



CITY OF LAKE CHARLES REQUEST FOR PROPOSAL HOTEL DEVELOPMENT



DEVERE/SWEPKO/WATCO

JOINT VENTURE

AUGUST 9, 2010



August 9, 2010

Lori Marinovich
Executive Director
City of Lake Charles
Downtown Development Authority
326 Pujoe Street
Lake Charles, LA 70602-0900

Ms. Marinovich:

I would like to express my company's interest in being the developer for the lake front development that is proposed for the City of Lake Charles, LA. Watco has been in business in South Louisiana for over twelve years and has developed and constructed both large and small scale residential and commercial projects in Louisiana.

Additionally, we have numerous joint venture partners who have expressed interest in pursuing this development with us. We are excited about this opportunity and look forward to hearing from you soon.

Sincerely,

Steven Davis, Jr
Managing Partner
Watco Contractors, LLC



PART A
IDENTIFICATION OF TEAM



August 9, 2010

Lori Marinovich
Executive Director
City of Lake Charles
Downtown Development Authority
326 Pujo Street
Lake Charles, LA 70602

Ms. Marinovich:

The joint venture of DeVere Construction, Swepco and Watco Contractors, LLC proposes to provide our services as developer for the City of Lake Charles Lakefront Development. This JV will provide an unparalleled amount of experience, organization, and financial strength all of which are necessary to successfully complete a project of this size.

DeVere is a 40 year old general contractor and construction management firm that brings substantial construction knowledge, experience and financial strength to the table. Mr. Dick Crittenden is the president of DeVere. DeVere's bonding capacity and financial strength provide the necessary financial backbone for projects such as the Lakefront Downtown Development.

Watco is a 15 year old construction and development company that is owned by Mr. Steven Davis and Mr. Bobby Waters. Watco has participated in the development, rehabilitation, remodeling and construction of many projects in south Louisiana including eleven million dollars in gut rehab restoration and new construction in Downtown Baton Rouge. Our current experiences owning and constructing properties in Downtown Baton Rouge give our company a unique competitive edge in regards to this project and the goals and construction experience we own and operate an in house management company that oversees and manages 500 condominium units and over 100,000 square feet of commercial space in Baton Rouge and the surrounding areas. Our staff is trained and experienced in setting up and managing HOA's, commercial tenants multi-family and single family residential tenants

Swepco is a 25 year old construction and development company that is owned by Mr. Swepson Chaney. Mr. Chaney has built many relationships in Louisiana over the past 30 years and his construction knowledge paired with his state wide contacts will be imperative in finding the proper funding, both federal and state, to make the Lake Charles Lakefront a success.

In addition to our team, we plan to work with Mr. Ronald Norwood to assist us in maximizing small local business participation. We believe that this is an integral part of a project this size in a community like Lake Charles. Mr. Norwood has numerous goals that will help small local contractors not only obtain work on this project but also be prepared to handle the paperwork, insurance, and general expectations that come with working on a job of this magnitude.

If we are selected to participate on this project with the City of Lake Charles, we will engage one or more architectural firms to start conceptual layouts and proposed plans for each tract. There are many potential uses for the tracts and, in our experience, getting creative minds involved in the conceptual design of a project with a unique landscape like this is imperative. We have relationships with many architectural and engineering firms in south Louisiana and plan to engage someone that we know, from experience, will produce unique and innovative plans. Additionally, we plan to interview local engineers and architects to assist on this project.

I have attached the letters expressing interest in this unique opportunity from Mr. Norwood and Mr. Crittenden for your review. We are excited about the opportunity to work with the City of Lake Charles and The Downtown Development Authority on this project. We believe that our combination of financial strength, bonding capacity, real estate management and construction experience can provide your city with the best team to successfully develop Downtown Lake Charles and the lakefront.

Thank you for your consideration and we look forward to hearing from you soon.

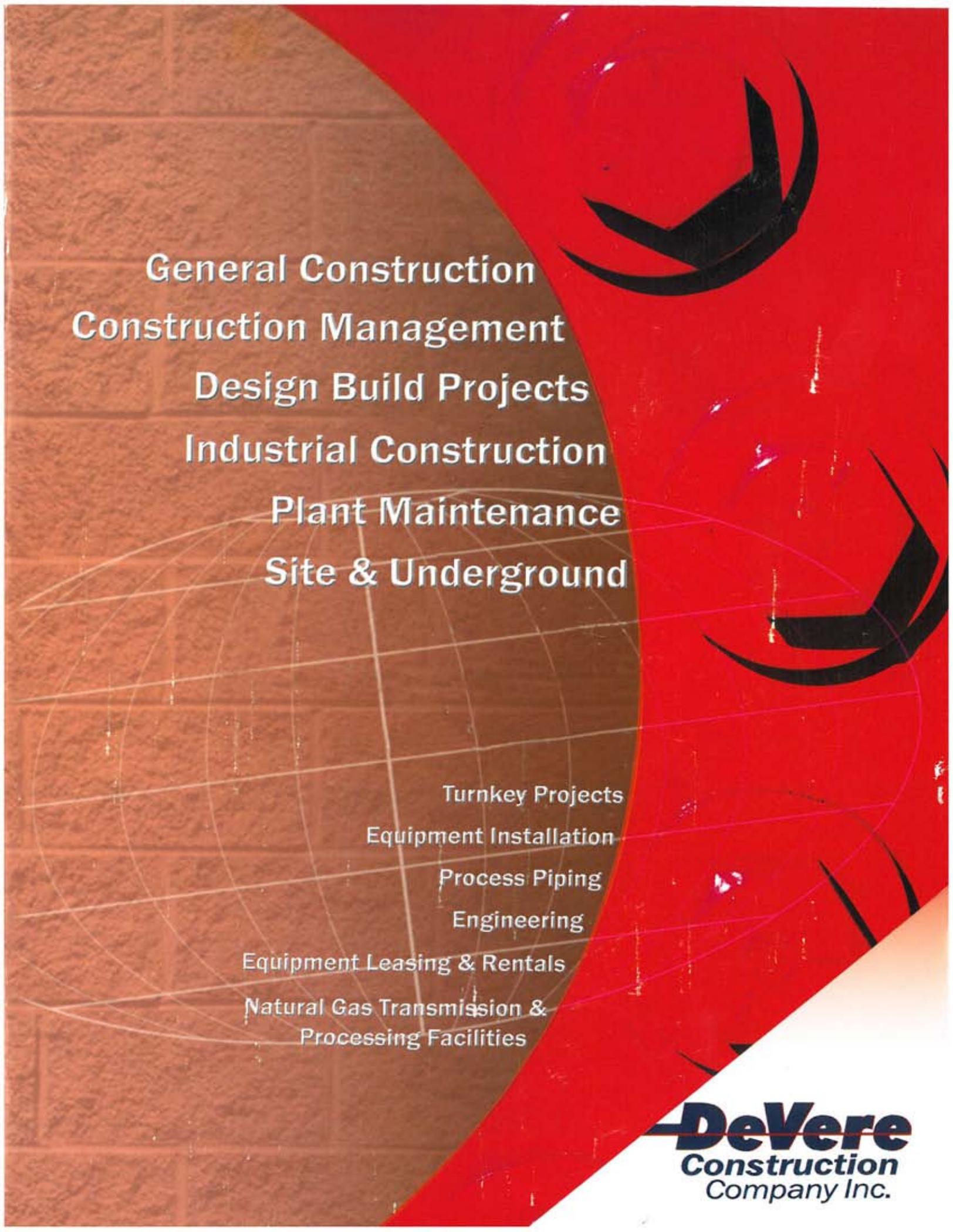
Respectfully,
DEVERE CONSTRUCTION COMPANY, INC.

Brock Johnson

Brock Johnson
Vice President



PART B
TEAM MEMBER
QUALIFICATIONS



General Construction
Construction Management
Design Build Projects
Industrial Construction
Plant Maintenance
Site & Underground

Turnkey Projects
Equipment Installation
Process Piping
Engineering
Equipment Leasing & Rentals
Natural Gas Transmission &
Processing Facilities

DeVere
Construction
Company Inc.

DeVere Construction Company, Inc. is a General Contracting firm with Construction Management and special services to meet diverse construction challenges.

Excellence



Teamwork

We have built a 30 year track record of accommodating our customers unique demands.

The DeVere strengths are based upon our network of skilled professional employees, our in-house management systems, our financial and equipment resources and our ability to adapt to project goals, challenges, technologies and materials.

Integrity



Senior Management Team

Pictured left to right:

- Don Dennomme, Jr. - Vice President Project Management*
- Richard "Dick" Crittenden - President, CEO*
- Cynthia Gabara - Chief Financial Officer*
- Cheryl Lumsden - Vice President Business Operations*
- Mike Crittenden - Board Member*
- Tom Bennett, P.E. - Vice President Project Development*

When we talk about quality construction we are referring to the finishing touches that make a difference between a good job and one that is truly impressive. It is about organizing, planning and scheduling your project to run smoothly, efficiently and cost-effectively. That is what our customers have come to expect. We wouldn't want it any other way.

Knowledge



Our resources include abilities to perform any of the following construction processes.

- General Construction**
- Construction Management**
- Design Build Projects**
- Industrial Construction & Plant Maintenance**
- Site & Underground**

- Turnkey Projects
- Equipment Installations
- Process Piping
- Demolition
- Engineering
- Equipment Leasing & Rentals
- Natural Gas Transmission & Processing Facilities

Safety

General Construction
Construction Management
Design Build Projects
Industrial Construction & Plant Maintenance
Devere Diversification

General Construction

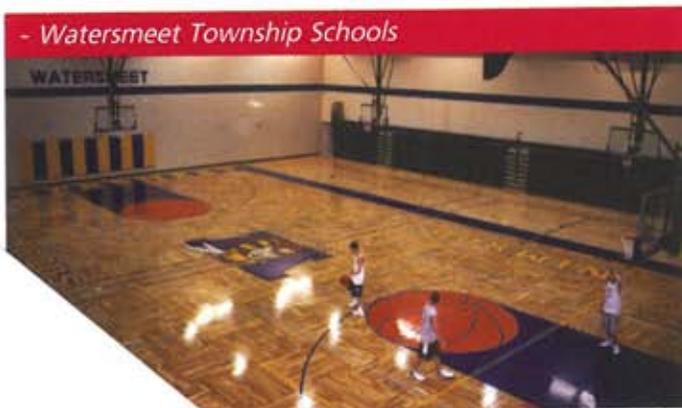


- Lake Superior State University - Kenneth Shouldice Library



I've been involved in seven construction projects in the midwest. DeVere is at the top of my list of contractors. They provided excellent job managers, saw to it that we had top grade workmanship, maintained cordial and cooperative relationships with the owner and solved problems quickly.

Fr. Donard Paulus, O.F.M.
THE CROSS IN THE WOODS



- Watersmeet Township Schools

Serving as our Construction Manager the DeVere Construction Company, Inc. has provided us with the expertise so vitally needed in our complicated project. This project consisted of additional new facilities as well as complete renovation of a 90-year-old building while school remained in session for a full year.

As a CM, DeVere possesses a depth of personnel at various levels to assure the success of a project as these people were always easily accessible. Their on-site/contact people daily reflected a commitment to excellence on what needed done as well as how to do it. Their adherence to budget and timelines through every phase of construction was absolutely beyond any reproach.

Most importantly, DeVere Construction Company, Inc. as CM has assured our community and its youth, for many years to come, an educational facility we all can learn in and be most proud of.

Don Parling, Former Superintendent
WATERSMEET TOWNSHIP SCHOOL

The assurance of satisfaction and on-schedule completion

DeVere Construction Company is a full service general contractor with the ability to supply clients with virtually every conceivable construction, planning, financial and management need. We employ highly qualified project managers and field superintendents who direct and coordinate the efforts of all craftsmen, technicians and subcontractors to assure client satisfaction and project completion on schedule.

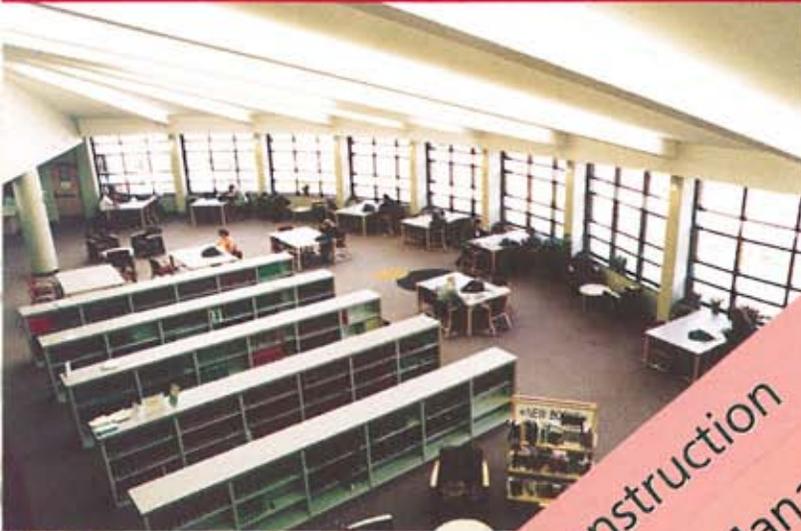
Construction capabilities include:

- Commercial Structures
- Office Complexes
- State, Federal and Municipal Projects
- Waste Water Treatment Plants
- Industrial Plants
- Correctional Facilities
- Multi-Family Housing
- Schools and University Facilities
- Financial Institutions

- Mountain View Elementary School - Greenville, SC



- Lake Superior State University - Kenneth Shouldice Library



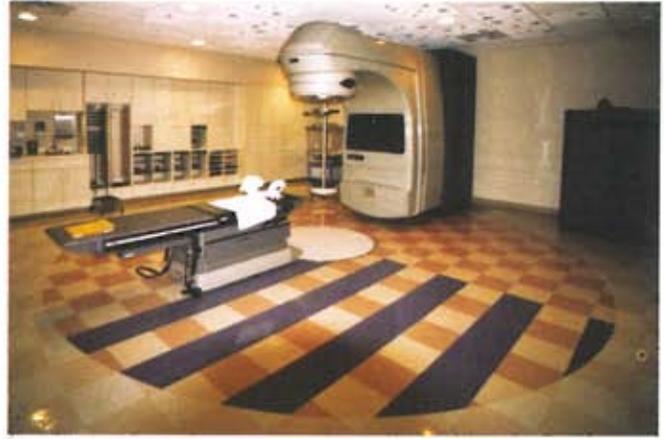
General Construction
Construction Management
Design Build Projects
Industrial Construction & Plant Maintenance
Devere Diversification

DeVere
Construction
Company Inc.

Construction Management



- Cheboygan Memorial Hospital - Cheboygan, MI



Alpena General Hospital has employed the construction management services of De Vere Construction since 1987. In every instance, we see an acute sensitivity and understanding to the special needs and demands for safety required while performing construction in a hospital setting. They continually handle the complex phasing and scheduling required and quickly respond to changes and modifications made during the construction process. Their management of budget, contracts, subcontractors and contingency maintenance is exemplary.

Al Moe, Chief Operating Officer
ALPENA GENERAL HOSPITAL



- Alpena General Hospital - Alpena, MI



Management Services From Conception to Completion

DeVere Construction Company is a full service construction management contractor with the ability to provide management services for your project from conception to completion.

DeVere can provide you those talented individuals and individual services required to complete all phases of your project.

Construction Management services include:

CONCEPTION

- Design
- Site Acquisition
- Financial Planning

PRE-CONSTRUCTION

- Acquisition of Architectural/Engineering Services
- Design Analysis
- Project Budgeting
- Plan and Specification Review
- Value Engineering
- Contractor Bidding
- Scheduling

CONSTRUCTION

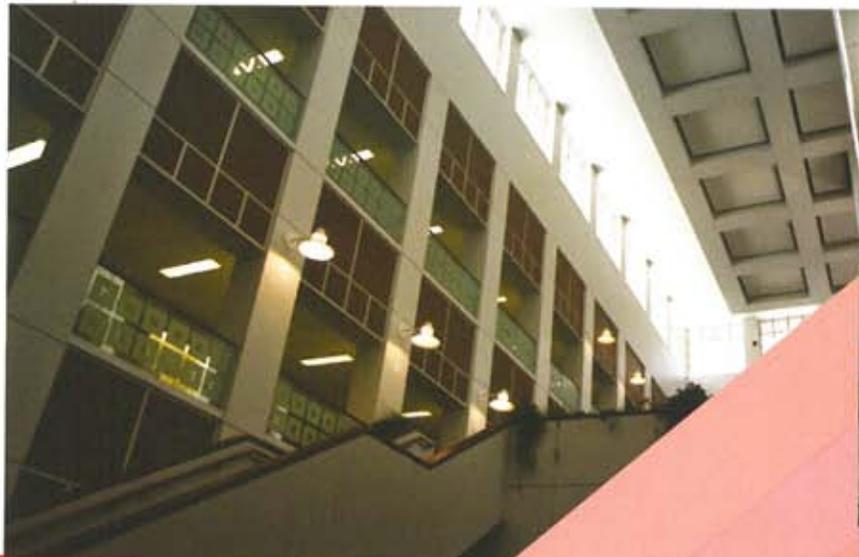
- Construction Supervision
- Budget Monitoring/Control
- Quality Control
- Safety Monitoring
- Claims Control

POST CONSTRUCTION

- Project Closeout
- Occupancy Coordination
- Warranty Management



- Performing Arts Center - Lake Superior State University
Sault Ste Marie, MI



- Seaborg Science Center -
Northern Michigan University Marquette, MI



Construction Management
Design Build Projects
Industrial Construction & Plant Maintenance
DeVere Diversification

DeVere
Construction
Company Inc.

Design Build Projects



- Tarmac America Concrete Products Plant - Richmond, Virginia

- Lake County Courthouse - Baldwin, Michigan



- 747 Maintenance Hanger - Oscoda, Michigan



DeVere Construction Company, Design/Build

DeVere Construction Company offers design, construction, and turnkey services. Using the owner's criteria, DeVere will create construction documents that will reflect the owner's needs, be within budget and be on schedule. DeVere will provide quality construction services from conceptual drawings to owner occupancy. Those services include: managing architectural design and engineering; obtaining permits; reviewing codes; and site construction management. DeVere's design/build concept creates single source responsibility.

DeVere's design/build services have proven to be effective in the reduction of scheduled project time and project cost. There is increased owner liaison and a greater sharing of project risk. Coordination and installation of owner provided equipment and interim construction financing are also proven services.

PAST DESIGN/BUILD PROJECTS INCLUDE:

- Concrete Products Plants
- Local and State Correctional Facilities
- Fire Fighting Training Facilities
- Healthcare Facilities
- Casino and Resort Properties
- Municipal Buildings
- Industrial Construction
- Financial, Commercial, Retail
- Turnkey and Fast Track



- Alpena Power Generating Plant - Alpena, Michigan



- Michigan Air National Guard Firefighter Training Facility

- Camp Ojibway Prison Facility - Marenisco, Michigan



Design Build Projects

Industrial Construction & Plant Maintenance

DeVere Diversification

DeVere
Construction
Company Inc.

Industrial Construction & Plant Maintenance



- Weyerhaeuser Company Q.S.B. - Plant Expansion and Renovations - Grayling, Michigan



- CMS Gas Natural Gas - CO₂ Removal Facility - Gaylord, Michigan



Weyerhaeuser's, Grayling, Michigan operation is a large, integrated manufacturing facility that produces oriented strand board. We have enjoyed a twenty-year relationship with DeVere, beginning with the construction of our mill. We know from experience that DeVere is:

- **Dependable and Safe - They Get the Job Done.**
- **Customer Focused - They Care About Our Business.**
- **Accountable - They Take Responsibility for Their Jobs.**
- **Qualified - Wide Array of Highly Skilled Service Capabilities at Competitive Rates.**

We truly value DeVere's demonstrated performance as a well-managed, honest and trustworthy company.

Phil Dennett, General Manager
WEYERHAEUSER



24 Hour total service for production equipment, process systems, & utilities

DeVere's industrial construction and plant maintenance provides initial project construction, plant overhauls, major renovations and 24 hour total maintenance service with certified personnel to service production equipment, process systems, and utilities.

Services include:

- New Industrial Facilities
- Machinery Moving
- Equipment Reconditioning
- Modification & Replacement of Production Facilities
- General Repair
- Service Maintenance
- Rigging
- Millwrighting
- Shop & Field Fabrication
- Process Piping
- Emergency Calls
- Planned Shutdowns
- Scheduled Improvements
- Continuous Maintenance Programs



- Lafarge Roof Project - Alpena, Michigan



- ANR Blue Lakes Natural Gas Compression Facility - Kalkaska, Michigan



- Lafarge Cement Plant - Alpena, Michigan

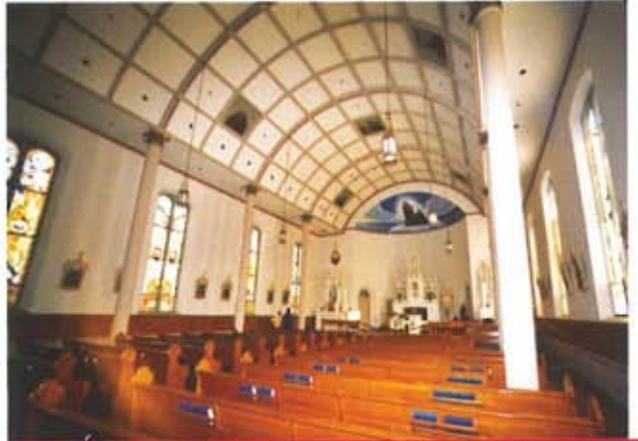
Industrial Construction & Plant Maintenance
DeVere Diversification

DeVere
Construction
Company Inc.

DeVere Diversification



- Performing Arts Center - Lake Superior State University
Sault Ste Marie, Michigan



- Historic Renovations to 300 yr. Old
St. Anne Church - Mackinac Island, Michigan



- St. Ignace Marina -
St. Ignace, Michigan



- Demolition and Reconstruction of Inland Quarry
for Specialty Minerals, Inc. - Gulliver, Michigan





- Dr. Wolf Dental Clinic - Alpena, Michigan



- Waste Water Treatment Plant -
Petoskey, Michigan



- Wild Bluff Golf Course -
Brimley, Michigan



- Sports Bar UAW Center -
Black Lake, Michigan



- Public Safety Facility - Alpena, Michigan

Devere Diversification

DeVere
Construction
Company Inc.

Site & Underground

The equipment, operators and supervisors to tackle the job

DeVere Construction Company is a proven performer in the field of site and underground services.

DeVere's fleet of heavy equipment has the capability of meeting the diverse needs of their clients' projects.

Services include:

- Demolition
- Site Clearing
- Mass Excavations
- Underground Sewer & Water Piping
- Lift Stations
- Lagoons
- Truck Haul Operations
- Piling
- Underpinning
- Waste & Water Treatment Plants
- Site Stabilization



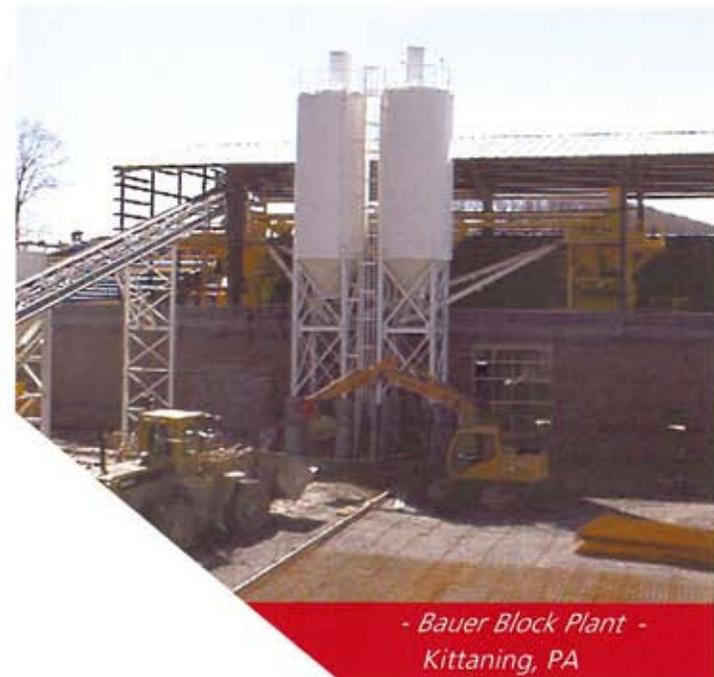
- Natural Gas Facility - Stockbridge, Michigan



- Waste Water Treatment Plant - Cheboygan, Michigan



- Questar Coal Gas Facility - Price, Utah



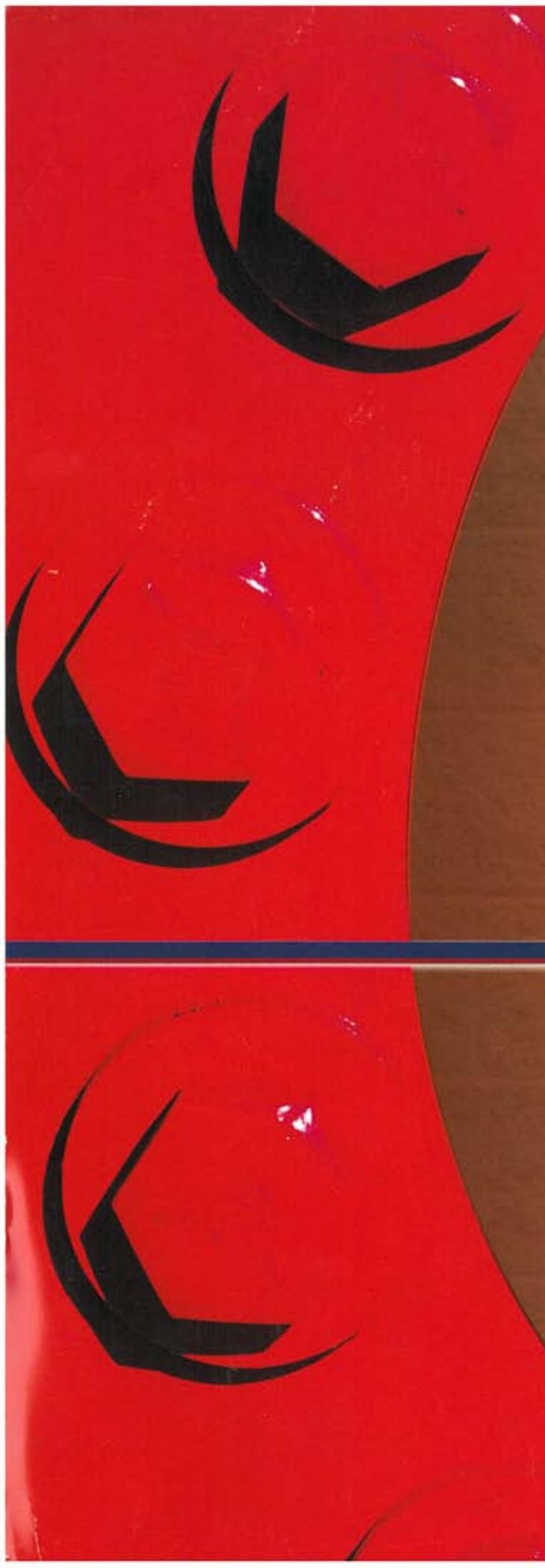
- Bauer Block Plant - Kittaning, PA



The Mission of our team of uniquely qualified specialists is to clearly define our clients' goals and objectives, determine their desires, schedule, and budget, outline a plan of action, and to exceed their goals in our implementation.

The success of DeVere will come as a result of proper planning, communication, project coordination, follow through, close-out, and customer satisfaction.

DeVere
Construction
Company Inc.



DeVere
Construction
Company Inc.

1030 DeVere Drive
Alpena, Michigan 49707
(989) 356-4411 phone
(989) 356-1198 fax

2520 Reliance Avenue
Apex, North Carolina 27539
(919) 363-6551 phone
(919) 363-6575 fax

www.devereconstruction.com



106 Business Park Avenue, Denham Springs, Louisiana 70726
Phone 225-791-9842***Fax 225-791-9836***E-mail steven@marsmgmt.com

Overview:

Watco Construction, Inc. was founded in 1990 by Robert L. "Bobby" Waters. In 2006 it was merged into Watco Contractors, LLC, a partnership between Steven Davis and Mr. Waters. This new partnership was developed to take over the workforce, sub-contractors, upcoming jobs and to nurture the numerous relationships that Mr. Waters has founded throughout his years in the construction industry. Watco Construction was initially started as a painting sub-contractor and has since grown into a multi dimensional residential and commercial contracting company now called Watco Contractors, LLC

The Watco family currently maintains a staff of 16 people, each of which are trained and seasoned in an array of construction fields including single family residential, multi family residential and commercial construction. We also maintain a full time in house accountant, a full time property manager and two administrative assistants. Year after year our goals are met and our company and team continue to grow better, stronger and more consistent than ever.

Working History Multi Family:

Riverview Condominiums, 2045 N Third St. Baton Rouge, LA

- \$7.5 million condominium conversion
- Complete gut rehab condo conversion of 144 one bedroom units into 107 one and two bedroom luxury condominiums located in Historic Downtown Baton Rouge.
- Completed 1/2006
- Owner/Developer

Pecan Tree Town homes, Pecan Tree Drive, Baton Rouge, LA

- \$4.5 million new construction of 54 town home units, 5 miles from the campus of LSU
- Completed 4/2006
- Owner/Developer

Mi Ville Condominiums, 5117 Garig St., Baton Rouge, LA

- \$490,000 condominium conversion and rehab of 14 loft units next door to BRCC
- Completed 11/2007
- Owner: Chris Rinaudo 225-773-6605

The Lakes at Bluebonnet, 10600 Lakes Blvd., Baton Rouge, LA

- \$13 million new condominium project of 142 luxury condominiums in one of the fastest growing areas of Baton Rouge
- Completed 3/2008
- Owner: Lakes at Bluebonnet, LLC

River Palms Condominiums, 1925 North 3rd, Baton Rouge, LA

- \$6.5 million condominium conversion of 98 units converted to affordable condominiums in downtown Baton Rouge
- Completed 4/2008
- Owner/Developer

Old Hermitage Townhomes, Old Hermitage Parkway, Baton Rouge, LA

- \$1.2 million new construction of 15 townhome units
- Completed 4/2008
- Owner: Old Hermitage Parkway, LLC

Park Place Condominiums, 1290 Park Blvd., Baton Rouge, LA

- \$6.25 million condominium conversion of 77 units converted to luxury condominiums, 1 mile from the campus of LSU
- Completed 5/2008
- Owner/Developer

Aspen Apartments, 2022 North Lobdell, Baton Rouge, LA

- \$500,000 update to 117 unit apartment complex
- Completed 6/2008
- Owner: Aspen Properties, LLC

Highland Club Court Condominiums, 17605 Jefferson Highway, Baton Rouge, LA

- \$2.15 million new construction of 16 residential condo units
- Completed 1/2009
- Owner: Michael Schoen 225.445.0237

Three Fountains Condos, 112 Hillside Drive, Lafayette, LA

- \$5.25 million conversion of 57 units to condominiums near the campus of ULL in Lafayette
- Completed 5/2009
- Owner: Lawrence Maestri 225.298.1250

Working History Single Family:

Lot 56, Lakes at Fenwood, Walker, LA

- \$160,000 new construction
- Completed 9/2004
- Owner/Developer

Lot 60, Lakes at Fenwood, Walker, LA

- \$160,000 new construction
- Completed 9/2004
- Owner/Developer

Lot 122, Lakes at Fenwood, Walker, LA

- \$165,000 new construction
- Completed 9/2004
- Owner/Developer

Lot 70, Hampton Village, Central, LA

- \$230,000 new construction
- Completed 9/2005
- Owner: Tamika Johnson

Country Club of Louisiana, 18827 St. Clare Dr., Baton Rouge, LA

- \$1 million new construction
- Completed 9/2005
- Owner/Developer

Lot 9, The Bluffs, St. Francisville, LA

- \$380,000 new construction
- Completed 12/2005
- Owner/Developer

Lot 40, The Bluffs, St. Francisville, LA

- \$380,000 new construction
- Completed 12/2005
- Owner/Developer

Lot 68, Hampton Village, Central, LA

- \$245,000 new construction
- Completed 12/2005
- Owner/Developer

Lot 61-A, The Bluffs, St. Francisville, LA

- \$423,500 new construction
- Completed 7/2006
- Owner: Bryan McClendon

Lot 29, The Bluffs, St. Francisville, LA

- \$425,000 new construction
- Completed 12/2006
- Owner/Developer

Lot 10, Stonebridge, Denham Springs, LA

- \$780,000 new construction
- Completed 1/2007
- Owner: Charles Scheon

Lot 14, Stonebridge, Denham Springs, LA

- \$500,000 new construction
- Completed 2/2007
- Owner: Rick Volland

Lot 16, Greystone, Denham Springs, LA

- \$420,000 new construction
- Completed 7/2007
- Owner/Developer

Lot 17, Greystone, Denham Springs, LA

- \$380,000 new construction
- Completed 7/07
- Owner/Developer

Lot 17, Stonebridge, Denham Springs, LA

- \$450,000 new construction
- Completed 7/2007
- Owner: Brian Farlow

Lot 28, Greystone, Denham Springs, LA

- \$750,000 new construction
- Completed 10/2007
- Owner: Sedric Patterson

Alesha Plantation Lot 15, residential home, Livingston, LA

- \$330,000 new construction
- Completed 1/2008
- Owner/Developer

Alesha Plantation Lot 12, residential home, Livingston, LA

- \$375,000 new construction
- Completed 2/2008
- Owner: Clo Fontenot

Lot 64-A, Greystone, Denham Springs, LA

- \$850,000 new construction
- Completed 2/2008
- Owner: Charlie Atkinson

Lot 49, Greystone, Denham Springs, LA

- \$330,000 new construction
- Completed 5/2008
- Owner/Developer

Lot 50, Greystone, Denham Springs, LA

- \$330,000 new construction
- Completed 5/2008
- Owner/Developer

Lot 51, Greystone, Denham Springs, LA

- \$340,000 new construction
- Completed 5/2008
- Owner: Ronnie Rantz

Scott Custom Home, 332 Chateau Jon Drive, Denham Springs, LA

- \$900,000 custom home
- Completed 11/2008
- Owner: Forrest Scott 225.752.7772

River Highlands Lot 65, residential home, Livingston, LA

- \$337,500 new construction on the diversion canal
- Completed 12/2008
- Owner: Tupac DeLaCruz 225.205-7000

River Highlands Lot 67, residential home, Livingston, LA

- \$337,500 new construction on the diversion canal
- Completed 12/2008
- Owner: Tupac DeLaCruz 225.205-7000

Alesha Plantation Lot 3-A-1, residential home, Livingston, LA

- \$350,000 new construction
- Completed 1/2009
- Owner/Developer

Alesha Plantation Lot 4, residential home, Livingston, LA

- \$340,000 new construction
- Completed 1/2009
- Owner/Developer

Working History Commercial:

Spectrum Health Club, 145 Aspen Square, Denham Springs, LA

- \$3 Million - new commercial construction of local health club in Denham Springs, LA
- Completed 6/2001
- Owner/Developer

McAllister's Deli, 135 Veterans Boulevard, Denham Springs, LA

- \$1 million – new commercial construction of McAllister's franchise in Denham Springs, LA
- Completed 8/2001
- Owner/Developer

Greystone Country Club Clubhouse, Denham Springs, LA

- \$1.3 Million - new commercial construction of Clubhouse at new golf community
- Completed 2/2007
- Contact: Ron Menville (Managing Partner) 225.667.6744
- www.greystonecountryclub.com

Smoothie King Tenant Build Out Store #714, #800 and #909

- \$350,000 tenant build outs of smoothie king locations on Coursey Blvd in Baton Rouge, Port Allen and Walker, LA locations
- Completed 4/2008
- Contact: Roger Wilder 225.907.8799

Highland Club Court Office Condominiums, Jefferson Hwy, Baton Rouge, LA

- \$750,000 New construction of 6 office condos
- Completed 4/2008
- Owner: Michael Schoen 225.445.0237

Country Club of Louisiana, Baton Rouge, LA

- \$198,000 tennis facility update
- Completed 5/2008
- Contact: Tommy Mansur (GM) 225.755.0680
- www.ccofla.com

Citiplace Business Park, 108 Business Park, Denham Springs, LA

- \$1.25 Million new construction of three office warehouse buildings
- Completed 3/2009
- Owner: Michael Schoen 225.445.0237

Work In Progress:

Country Club of Louisiana, Baton Rouge, LA

- \$160,000 per year clubhouse maintenance
- Watco is also the GC for all addition, renovation and maintenance jobs at CCLA
- Contact: Tommy Mansur (GM) 225.755.0680
- www.ccofla.com

Lot 61, Shadowbrook, Baton Rouge, LA

- \$400,000 new construction of custom home
- Estimated completion 9/2009
- Owner: Stephen McCollister

Lot 189, Carriagewood, Baton Rouge, LA

- \$330,000 new construction of custom home on lakefront
- Estimated completion 10/2009
- Owner: Jason & Jackie Triche

The Sanctuary, Gonzales, LA

- New construction of 4 single family residential homes (lots 19, 20, 21 and 22) sales price \$195,000 each
- Construction to begin 11/2009
- Owner/Developer

Boardwalk Place Apartments Building 5, 8275 Vincent Rd., Denham Springs, LA

- \$750,000 renovation of a 3 story apartment building
- Estimated completion 1/2010
- Owner: Boardwalk Place Apartments

Peak Performance Physical Therapy, 7069 Perkins Road, Baton Rouge, LA

- \$110K new construction build out of new physical therapy clinic
- Estimated completion 12/2009
- Owner: Peak Performance

Spectrum Fitness Club, 7069 Perkins Road, Baton Rouge, LA

- \$250,000 remodel of health club
- Estimated completion 12/2009
- Owner: Spectrum Fitness

Lot 190, Carriagewood, Baton Rouge, LA

- \$300,000 new construction of custom home on lakefront
- Estimated completion 1/2010
- Owner: Mickey & Sandy Triche

Greystone Country Club Clubhouse, Denham Springs, LA

- New construction of 3 custom homes in Greystone golf community
 - Lot 18 - \$425,000
 - Lot 19 - \$450,000
 - Lot 20 - \$475,000
- Estimated completion 2/2010
- Owner/Developer

Summary of Qualifications:

Watco Contractors team has been in the construction business for over 17 years in Louisiana and surrounding areas. Our diverse, seasoned staff greatly broadens our ability to manage and successfully construct in many different venues and build many different types of structures. We have the experience and knowledge to continue our growth for years to come.

Some of our latest projects can be seen at www.rwlinterests.com

Bank References:

Andy Adler, President
State Bank & Trust
(225) 389-1110
www.statebank1898.com

Kevin Melancon, Head Commercial Lender
UCB Bank
(225) 644-2265
www.ucbanking.com

Trade References:

R&O Electric
Johnny Rowinski, Owner
(225) 667-3616

Interiors 2
Jeff Woosley, Owner
(225) 413-4192

For additional work history or references please contact Steven Davis at 225.268.6288 or email steven@marsmgmt.com

MOSS ARCHITECTS, INC.

Innovation, quality, and client satisfaction are the goals that have made Moss Architects, Inc. founded in 1989 by David M. Moss, one of the leading architectural firms in Southwest Louisiana. Under his leadership and guidance, the firm has been committed to excellence and innovation in architecture.

Since its inception, the firm has become known for its attention to quality and client satisfaction. The firm specializes in a wide variety of projects including education, healthcare, public buildings, offices, automotive dealerships, and financial institutions. Sustainable design is an important element of each project. Projects are energy efficient and environmentally compatible with their surroundings.

Moss Architects, Inc. offers its clients a full range of architectural services including effective planning for current and future needs, excellence in architectural and interior design, and complete construction review and administration. Their dedication to quality standards and total system integration allows them to bring a greater understanding and insight to each project.

The firm utilizes a variety of mechanical, electrical, and structural consultants to bring dynamic and creative solutions to each client. Areas of special interest and skill include A.D.A. accessibility modifications to existing facilities, future development feasibility studies, technology systems installation studies, and various architectural designs and studies.

Moss Architects, Inc. is located in Lake Charles, Louisiana. The firm and all its consultants maintain professional liability insurance policies along with respective professional affiliations. The firm is a member of the **United States Green Building Council**.

David M. Moss, AIA, Architect, Principal

Since 1980 David M. Moss has designed and observed construction on projects with combined budgets of over \$250 million. Throughout his 30-year career, David has been a valued leader working on various projects throughout Southwest Louisiana.

As the founder of Moss Architects, Inc., David has devoted considerable time and energy to keeping pace with rapidly changing technology, updated life safety and accessibility codes, and computer aided production tools in the architectural and engineering fields.

EDUCATION:

- 1980 Bachelor of Architecture
University of Houston, Houston, Texas

CONTINUING EDUCATION:

- 2009 Sustainable Design II
Bringing Solar Power Into Commercial Architecture
- 2008 Horizontal Sliding Fire Doors: Catalyst for Architectural Versatility
Large, Low Velocity Fans: Making Energy Efficiency a Breeze
The Case for Certified Wood
Hot Water on Demand: Natural Gas Tankless Hot Water Heaters Fit Your Energy Budget
Windload & Design and Pressure
Spray Foam Insulation: An Integral Part of the Building Performance
Sustainable Design - II
- 2007 Daylighting Performance and Design
Project Specific: Investigating Responding Conceiving
- 2006 Architectural & Cultural Urbanism
Fire Protection Design Advantage 8
Understanding Foundation Flood Vents
Energy Conscious Architecture
- 2005 Code Requirements for Fire Rated Doors and Hardware
- 2004 Insulation and Use of Potentially Hazardous Materials
Rolling Fire Door Closing System Selection
7 Hr. Overview Fire & Life Safety/Structural Provisions IBC
Carpet Maintenance - Keys to Effective Cleaning Procedures
- 2003 AIA Louisiana Design Symposium
The Poetic Potential of Architecture
Sustainable Design Monograph
Acoustics III: Classroom Acoustics
Perimeter Steel at Risk
Epoxy & Urethane Flooring for Slab on Grade Concrete
Protecting Masonry from Moisture
- 2002 Assuring water resistant of masonry construction
Borated Treated Wood for Construction
Why Buildings Fail Monograph
Professional Conduct Monograph
Specification and Use of Light Gauge Steel Trusses
Roof Deck Assembly Construction Systems
Sustainable Design/Green Roofing
- 2001 Professional Conduct
Comparative Study of Wood & Aluminum Windows

REGISTRATION & CERTIFICATION:

David gained professional registration in 1987 and is currently registered as an Architect in the states of Louisiana and Texas. David currently holds NCARB certification.

AFFILIATIONS:

The American Institute of Architects, AIA Louisiana, Southwest Chapter AIA Louisiana, National Council of Architectural Registration Boards, South Lake Charles Kiwanis, Building Code Board of Adjustments & Appeals, Chamber of Southwest Louisiana

PROJECTS OF NOTE:

Calcasieu Parish Schools Miscellaneous projects consisting of large renovation and addition projects and various re-roofing projects	\$20,000,000
Lake Charles Civic Center Renovations and improvements to Coliseum, Exhibition Hall, Entry Lobbies, Buccaneer Room, Contraband Room, Mezzanine, Jean Lafitte Room, Rosa Hart Theatre, and Administrative Offices. Renovations to exterior including water-proofing, roofing, and lighting.	\$14,000,000
Sam Houston High School Library, Art Studio, Classrooms, and Gymnasium/Auditorium	\$12,000,000
Moss Bluff Middle School New 140,000 square foot middle school facility	\$12,500,000
Moss Bluff Elementary School A two-phase project consisting of a new elementary facility and the demolition of the existing elementary school building	\$5,000,000
St. John Elementary School New 63,990 square foot elementary school for the Calcasieu Parish School Board	\$6,500,000
Combre/Fondel Elementary School New 51,000 square foot elementary school for the Calcasieu Parish School Board	\$5,000,000
LeBleu Settlement Elementary School New 53,000 square foot elementary school for the Calcasieu Parish School Board	\$5,000,000
McNeese Recreation Complex Expansion New addition to existing recreation complex including a new tennis court complex	\$2,400,000
Calcasieu Parish Health Units Renovations of parish health units; updating facilities to meet A.D.A. accessibility guidelines and providing the latest technological capabilities Sulphur, Dequincy, and Lake Charles Branches	\$5,000,000
Chennault Industrial Airpark Authority New fixed base operations facility/Million Air Jet Center to anchor a commercial & aviation complex at the airpark	\$1,400,000

David M. Moss, AIA, Architect, Principal

Page 3

Regional Health Clinic Laboratory New health laboratory to replace an existing regional laboratory	\$1,200,000
Lundy & Davis LLP – 501 Broad A rehabilitation and renovation project of an old three story U.S. Post Office and Courthouse built in 1908	\$2,100,000
Burton Memorial Coliseum Complex Renovations and repairs to Outdoor Arena, Livestock Barn, and Coliseum	\$6,000,000
Dermatology Associates of Southwest Louisiana New dermatology clinic	\$1,200,000
Lake Charles Toyota New 30,600 square foot automobile dealership	\$4,000,000
Nissan of Lake Charles New 18,700 square foot automobile dealership	\$2,900,000
Coushatta Fire & Emergency Response Facility New 12,800 square foot facility in Kinder, Louisiana	\$1,400,000
Westlake Library New 10,000 square foot library branch for the Calcasieu Parish Library System	\$1,000,000
Williams Field Services New Administration & Control Building	\$1,700,000
Johnson Bayou Recreational District New Multi-Purpose / Community Building	\$1,300,000
St. Luke Simpson United Methodist Church New Childcare Center & Youth Center	\$5,000,000
Falgoust Eye Medical & Surgical New medical office	\$1,300,000

NOTE: David has attended a design conference in San Francisco entitled “**Better Schools for a New Century**”. The conference was sponsored by the American Institute of Architects’ Committee on Architecture for Education (CAE) and Building Codes and Standards.

Conference Topics:

- Learning Environments for the 21st Century
- Schools as Centers of Community
- Visioning and Planning for Quality Educational Facilities
- Environmental Design Consideration for School Classrooms
- Life Cycle Approach for Better Schools
- Research for Design Decision Making
- Building Performance for Better Schools
- ASTM Serviceability for Educational Facilities
- Fire Protection in Schools
- New ADA Guidelines on Building Elements Designed for Children's Use



PART C
DEVELOPMENT PROGRAM
AND CONCEPTUAL PLANS

REQUEST FOR PROPOSAL

HOTEL DEVELOPMENT

PART C - DEVELOPMENT PROGRAM AND CONCEPTUAL PLANS

I. Property to be Developed

Property located directly on west side of Civic Center between Civic Center, Bor Du Lac Drive, and Lakefront Promenade.

II. Conceptual Design Goals

- A. To capture the entire west side of the Civic Center grounds to encompass a first class hotel that would compliment and improve the use of the many conference and event spaces inside the Civic Center. Make a positive pedestrian connection between the Lake and the Lakefront Promenade.
- B. Ground floor pedestrian areas would house hotel lobby, retail, and fine dining establishments with direct connection to parking garage structures flanking the north and south ends.
- C. Master Plan of 240 hotel suites or Phasing Plan of 120 hotel suites, each with lake view balconies and direct access to the lake and Civic Center functions.
- D. Establish a presence as you view the hotel and conference center from across the lake and from the interstate that ties in directly with the architecture of Downtown, the Lakefront Promenade and the Amphitheatre Park Developments.
- E. A hotel that will enhance aesthetics of the Lakefront and Civic Center and will host those coming for meetings, conferences, special events or to just stay a while in Lake Charles and enjoy the Lake, Promenade, Park, Retail Shops, and Cuisine.
- F. Since the Civic Center beginning, the west side or lake side building elevations have been downplayed and thought of as the back, with delivery parking, trash pick-up, etc. This development will finally make a statement as to the importance and beauty of our Lakefront property.

III. Proposed Design Features

A. Proposed Square Footage

- Hotel Towers: Approximately 145,000 each - 11 stories for a total of 240,000 square feet.
- Parking Garage Structures: Approximately 65,000 square feet each - 5 stories for a total of 130,000 square feet.
- Plaza and Atrium Spaces: Approximately 30,000 square feet.
- Canopies, Covered Walks, & Pavilions: Approximately 30,000 square feet.

B. Building Heights

- Hotel Towers: Approximately 140' tall.
- Parking Garage Structures: Approximately 60' tall.

C. Number of Parking Spaces

- 240 spaces per garage structure for a total of 480 spaces.
- 240 spaces in Phase I Plan.

D. Event Spaces

- Outdoor Festival Plaza and Atrium: Approximately 30,000 paved, lighted, and landscaped event spaces adjacent to 20,000 square foot Exhibition Hall and 20,000 square foot Arena.
- Buccaneer Room: 10,000 square feet - Third level.
- Contraband Room: 7,000 square feet - Second level.
- Mezzanine Area: 7,000 square feet - Second level.
- Jean Lafitte Room: 55,000 square feet - Third level.
- Rosa Hart Theatre: 3,000 seating capacity - Second level.

E. Roof Top Pavilion and Pool

- Third level Hotel Pool, Spa, and Exercise Area. Pavilion Meeting and Event Room approximately 10,000 square feet.

F. Lake Level Plan

- Parking Garage
- Ground level Retail, Restaurant, Hotel Lobby, and Atrium
- Festival Plaza and Outdoor Event Spaces
- City Parks and Recreation

G. Second Level Plan

- Parking Garage
- Hotel Suites
- Atrium, Walkways, and Balconies

H. Pool and Spa Level Plan

- Parking Garage
- Hotel Suites
- Rooftop Pavilion, Pool, Spa, and Exercise Area

IV. Proposed Exterior Materials

- A. Hotel: Brick, cast stone, stucco, metal roof, brick pavers, tile, storm windows and glass, and decorative aluminum railing.
- B. Garage Structure: Concrete, brick, decorative aluminum railing, and metal roof.
- C. Festival Plaza and Atrium: Pavers, decorative aluminum railings, landscaping, and fountains.
- D. Exterior Lighting: Entry Elements, benches, bollards, signage to match promenade and park designs.
- E. Shade Structures: Tensile shade structures similar to structures at proposed Amphitheatre and park area.

V. Proposed Renovations and Improvements to Existing Civic Center Structure and Grounds

- A. Renovations and upgrades to existing Kitchen, Service Entrances, and Service Elevators.
- B. Relocation of existing stairwells into Atrium space.
- C. New interior finishes over exposed aggregate panels and concrete floors to create interior circulation corridor between hotel and Civic Center structure.

VI. Possible Phasing Options

- A. Although our design is based on a 240 Room Hotel, we have considered Phasing Options of 120 Room Hotel.

VII. Opinion of Cost (240 Room Hotel)

	Approx. Sq Ft	Probable Cost
Parking Garages (5 levels per side) 480 cars		\$5,200,000.00
Approximately \$11,000/car		
Hotel & Associated Spaces (11 levels)	290,000	\$43,000,000.00
Atrium (4 levels)	33,000	\$2,500,000.00
➤ Covered Balconies		
➤ Pavers		
➤ Fountains		
➤ Planting		
➤ Lighting		
➤ Pool		
Civic Center Renovations	30,000	\$2,500,000.00
➤ Miscellaneous improvements and connections		
➤ Exit Stairs		
➤ Miscellaneous demolition		
City Parks & Recreation Warehouse	2,500	\$400,000.00
Plaza and Grounds		\$1,750,000.00
➤ Covered walkways and drop-offs		
➤ Pavilions		
➤ Pavers		
➤ Lighting		
➤ Crosswalks		
➤ Flag Poles		
➤ Gardens & Ponds		
➤ Fountains		
➤ Signage		
➤ Walk Paths		
Total Estimated Construction Cost:		\$55,850,000.00 *

* The above represents our opinion as to the approximate cost of the project and should be taken into consideration along with other factors in determining the probable cost. It is not a guaranteed maximum price. This represents construction cost only.

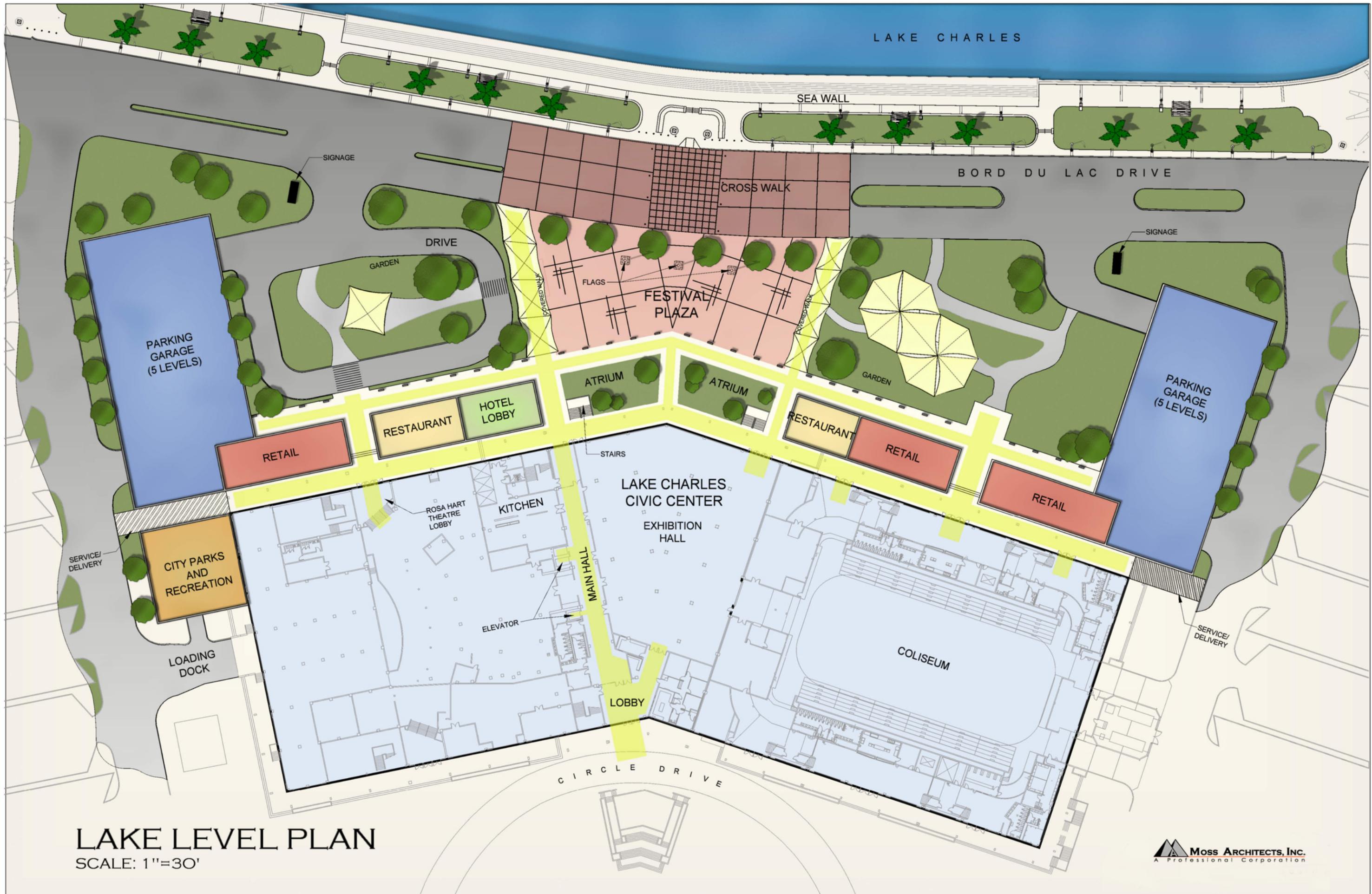
Other Project Costs	\$10,000,000.00
➤ A/E Fees	
➤ Project Contingency	
➤ Survey & Geotechnical Investigation	
➤ Furnishings & Appliances	
➤ Other miscellaneous costs	

VIII. Opinion of Cost (120 Room Hotel)

	Approx. Sq Ft	Probable Cost
Parking Garages (5 levels per side) 240 cars		\$2,640,000.00
Approximately \$11,000/car		
Hotel & Associated Spaces (11 levels)	145,000	\$21,750,000.00
Atrium (4 levels)	33,000	\$2,500,000.00
➤ Covered Balconies		
➤ Pavers		
➤ Fountains		
➤ Planting		
➤ Lighting		
➤ Pool		
Civic Center Renovations	15,000	\$1,700,000.00
➤ Miscellaneous improvements and connections		
➤ Exit Stairs		
➤ Miscellaneous demolition		
City Parks & Recreation Warehouse	2,500	\$400,000.00
Plaza and Grounds		\$1,750,000.00
➤ Covered walkways and drop-offs		
➤ Pavilions		
➤ Pavers		
➤ Lighting		
➤ Crosswalks		
➤ Flag Poles		
➤ Gardens & Ponds		
➤ Fountains		
➤ Signage		
➤ Walk Paths		
Total Estimated Construction Cost:		\$30,740,000.00 *

* The above represents our opinion as to the approximate cost of the project and should be taken into consideration along with other factors in determining the probable cost. It is not a guaranteed maximum price. This represents construction cost only.

Other Project Costs	\$6,000,000.00
➤ A/E Fees	
➤ Project Contingency	
➤ Survey & Geotechnical Investigation	
➤ Furnishings & Appliances	
➤ Other miscellaneous costs	



LAKE LEVEL PLAN
 SCALE: 1"=30'



SECOND LEVEL PLAN

SCALE: 1"=30'



LAKE CHARLES

SEA WALL

BORD DU LAC DRIVE

CROSS WALK

DRIVE

GARDEN

FESTIVAL PLAZA

BALCONY

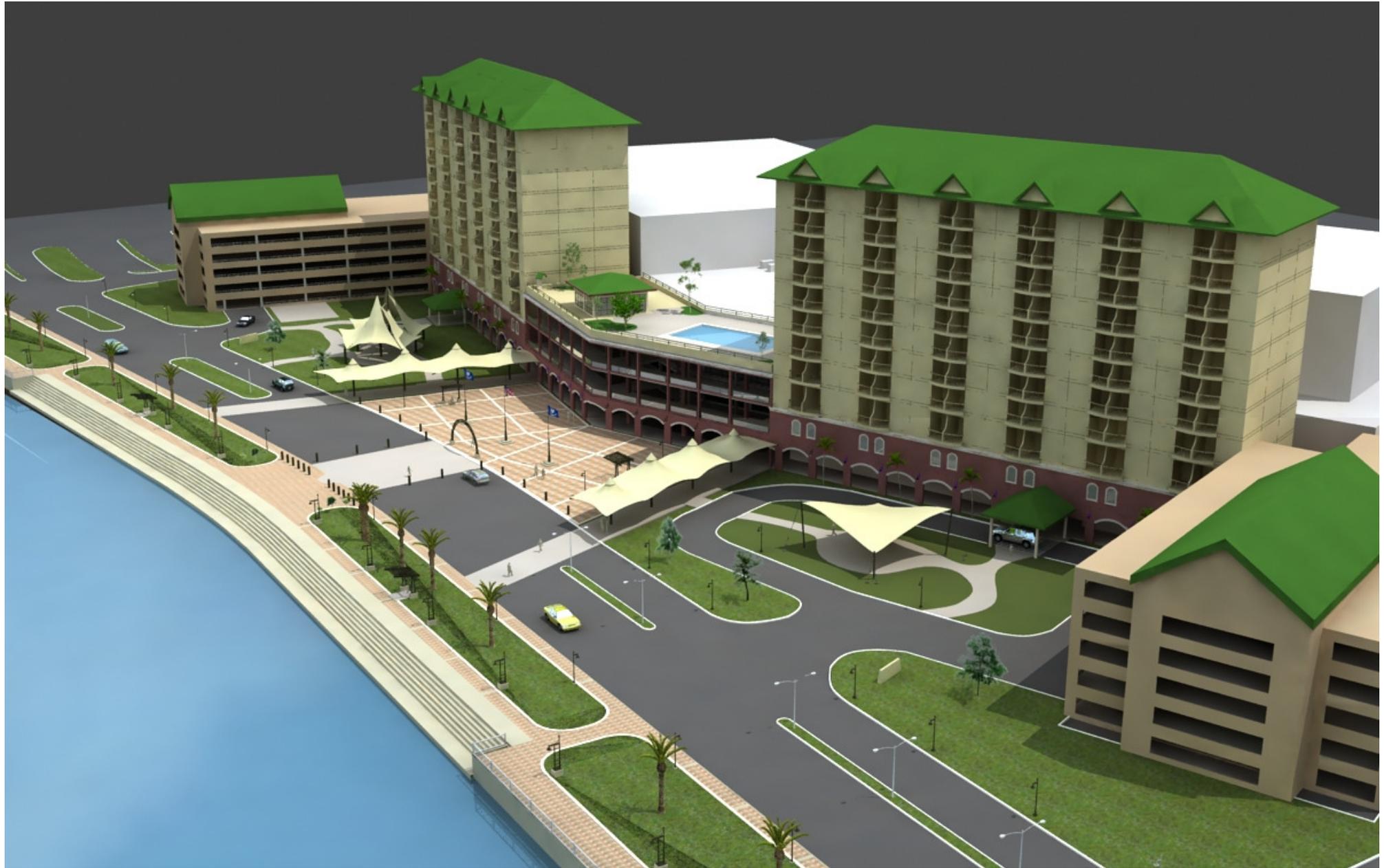
COVERED WALK

COVERED WALK

GARDEN

UPPER LEVEL PLAN

SCALE: 1"=30'









PART D
OPERATION & TIMELINE

REQUEST FOR PROPOSAL

HOTEL DEVELOPMENT

PART D - OPERATIONS & TIMELINE

I. Operations

A. We are currently evaluating proposals from several major hotel brands and will be making a selection predicated on who offers the best overall proposal.

II. Timeline

A. 90 Days:

- Secure Flag and Operator
- Secure Financing

B. 180 Days: Design and Construction Package

C. 60 Days: Bidding and Permitting, Demolition, Sitework

D. 24 months: Construction

Three years total

Timeline can be modified if Phasing Plan is implemented.



PART E
FINANCING PLAN

PART E – FINANCE ASSESSMENT
CITY OF LAKE CHARLES

**DEVERE CONSTRUCTION COMPANY/SWEP
ADDENDUM TO RESPONSE TO RFP
CITY OF LAKE CHARLES
HOTEL DEVELOPMENT PROJECT
AUGUST 9 2010**

PROJECT FINANCING STRUCTURE:

There are a number of ways this project can be funded, however, given the current condition of the capital markets, the most realistic chance of funding this project will be with sponsorship by the present owners of the proposed hotel and convention center sites. This is especially true since the City's convention/event center activities would be intrinsically tied to the success of the proposed hotel.

In light of the above the above, a debt instrument such as a bond issue would present the most direct and least costly approach. There are various structures which we would propose to explore with the property owners under a Design/Build/Operate (DBO) type contract while we further our efforts to develop land use plans, design improvements, choose the appropriate hotel franchise, and finally retain management to operate the facility when completed. Besides increasing the chance of funding, this approach can lay the foundation for the ongoing funding of additional projects within the Downtown Development area.

It is our opinion that with continued City sponsorship, the planned hotel can act as an economic catalyst for the entire area. Our staff would propose to meet with the City's financial representatives to discuss the best overall approach, and also to explore various programs which may facilitate a timely and realistic funding of the City's properties.

June, 2010

MARKETING PRESENTATION

Prepared by: InTrust Global Investments, LLC
1701 Pennsylvania Avenue, NW, Suite 300
Washington, DC, 20006

Topics covered in Marketing Presentation:

- I. Brief Resume of InTrust Global Investments.
- II. Summary of Structured Financing Options.
- III. Summary of Sale-Leaseback Transaction.
- IV. Most commonly asked questions about a Bond Net Lease.
- V. Flow Chart of for a Structured Financed Project.

I. INTRUST GLOBAL INVESTMENTS, LLC

InTrust Global Investments works closely with clients to develop, and execute solid multi-platform strategies to package idea identify key opportunities, secure funding, partnerships and deal flow and expand operations in the US and international markets. InTrust's area of expertise includes securing investments, strategic alliances and business-government relations.

Why Us

Given the current global economic climate, building local partnerships that can offer creative and alternative sources of capital is more important than ever when it comes to financing infrastructure projects and expanding municipal or government projects in the US and emerging markets.

InTrust offers our clients better partnerships, strategies and results thanks to our experience and access to trustworthy, local networks. We leverage our network, which includes private investors, multinational companies, multilateral banks and the media.

InTrust focuses on securing financing using creative and alternative sources of funding projects for its clients. InTrust is not a Fund per se, but we have obtained Mandates from several institutional investors who have requested that InTrust seek out projects in the US and Latin America that need financing for existing or new developments. The two requirements levied by our investors are that the projects are economically viable and that the sponsor will provide an investment grade guarantee for the debt. The guarantee can be given directly by the sponsor or through arrangements with third parties who would provide the needed investment grade rating as established by Moody's.

InTrust Global Investments focuses all of its resources on helping its clients succeed. Unlike larger firms, with larger overheads to support, we are smaller, which means that we can do more for less. Please review our Web site for more details www.intrustglobalinvestments.org

II. STRUCTURED FINANCING OPTIONS

1. Private Placement financing. InTrust can provide private placement financing through the use of 144-A securities that would be issued via InTrust's broker/dealer alliances. These securities are privately placed to institutional type investors, and can provide up to 100% of the total costs of any infrastructure, municipal or government project as long as there is an investment grade credit as the guaranteeing sponsor. Moody's or Standard & Poor's will be the issuing source for the ratings of any sponsor interested in using this structure as the source for their financing needs. This option would be straight debt for the project and title stays in the name of the sponsor throughout the amortizing of the loan, and at the end of the loan term the project would be free and clear of any encumbrances. This type of financing would offer very competitive interest rates.
2. Build-Lease-Transfer (BLT). InTrust can provide financing using a sale-leaseback structure as the conduit for securing the construction and long term financing for any infrastructure, municipal or government project. A bond net lease will be used to securitize the financing that would be issued for these types of projects. This BLT structure requires that the lease be guaranteed by a sponsor that has an investment grade credit rating by Moody's or Standard & Poor's. This structure would be styled as a capital lease and show up in the financial statements of the sponsor as debt. At the end of the lease term, the sponsor will be given the securitized property back free & clear of any encumbrances for a nominal charge. This type of financing would offer very competitive interest rates and can provide up to 100% of the total costs of these types of projects.
3. Off-Balance Sheet financing. InTrust can provide financing using a sale-leaseback structure as the conduit for securing the construction and long term financing for any infrastructure, municipal or governmental project that will not show up on any financial statements of the sponsor (except as a footnote). A bond net lease would be used to securitize this financing model. This type of structure is called an operating lease and to qualify for this Off Balance Sheet classification, certain requirements must be met as follows:
 - A. Make certain that there is nothing in the sale-leaseback arrangement that prevents the buyer/landlord from selling, mortgaging or assigning his interest or from benefiting from the appreciation of the property.

- B. Make certain that the purchase price of the project is for fair market value.
- C. If seller/tenant has an option to re-purchase, make certain that it is based upon fair market value and not on a declining basis with unusually large rent credits (i.e., make sure that it doesn't look like a loan payoff).
- D. Make certain that the buyer/landlord has the rights of any typical landlord in a comparable lease arrangement (including the right to have the property back at the end of the lease).
- E. Make sure that the lease payments are for fair market rent, and that the lease arrangement is typical of the area and the intended use.
- F. Have reasons (other than tax avoidance) for the transaction and state those reasons in the preamble of your agreement.

InTrust through its alliances and partners are ready, willing and able to provide 20-30 year financing for infrastructure, municipal and government projects sponsored by groups that have investment grade credit. Should a sponsor not have this required rating, then InTrust might be able to secure such investment grade credit guarantees from third party sources. InTrust will be able to provide up to 100% of all costs involved with making these projects become a reality; and this structure will work for either new construction or existing projects that need to be modernized or expanded.

InTrust would require that the sponsor/lessee/concessionaire be responsible for providing the design, engineering, bonding, insurance, permits, construction and any other functions required to get a project completed and ready for operation. InTrust would require that a third party bank be used for disbursements of the construction or re-development funds as work is completed to insure that the project is completed according to project plans and in a timely manner.

The bond net lease would run co-terminus with the term of the financing and the sponsor/lessee would be responsible for paying all expenses and fees required to operate the project. InTrust is including a copy of the most commonly asked questions regarding a bond net lease as well as a copy of the lease-back transaction flow chart. InTrust, directly or through its alliances and partners have funded more than 10 billion dollars using the 144-A private placement and sale-leaseback securitized financing. Please review this information and get back to us with any questions or comments that you might have as it relates to this matter.

Samples of the types of projects that InTrust is seeking to finance are as follows"

Water & Sewer treatment facilities
Municipal buildings
Convention centers & parking garages

Jails & prisons
Sporting arenas
Power plants
Green energy projects
Fire & police stations
Hospitals & emergency care facilities
Airport expansion or development
Ports
Schools
Auxiliary infrastructure projects

III. SALE LEASE BACK TRANSACTION

Though not a new concept, we have seen an increased volume of sale-leaseback transactions, both for owners of operating businesses that wish to "monetize" the real estate they use, and for governmental agencies transferring the risk of management and ownership of buildings the government uses to third parties.

Generally, a sale-leaseback transaction involves an operating business that no longer wishes to carry the real estate on its books or wishes to find an alternative source of financing without showing debt on its books, selling its office or industrial premises and leasing them back from the new owner. The seller finds a buyer who will become the landlord under the new arrangement and the seller becomes the tenant of this landlord.

Some of the matters that are dealt with differently in a sale-leaseback transaction than in a normal leasing transaction are as follows:

1. Rental Rates. Typically, the rent in a straight leasing transaction is set at market rental rates. In a sale-leaseback transaction, it is possible for the seller/tenant with a good financial rating to be able to sell the asset for more than its "fair market value" by increasing the lease rate beyond fair market rates thereby transforming the lease to a form of financing whereby the landlord accepts the risk of termination or insolvency of the tenant if it can satisfy itself that the covenant of that tenant is strong enough to support the lease rates agreed upon.

2. Term Duration. Usually the term of a lease under a sale-leaseback transaction is longer than under normal leasing circumstances – often 20 years with extensive renewal rights.

3. Condition of the Property at Lease Commencement. As the tenant is both the seller and the occupant, it cannot expect the landlord to "stand behind" the building or its environmental condition. Accordingly, in a sale-leaseback transaction, the lease often provides that the tenant is fully responsible for the premises and that the landlord can look to the tenant for all maintenance and capital expenses whether arising from normal wear and tear or insured or uninsured casualty.

4. Signage, Expansion and Alteration. As the usual sale-leaseback transaction involves a single user, the rights to signage, expansion and alteration are usually fairly extensive in favor of the tenant, subject to the landlord's concerns that alterations be done in a manner that enhances the value of the building. Obviously, special purpose alterations that are not of value to any other user would be something to be avoided by the landlord. The capital costs of expansion rights can be difficult for a landlord to budget for unless taken into account when the landlord arranges for its financing.

5. Option to Purchase. An option to purchase, other than at fair market value, is something to be considered carefully by tax advisors to both the tenant and the landlord. If the option to purchase at the end of the lease term is less than at fair market value, there is a potential for the lease payments not to be fully deductible from the tenant's income as a business expense.

6. Hell or High Water. Generally, the lease will be most "financeable" if there are no circumstances in which the tenant may either terminate the lease or set off any obligations it may have against those that are owed to it by the landlord. Accordingly, leases typically are structured so as to never allow the tenant to not make payments irrespective of the state of the property (i.e., whether the entire building is destroyed or not) or to terminate (except towards the end of the lease term).

As mortgage debt has become restricted, sale-leasebacks offer alternatives to traditional financing, offering freed-up capital for operating business. For those owners that do not consider real estate ownership as part of their core competencies, sale-leasebacks can be an attractive option.

IV. COMMONLY ASKED QUESTIONS ABOUT A BOND NET LEASE TRANSACTION

1. What is a bond net lease?

A bond net lease is the equivalent of a bond issued by the corporate lessee. Under the lease, there are no defenses against payment of the rent, and the lease is non-cancelable. The corporate lessee assumes all of the obligations,

risks, and costs of the real estate and pays the owner an absolute net rent. In the event of a major casualty or condemnation, the corporate lessee must continue paying rent. However, if the casualty or condemnation makes the property uneconomic, it may elect to terminate the lease provided that it pays the lessor an amount at least equal to the lessor's unamortized investment in the property.

2. How does a bond net lease differ from a conventional real estate lease?

The major difference is that under a conventional real estate lease, the corporate lessee will have the right to terminate the lease in the event of a major casualty or condemnation without having to make any payment to the lessor. In addition, the lessor under a conventional real estate lease may have responsibility for roof and structural repairs or other maintenance and management responsibilities.

3. How long is the basic term of the lease?

The basic term is typically between 20 and 30 years.

4. How is the rent calculated under a bond net lease?

The net rent during the basic term of a bond lease will be sufficient to amortize the lessor's investment in the property (inclusive of the lessor's equity capital and any debt financing), together with interest. In calculating the rent, the implicit interest rate will usually be at least equal to the corporate lessee's direct borrowing rate.

5. Are the rents fixed for the full term of the bond net lease?

Yes. However, in some transactions, there is an allowance for periodic resets of the basic rent, if elected by the corporate lessee (for example, after 5, 10 and 15 years).

6. Can the fixed rents be stepped?

Yes, the fixed rents may be stepped, if elected by the corporate lessee, so long as the lessor's investment in the property is fully amortized by the end of the lease term together with interest.

7. Can there be a "free" rent period? Yes, if elected by the corporate lessee, there may be a rent-free period up to 12 months as long as the lessor's investment in the property is fully amortized by the end of the lease term together with interest. However, this rent-free period is not the norm for sale/leaseback transactions.

8. Are there any offsets to or defenses against the payment of the rent?

No. The lessee has no right to terminate and will continue to pay rent regardless of any circumstance, including condemnation and casualty.

9. Are there any other restrictions over the general business operations of the corporate lessee contained in the lease?

Not typically.

10. Will we finance construction?

Yes, under appropriate circumstances, in particular, if the corporate lessee takes responsibility for construction. This will eliminate the need for separate construction financing.

11. What are the corporate lessee's restrictions on the use and operation of the property?

There are no restrictions on the corporate lessee's use of and operation of the property in its business, except it must be legal.

12. What restrictions are there on the corporate lessee in making alterations and additions to the property?

There are no restrictions on the corporate lessee so long as the alterations and additions do not reduce the fair market value of the property.

13. Can those additions and alterations be financed through the net lease structure?

Yes.

14. What is the impact of the bond net lease transaction on the balance sheet of the corporate lessee?

In a properly structured bond net lease transaction, the corporate lessee can upgrade its balance sheet significantly.

First, in the case of a sale/leaseback, the corporate lessee is converting an illiquid asset into cash. It will also be able to increase its net worth by the difference between the sale price and the book value of the property, after adjusting the result for taxes on the gain. (The recognition of this increase in net worth will probably have to be spread over the term of the lease.)

Second, the corporate lessee should not have to show any increase of debt on its balance sheet, since it is not borrowing money. Accordingly, the lease obligation should not have to be recorded directly as a long-term obligation or

liability on its financial statements. This is what is called off-balance sheet financing.

15. In what ways is the bond net lease transaction preferable to a direct mortgage financing?

There are several advantages:

First, in a bond net lease transaction, the corporate lessee is effectively receiving 100% financing of the real estate. Under a traditional mortgage arrangement, the corporate lessee could typically finance up to 80% of cost or value of the real estate.

Second, in a bond net lease transaction, the corporate lessee will be able to deduct all rent payments, including the rent allocable to the land. Only the interest portion (not the principal) of the debt service payments under a mortgage financing is deductible.

Third, since the corporate lessee will not have to show any increase in debt on its balance sheet, it will significantly upgrade its financial statement.

16. What benefits of ownership is the corporate lessee giving up?

By leasing instead of owning, the corporate lessee is giving up the value of the residual interest in the property at the end of the lease term.

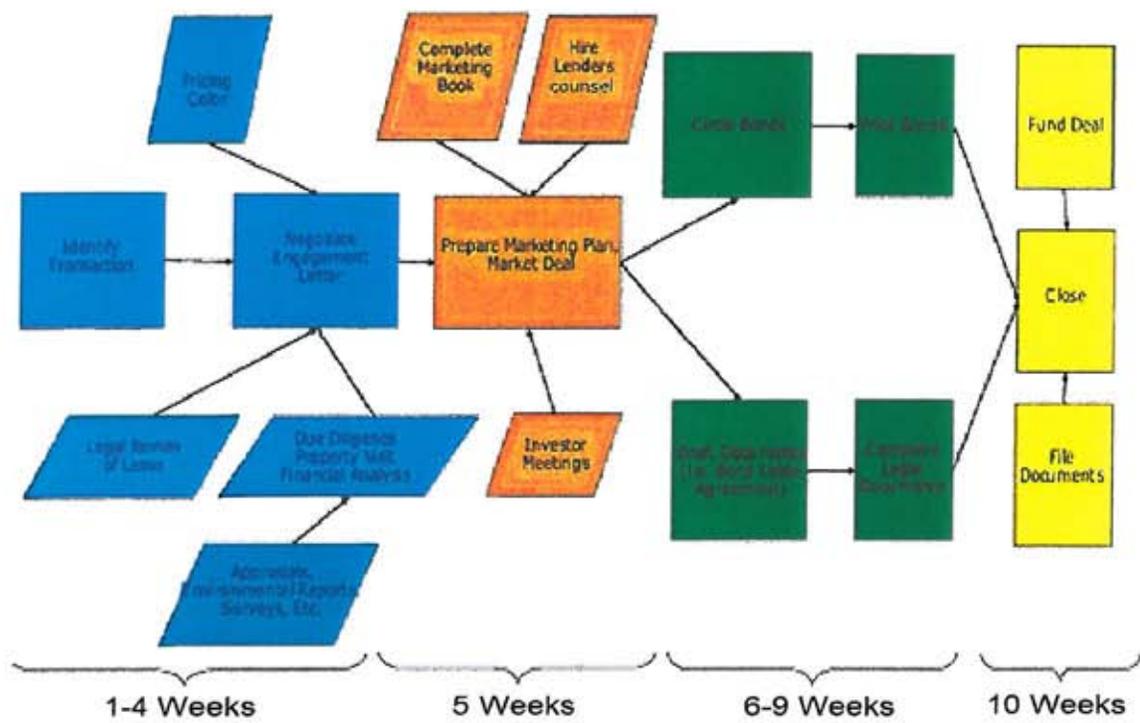
17. Can the corporate lessee have an option to purchase the property?

Subject to the continuing involvement provision of FASB 98, the corporate lessee can have an option to purchase the property. If the corporate lessee exercises this option, the purchase price will have to approximate fair market value.

18. Can the corporate lessee terminate the lease for any reason before the end of the lease term?

The corporate lessee can terminate the lease due to major casualty or condemnation and, in some cases, if the property is no longer useful in its business. In the event of such termination, the corporate lessee must make a rejectable offer to purchase the property for the lessor's unamortized investment in the property. If the offer is accepted, the property will be conveyed to the corporate lessee. If it is rejected, the corporate lessee can terminate the lease without making any further payment to the landlord.

V. FLOW CHART



August 9, 2010

Ms. Lori Marinovich
Executive Director
Downtown Development Authority
City of Lake Charles
326 Pujo Street
Lake Charles, LA 70602-0900

Dear Ms. Marinovich:

At the request of Ron Norwood, we are pleased to provide you the attached general outline and profile of the construction related services offered through our **Lockton – Next Wave** partnership for the **City of Lake Charles**. You will see where we bring significant experience and resources in the area of insurance Wrap-Up/OCIP, Surety bonding for both large and small contractors, and a wide array of risk management related services tailored for a project of this type.

Our goal will be to provide your development team with:

- Economies of Scale for project specific Insurance
- Eliminate duplication of Coverage and Gaps in Coverage
- Maximize savings from favorable loss experience
- Promote safety/zero loss policy
- Loss control management
- Claims management
- Enhanced communication

Our recommendations for the OCIP or Wrap-Up will be based upon your needs, along with that of the local small contractors. Having experience on projects with Ron Norwood, where a formal **Community Outreach Program and Small Contractor Inclusion Process** is in place, we will be able to provide ideas and support on how best to support the local subs with a bonding facility.

I will serve as your point person, along with Jeff Ward, CEO of Next Wave Insurance and our Underwriting VP, Edgar Salcedo. We will also be bringing in resources and construction expertise from the Lockton Houston office as needed. (*See Service Team*).

We look forward to working with you. Please feel free to call me with any questions at (213) 689-2310.

Best regards,

Scott F. Canales
Senior Vice President



City of Lake Charles

August 9, 2010

Prepared by

Lockton Insurance Brokers, LLC & Next Wave Insurance

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Lockton/ Next Wave at-a-Glance

Lockton/Next Wave at a Glance

- ❖ 15,000+ clients
- ❖ 95 percent client retention
- ❖ 3,894 Associates
- ❖ 52 offices
- ❖ North America, Europe, Latin America, Asia Pacific, Middle East
- ❖ \$14+ billion in premium placed
- ❖ \$787 million in revenues
- ❖ Founded 1966
- ❖ Headquarters: Kansas City, MO
- ❖ Largest independently owned broker in the world

Mission

To be the worldwide value and service leader in insurance brokerage, employee benefits, and risk management

Goal

To be the best place to do business and to work

Serving Clients Around the World



- ❖ 21 U.S. offices
- ❖ Headquarters in Kansas City
- ❖ 31 offices throughout Europe, Latin America, Asia Pacific, Middle East
- ❖ Recently licensed in China and Dubai
- ❖ Serve clients in virtually every country

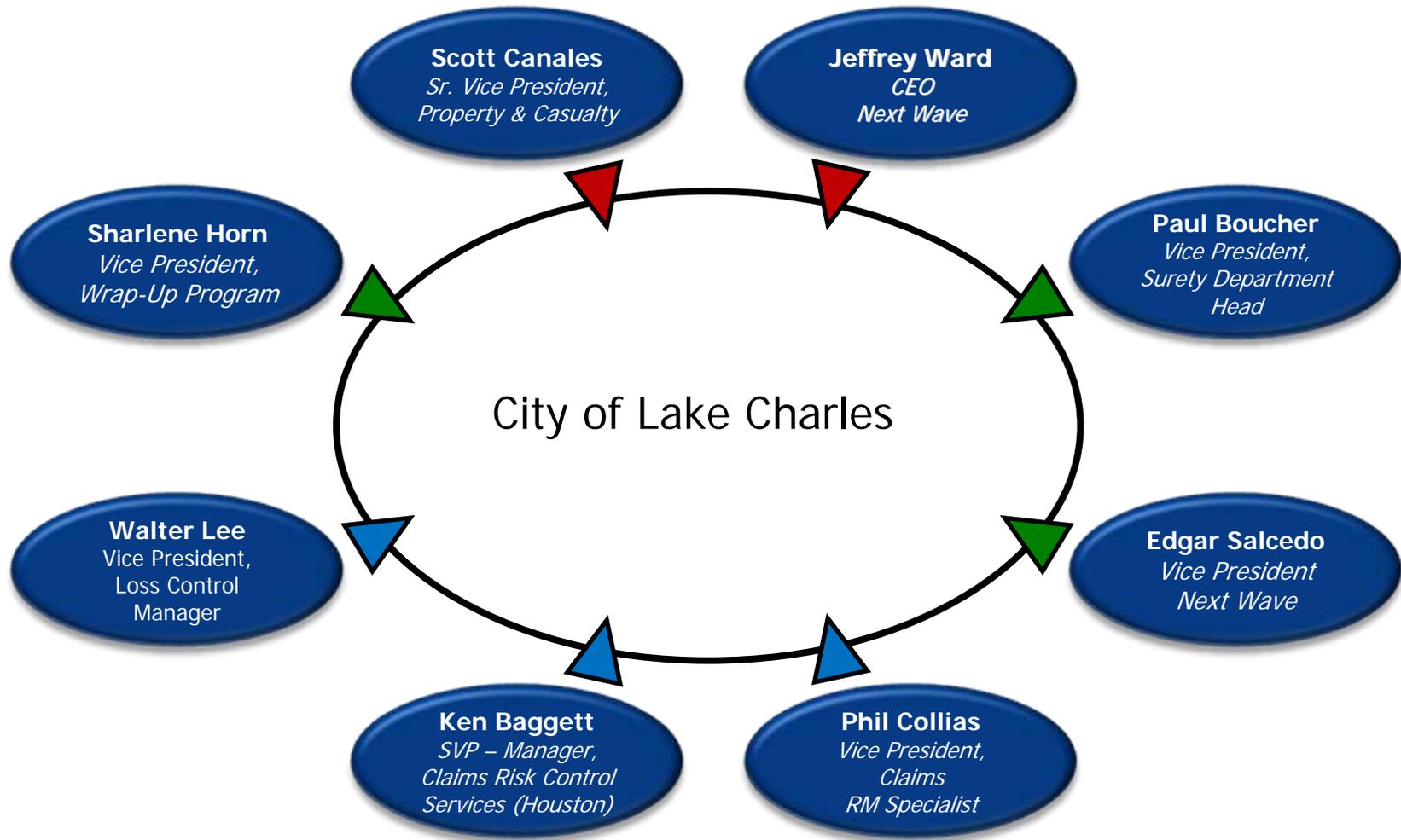


  Owned Offices and Equity Relationships

 Strategic Partnerships

Lockton/Next Wave Service Team

A Service Team Built Around Your Needs



Managing Executives

Account Management

Risk Control Services

Wrap-Up Programs

Wrap-Up Programs

Regional and National Recognized



Name	Wrap -Up Type	Location	Duration (Yrs.)	Construction Value	Status
Adams 12 School District	ROCIP	CO	3.5	\$ 157,000,000	Closing
Alliance Construction	OCIP	FL	3+	\$ 200,000,000	Ongoing
Ash Grove	OCIP	KS	1.5	\$ 110,000,000	Closed
Black & Veatch Aries	CCIP	MO	2	\$ 120,000,000	Closed
Bronx Terminal Market	OCIP	NY	3+	\$ 300,000,000	Ongoing
Centennial Pavilions	OCIP	CO	1	\$ 9,000,000	Ongoing
City of Aurora – Prairie Waters Project	OCIP	CO	5	\$ 530,000,000	Ongoing
City of Kansas City, Missouri	OCIP	MO	4	\$ 161,350,836	Ongoing
Colorado Department of Transportation (Highway and Light Rail)	PCIP	CO	8	\$ 1,600,000,000	Closing
Colrich/Pulte	Residential	CA	Annual	\$ 253,000,000	Ongoing
Corporate Campus	OCIP	KS	5	\$ 975,000,000	Closed
Denver Public Schools	ROCIP	CO	5	\$ 140,000,000	Closed
Gateway	OCIP (Rolling)	CA	3	\$ 20,600,000	Ongoing
Gemstone Development	OCIP (Rolling)	NV	2-3	\$ 75,000,000	Ongoing
Granite Homes	Residential	CA	Annual	Varies	Ongoing
Highwoods	OCIP	FL	2	\$ 100,000,000	Closed
IHP/Newland, Forest Ranch	Master Residential (9 Other Builders)	CA	3	Varies	Ongoing
Intracorp	CCIP (Rolling)	CA	3	\$ 178,500,000	Ongoing
Intrawest	OCIP (Rolling)	CA, CO, FL, WV, NJ, VT, ON, BC	4	\$ 800,000,000	Ongoing
IRS Processing Center	CCIP	MO	3.5	\$ 275,000,000	Ongoing
J.C. Nichols	OCIP	MO	2	\$ 100,000,000	Closed
J. D. Group	CCIP	CA	3	\$ 10,000,000	Ongoing
J.E. Dunn Construction Company	RCCIP	Various	3	\$ 3,000,000,000	Ongoing
K. Hovnanian	Residential	CA	Annual	Varies	Ongoing

Wrap-Up Programs

Regional and National Recognized



Name	Wrap-Up Type	Location	Duration (Yrs.)	Construction Value	Status
Kansas City International Airport	CCIP	MO	3.5	\$ 208,000,000	Closed
Kimball Hill Homes	Residential	IL	Annual	Varies	Closed
Lucas & Mercier	CCIP (Rolling)	CA	3	\$ 145,000,000	Ongoing
Molson Coors	OCIP	VA	2	\$ 208,000,000	Ongoing
Montage Resort & Spas-Beverly Hills Luxury Hotel	OCIP	CA	3	\$ 400,000,000	Closed
Montage Resort & Spas-Deer Valley Luxury Resort	OCIP	UT	3	\$ 400,000,000	Ongoing
Morrow Development	Land Development	CA	6-7	Varies	Ongoing
Nelson Atkins	CCIP	MO	4	\$ 83,000,000	Ongoing
New Jersey Transit Northeast Corridor	OCIP	NJ	8	\$ 800,000,000	Closed
Newland Communities	Land Development	Various	3	\$ 1,200,000,000	Ongoing
Oakwood Homes	Residential	CO	Annual	\$ 125,000,000	Ongoing
Pacer Communities	Residential	CA	Annual	Varies	Ongoing
Parkview Properties	OCIP	AZ	2	\$ 40,000,000	Ongoing
Peninsula Project	Residential	HI	A	Varies	Closed
Pepsi Center	OCIP	CO	2	\$ 110,000,000	Closed
Post Properties	OCIP	VA	2	\$ 150,000,000	Ongoing
Rottlund Homes	Residential	MN	Annual	Varies	Closed
Ryland Homes	Residential	CA, AZ, NV, CO, FL	Annual	Varies	Closed
Stowers Institute for Cancer Research	OCIP	MO	2	\$ 200,000,000	Closed
The Olson Company	Residential	CA	Annual	Varies	Closed
Two Rivers Correctional Institution	CCIP	OR	2	\$ 120,000,000	Closed
Union Station of Kansas City	OCIP	MO	3	\$ 180,000,000	Closed
Van Daele	Residential	CA	Annual	Varies	Ongoing
Volkswagen Group of America - Production Assembly Plant	OCIP	TN	3	\$ 300,000,000	Ongoing
William Lyon Homes	Residential (Rolling)	CA, AZ, NE	3	Varies	Ongoing
Young Homes	Residential	CA	Annual	Varies	Ongoing

National Contractor and Developer Samplings

ARCHITECTS & ENGINEERS CLIENT SAMPLING

Black & Veatch
*Construction, Engineering, and
Consulting Services*
Kansas City, Missouri

Burns & McDonnell, Inc.
*Engineering, Architectural, and
Design/Build Services*
Kansas City, Missouri

Gensler
*Architecture, Interior and Urban Design/Planning,
and Strategic Consulting*
San Francisco, California

Anshen + Allen Architects, Inc.
*Architectural and Interior
Design Services*
San Francisco, California

TranSystems Corporation
Engineering Services
Kansas City, Missouri

Peckham Guyton Albers & Viets, Inc.
Architectural Services
St. Louis, Missouri

360 Architecture Inc.
Architectural Services
Kansas City, Missouri

The Cannon Corporation
Architectural Services
Grand Island, New York

Gould Evans Affiliates, L.C.
*Architectural & Management
Consulting Services*
Kansas City, Missouri

Brown and Caldwell
*Environmental Consulting and
Engineering Services*
Walnut Creek, California

Skidmore Owings & Merrill LLP
*Graphics, Interior/Urban Design, and
Environmental/Geotechnical Engineering*
Chicago, Illinois

Bibb & Associates, Inc.
*Power Generation Projects, Industrial Plants,
and Process Engineering*
Lenexa, Kansas

The Perkins & Will Group, Ltd.
Architectural Services
Chicago, Illinois

Terracon Consultants, Inc.
Engineering and Construction Management
Shawnee Mission, Kansas

Wilson & Co. Engineers & Architects
Engineering Services
Albuquerque, New Mexico

BNIM Architects, Inc.
Architectural Services
Kansas City, Missouri

HNTB Corporation
*Architectural, Engineering, and
Environmental Design*
Kansas City, Missouri

Christner, Inc.
*Architectural Services &
Interior Designing*
Clayton, Missouri

MWH Global, Inc.
*Design, Construction, Finance, and Operations
and Maintenance Services*
Broomfield, Colorado

The Kleinfelder Group, Inc.
*Engineering, Consulting
and Design Groups*
San Diego, California

Professional Engineering
Engineering Services
Wichita, Kansas

Leo A. Daly, Co.
Engineering/Architectural/Design Services
Omaha, Nebraska

HDR, Inc.
Design/Build Services
Omaha, Nebraska

E.T. Archer Corporation
Engineering Services
Lee's Summit, Missouri

Lockton Client Samplings



DESIGN AND CONSTRUCTION CLIENT SAMPLING

Peter Kiewit Sons', Inc.
Heavy Construction
Omaha, Nebraska

Terracon Consultants, Inc.
Engineering Services
Lenexa, Kansas

HNTB Management Company
Engineering Services
Kansas City, Missouri

TranSystems Corp.
Engineering Services
Kansas City, Missouri

William Lyon Homes, Inc.
Single-Family Homebuilder
Newport Beach, California

MWH Global, Inc.
Engineering Services
Broomfield, Colorado

Hovnanian Enterprises, Inc.
Single-Family Homebuilder
Red Bank, New Jersey

Day & Zimmermann, Inc.
Heavy Construction
Philadelphia, Pennsylvania

**American Newland
Communities, LP**
Developer and Homebuilder
San Diego, California

**Performance Contracting
Group, Inc.**
Specialty Contractor
Lenexa, Kansas

**J.E. Dunn Construction
Company**
General Contractor
Kansas City, Missouri

**M. Arthur Gensler Jr.
& Associates**
Architectural Services
San Francisco, California

The Kleinfelder Group, Inc.
Engineering Services
San Diego, California

Traylor Bros., Inc.
Heavy Construction
Evansville, Indiana

Burns & McDonnell, Inc.
Engineering Services
Kansas City, Missouri

Centex Corp.
Homebuilding and Construction
Dallas, Texas

Black & Veatch
Engineering Services
Kansas City, Missouri

Larwin Company
Single-Family Homebuilder
Encino, California

HDR, Inc.
Engineering Services
Omaha, Nebraska

Leo A. Daly Company
Engineering Services
Omaha, Nebraska

AECOM Technology Corp
Architecture, Engineering & Design
Los Angeles, California

**Skidmore, Owings &
Merrill LLP**
Architectural Services
Chicago, Illinois

Rottlund Homes, Inc.
Single-Family Homebuilder
Roseville, Minnesota

Brown and Caldwell
Engineering Services
Walnut Creek, California

Small Contractor Inclusion Program

VR Enterprise, LLC

August 9, 2010

Ms. Lori Marinovich
Executive Director
Downtown Development Authority
City of Lake Charles
326 Pujo Street
P.O. Box 900
Lake Charles, LA 70602-0900

RE: SMALL CONTRACTOR INCLUSION PROGRAM

Dear Ms. Marinovich:

V&R Enterprise, LLC, proposes to provide a construction risk management, technical assistance, and an industry network of lenders, surety bonding companies and insurance companies required to break the cycle of small contractors exclusion from large and/or public entity construction projects. We do not act as a facilitator for packaging contractors, we bring national service providers to the table (surety bonding companies, insurance companies, etc) and assist in the program implementation and monitoring.

Our program will be submitted with the Next Wave and Lockton Insurance Company, construction insurance services and Surety submission, responding to the City of Lake Charles member cities need for local Small Contractors to be included in public entity capital construction projects.

Our small contractor inclusion program goals are shown below:

- Maximize small business participation in public sector construction projects
- Make this participation productive and successful for Section 3 participants
- Provide a foundation for the ongoing success of the small contractors
- Enhance local economic impacts and development/keep more construction Dollars local
- Engender the creation of a new cadre/pool of prime capable local SDBE's

Our program begins with a vigorous Outreach Program to include local entities and organizations, e.g., contractor associations, government agencies, general contractors, etc; to develop a consolidated umbrella database. Once the local small contractors have been identified, we implement the risk management program designed to manage the risks associated with small contractors, it starts with a risks assessment and evaluation.

VR Enterprise, LLC

A risk management program is designed to manage the uncertainty associated with small contractor participation on large public projects, for instance:

1. Does the small contractor have surety bonding
2. Does the small contractor have insurance with adequate coverage(s)
3. Does the small contractor have access to working capital
4. Does the small contractor have administrative capability
5. Does the small contractor have the craft capability
6. Does the small contractor meet state license requirements

A successful program will provide answers to the aforementioned questions, via, a pre-qualification assessment to assure the contractors capability.

Essential program elements that will be recommended, but will not be limited to:

- A Surety Support Program (Bond Readiness)
- A Revolving Loan Program (for Working Capital)
- An Construction Insurance Wrap-Up
- A Small Disadvantaged Business Enterprise Program
- Recommendations at Constructability Review (How Bids are Bundled)
- Ongoing Contractor Training/Commercial License Prep
- Ongoing Contractor Field Performance/Progress Monitoring
- And more...

Pursuant to the Federal Program requirements, the V&R Program will be an excellent compliance tool to meet the Legal Compliance requirements outlined, beginning with the 1965 Federal Executive Order 11246, up to the stated 1990's Federal Acts; with regard to inclusion of all qualified segments of the Section 3 and local Small Contractor Community, e.g., MBE, WBE, SDBE, VBE, etc.

Sincerely,

V&R Enterprise, LLC

Ronald E. Norwood
Managing Member
(225) 993-9914

V&R Enterprise, LLC



Small Contractor Inclusion Program

*Maximize Use of Small/ Minority/
Women Contractors, Suppliers, and
Workforce*

(renorwood@yahoo.com)

Implementation of Small/Minority Contractor Inclusion Program

Preliminary Observation Statement

V&R Enterprise (V&R) proposes to provide management, technical assistance, and an industry network of lenders, surety bonding companies, and insurance companies required to break the cycle of exclusion from large and/or public entity projects. V&R will bring a small, minority, and women owned contractor, supplier, and general workforce inclusion program that will assist in the implementation and monitoring of public and private projects.

It is the observation of the Principals of V&R that the historical condition of exclusion has been a global inter-industry condition, in that, it took the following co-existing elements, i.e.,

- 1.) Need for individual training for skills and crafts,
- 2.) Need for working capital financing for business start-up and project development,
- 3.) Need for surety bonding,
- 4.) Need for affordable insurance products to successfully bid on, especially public entity, construction projects.

Once those needs have been addressed the project owner must address the General Contractor or Construction Manager's approach to bid packaging, namely packaging the bids in work increments that allow small contractors to bid and packaging by trades to create an environment of inclusion for the small contracting community.

Economic Opportunity Plan. To appropriately implement an Equal Opportunity Plan, V&R must begin with a review and analysis of the existing guidelines and procedures from the perspective of the project owner and from the perspective of each prime contractor. Once the guidelines and rules are established and clearly understood, the inclusion plan for small, minority, and women owned business enterprise can be prepared to be implemented and monitored. The plan review should pay particular attention to the anticipated goals to determine whether those goals are, in fact, realistic and doable.

The Prime Contractor. To ensure a successful program the prime or general contractor will be a critical link, therefore, the service provider must have a close working relationship with the prime to ensure that there is a clear understanding of the Economic Opportunity Plan. The ensuing result should be oversight and monitoring of the contractors implementation of the plan with special attention being given to such areas as: 1) use of subcontractors, 2) bid packaging, 3) work identification by trades, 4) use of suppliers and 5) a mechanism for coordination of reporting.

Community Outreach. Once the plan has been established by all required participants, a global database of metro and area contractors' list(s); this effort will serve to establish the current base of available small and minority contractors. Once agency list have been consolidated, an effective outreach program should include contractor trade associations, the small business administration, city, state and parish certification list(s), GM and CM subcontractor list(s), local churches and community organizations, local media, etc. This step will serve to increase the pool of available small, minority, and women owned business.

A Surety Support Program. A successful small contractor inclusion program will include a surety support program. A good surety support program will have three key elements 1) risk management capability, the ability to properly identify, apply, and maintain the appropriate corrective measures necessary at critical intervals of the project; 2) a system to provide funds administration; and 3) a surety support program must be prepared to offer critical back room services to small disadvantaged contractors, i.e., estimating, scheduling, basic bookkeeping, certified payroll, financial statements, etc.

The Small Contractor Inclusion Process. A risk management program is designed to manage the uncertainty associated with small contractor participation on large public projects, i.e., 1) does the small contractor have surety bonding, 2) does the small contractor have insurance with adequate coverage, 3) does the small contractor have access to working capital financing to cover contract cash needs, 4) does the small contractor have administrative capability, 5) does the small contractor have the craft capability. A successful program will provide answers to the aforementioned questions for the General Contractor, Construction Manager, and/or the Project Owner.

The inclusion process will necessarily begin with a detailed data collection process. The process will include the following:

1. Intake and Evaluation.
2. An Assignment of Risk Indicator.
3. A Risk Analysis -- that would include an administrative assessment that would include a credit report, verification of insurance, previous/current bonding, workers compensation, banking, financials and taxes and supporting documents.
4. An Industry Assessment – that would include licensing, project references and personal history.
5. Construction Risk Summary – the manager's summary to the surety bonding company and the general contractor.

V&R PROGRAM SERVICES TABLE

Surety Support	SDBE Program	Administrative Services	IT Solutions	Programs Coordinated
Pre-Contract Bond Readiness	Document Project Participation	Contract Services	Contract Services	Contract Services
<ol style="list-style-type: none"> 1. Industry Outreach 2. Client Intake 3. Risk Analysis 4. Evaluation/Access 5. Completed Package Presented to Surety for Bond Approval 6. Bid Submission 	<ol style="list-style-type: none"> 1. Strategy for SM Companies to be included in Public Projects 2. Contractor Certification 3. Outreach 4. Assessment 5. Final Statistics 	<ol style="list-style-type: none"> 1. Scheduling 2. Job Planning 3. Project Supervision 4. Funds Mgmt 5. Certified Payroll 6. Chg Order Mgmt 7. Materials Mgmt 8. Contract Compliance 	<ol style="list-style-type: none"> 1. Project Tracking 2. Historical repository 3. Contractor Selection/Repository 4. Internet/wireless Access to Info 5. Secured Data 6. Standard/custom reports 	<ol style="list-style-type: none"> 1. Revolving Loan Fund 2. Ins Wrap-UP 3. Constructability Review 4. Surety Support 5. Joint Ventures 6. SDBE Program 7. Contractor Training 8. Field Monitor Program
Program(s) may be expanded based upon Scope of Services				

Table.

Services capsulated above provide an at-a-glance program overview.

Resulting Expectation From the Owner. One of the most critical elements in determining the successful outcome of a project is the final expectation of the owner (to be outlined in the Economic Opportunity Plan) and the resulting impacts after project completion, for instance, 1) a project that results with local minority/women/ and small contractors participating in the economy created by local construction, 2) a project that resulted with bondable small contractors, 3) a project that resulted with bondable subcontractors and the creation of new prime contractors (possibly utilizing joint ventures), 4) a project that resulted with small contractors with new relationships with surety bonding companies, 5) a project that resulted with small contractors having developed new relationships with local lending institutions, 6) a project that resulted with small contractors having developed new relationships with fund managers and local accountants, 7) a project that resulted with local small contractors receiving training that allow them to go to the business level of construction.

Program Services available for Coordination. Small contractors (SDBE Program), Joint Venture Partnerships, Lenders (Revolving Loan Fund), Fund Managers, Surety Bonding Companies (Surety Support Programs), Local Insurance Companies, Insurance Underwriters, National Brokers, Administrative Services, Information Technology, and Training.

MONITORING. The monitoring process is probably the most critical link to performance. V&R's Monitoring Team is dedicated to maintaining a premium level of performance by all small/minority sub-contractors on the construction site.

The monitoring process begins with each small/minority sub-contractor signing a required Compliance and Monitoring Agreement, which contains clauses mandating compliance with the rules, regulations and procedures and a monitoring agreement throughout the life of the participant contract. In addition to the contractor's contract, the monitoring process includes compliance with the outlined

- scope of services
- schedule of values
- construction schedule
- working capital capability
- materials submittals/materials mgmt
- equipment list
- site evaluation
- mobilization
- personnel
- change order management
- weekly checklist/progress report
- final walk through/punch list/project close-out.

The process will include site visits and background checks (as needed) performed by the Monitoring Team. The Monitoring Team's on-site work will ensure cohesiveness between general contractors, contractors, sub-contractors, and small/minority sub-contractors; and will serve to foresee and prevent problems like, uneven task distribution, over allocated resources, over spending the budget, verify work progress, make schedule adjustments and manage resources.

All of the data gathered by the Monitoring Team during the process (project logistics, quality control & inspections data, budget control data, schedule control data, subcontractor delinquency/deficiency data, inventory, inclusion goals/results, and deliverables) will be captured by V&R's Contractor Information Management and Reporting System (CIMRS).

IT Solutions. V&R is proposing developing and implementing a Contractor Information Management System (CIMS) as the foundation for the integrated process improvement strategy discussed previously. CIMS will be leveraged to effectively identify, analyze, assess, and monitor contractors for the inclusion program. The system will identify and capture pertinent and measurable information on contractors to enable effective evaluation and selection of qualified contractors. The information tracked is intended to aid the large and/or public project administrator to locate and qualify minority/small contractors and will include:

Contractor Profile

- Contractor Name
- Trade/Profession
- Business type
- Identification Numbers
- Current Address
- Current Phone Number
- Current Email Address

Certification and Qualifications

- State Licenses
- Type of Insurance and Level of Coverage
- Previous Bonding
- Past Performance
- Previous Awards

Active Contract Tracking

- Date of Award
- Project Description
- Duration
- Value

We are proposing utilizing new and open technology platforms to create a robust new application that will be web-based and Internet/intranet available with no constraints on the number of concurrent usage. Some highlights include:

- Secure application with user authentication and authorization; role-based access to the system and a well-documented process for administration and user management;
- Seamless application that is modular and open such that it will easily interface with complementary systems;
- Robust backend based on SQL's database and querying engine and a well-designed front-end developed with .NET.

CIMS will be features-rich and will include Standard and custom reports; adhoc querying of the database; filtering and export capabilities. Since the system will be web-based, access is instantaneous without regards to user platform.

The CIMS database will have capabilities for several types of access by authorized users and will include support for the following user platforms:

1. Desktop PC, Macs and UNIX workstations.
2. Laptops, notebooks
3. Full support for Wireless Devices on the WIFI platform.
4. Personal Digital Assistants (Palm Pilot, Blackberry, IPAQs, etc.)

V&R will employ a phased implementation approach. First, we will develop the data input module of the CIM application to enable data collection and input into the system. The second phase will add a full user interface and navigation. Phase three will enhance the initial system to include reporting, querying, and interface to complementary databases.

Expertise

Lockton Industry Expertise



	Automotive		Foodservice		Professional Services
	Aviation		Global Property Practice		Retail
	Construction Services		Healthcare		Real Estate
	Energy and Power		Hospitality		Risk Control
	Environmental		Law Firms		Risk Management
	Financial Institutions		Manufacturing		Staffing and Employee Leasing
	Financial Services		Marine		Surety
	Financial Solutions		Nonprofit/ Religious Organizations		Technology
	Food Processing and Distribution		Private Equity and Corporate Acquisitions Practice		Transportation

Building Solutions



❖ Overview

- 40+ years experience
- Experience with major projects and leading firms
- Services for local contractors and builders

❖ Specialized Construction Services

- Claims cost containment and advocacy
- Engineering and machinery breakdown
- Loss data management
- Surety
- Wrap-ups
- Contract review
- Loss control
- Risk management services
- Subguard[®]
- Controlled Insurance Programs (CIPs)

Reducing Losses



- ❖ Claims
 - Experts in developing effective claim management programs
 - Focused on reducing loss costs
- ❖ Claims Cost Control
 - Experts in post-injury management
 - Focused on reducing claim severity
- ❖ Loss Control
 - Experts in managing and controlling loss costs
 - Focused on reducing loss frequency

Bonding



❖ Overview

- Large-scale public or private construction projects
- One-time performance agreements
- Other bond types
- 40+ years experience

❖ Services

- Develop and implement tailored service plans
- Outsource bond-related risk management functions
- Implement necessary control procedures
- Set up customized billing and reporting systems
- Benchmark and peer group analysis
- Consult on specialized needs or applications

Surety Management Program - Houston



❖ Lockton's Program Administration

- Establish Profile Information
 - ❖ Client/Principal
 - ❖ Insurance/Surety Company
 - ❖ Customized to Each Client
- Define Program Parameters
 - ❖ Significant Overall Cost Reduction
 - ❖ Lines of Authority (optional)
 - ❖ Library of Bond Forms
- Set up Bond Form Templates for “Most Frequently Used Bonds”
- Training and Support Provided to Your Administrators
- Reporting
 - ❖ Outstanding Bond Summary
 - ❖ Bond Status Report
 - ❖ Transaction Reports
 - ❖ 100% Complete
 - ❖ Division/Project Manager Reports
 - ❖ List of Released Bonds

“A single entry, multi-use surety bond processing system.”