellicenter* concept is temptation at its finest, whetting Corporate America's appetite for well-designed, efficient and sustainable office space. After touring *Intellicenters* across the nation, blue-chip companies such as AAA Member Services Company, Chevron Corporation and Perot Systems are now asking KDC to incorporate *Intellicenter* design features and attributes into their own build-to-suit projects.

"When corporations see an *Intellicenter*, they like it and are intrigued by it," says Jake Ragusa, senior vice president and partner of KDC. "They are asking us to customize and modify *Intellicenter* design features for their own benefit."

AAA Member Services Company, for example, chose KDC to build its new 147,350-square-foot regional operations center in Oklahoma City, Okla. The facility, which will house more than 1,200 employees to service AAA members in a multi-state region, is modeled after the *Intellicenter*, according to KDC Senior Vice President and Partner Mark Cashman.

The *Intellicenter* design was a deciding factor in AAA's decision to choose KDC to build its new facility, Ragusa says. The

company toured *Intellicenter-Houston* before making a final decision. After the tour, AAA was convinced that the basic design principles incorporated into the *Intellicenter* were exactly what the company wanted to provide their employees. The tour allowed AAA to view the building while occupied, so they could see how their operation would fit into the design.

The AAA facility, which is located in Quail Springs Business Park, will have almost the exact same footprint as the *Intellicenter*. The new facility will offer underfloor air distribution, raised access flooring, large, efficient floor plates and a higher parking ratio of 5.5 spaces per 1,000 square feet. In addition, the building is designed to attain LEED certification from the U.S. Green Building Council. KDC began construction on the AAA project in July 2008 and the building is scheduled for completion in late 2009.

"Given the interest we've received on our *Intellicenter* projects, it's no surprise that companies are increasingly interested in bringing some or all of the *Intellicenter* design features to build-to-suits," Ragusa says. "A build-to-suit with *Intellicenter* attributes brings a lot of value to a company that is looking for increased efficiency and productivity."



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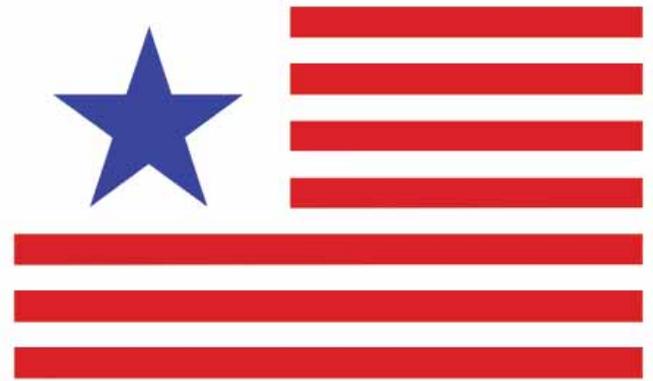
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