Deal Thesis - Project Construction

Executive Summary

Company: ASONS Construction (Project Construction)
Established: 1999
Status: Privately Held
Revenue: $52 Million
EBIDTA: 5 year range 9.3% - 14.3%

Business: ASONS, a nationally-focused, full service provider of property preservation/restoration services, focusing on Government and investor owned distressed and non-distressed single and multi-family homes.

ASONS' niche is its dual expertise in property preservation and construction services founded upon a unique lean/six-sigma model, that insulates the Company's financial performance from the shifting landscape of the mortgage industry. The Company's low cost combination of services is unique in the industry, and with proven scalable, duplicable systems and a strong management team, is poised to further expand both its revenue and EBITDA growth.

Investment Thesis

- Market segment leadership with flexible, scalable and differentiated business model Strong, Experienced Management Team.
- Proprietary, Market Leading Information system.
- Deeply embedded lean/six-sigma work flows and risk management systems insulates company from shifting landscape of mortgage industry.
- Low Cost, High Quality Provider with Low Capital Expenditure Requirement.
- Preferred supplier status though consistent performance.
- Niche construction renovation model that is well positioned to benefit from next phases of market shifts into capital renovations.
- 3-5 year outlook is strong double digit EBITDA growth potential on the renovation side and has solid base support and growth ability on the preservation side.

Financial Summary

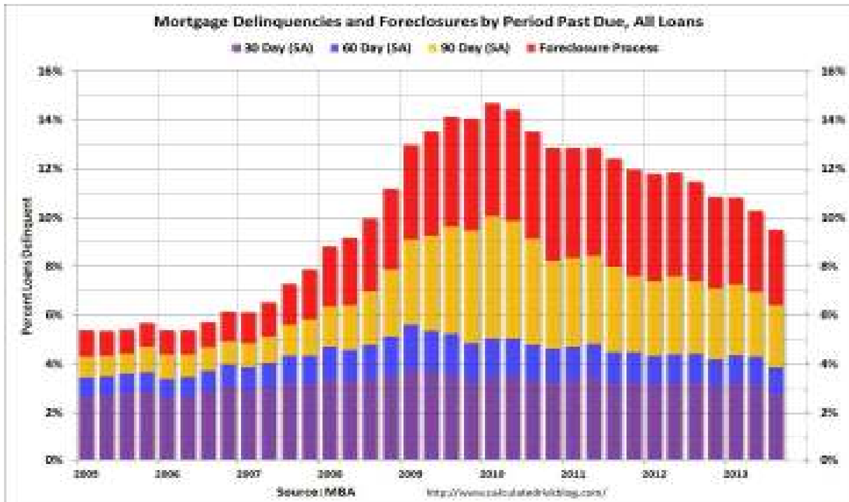
Historical and Projected Income Statement Summary

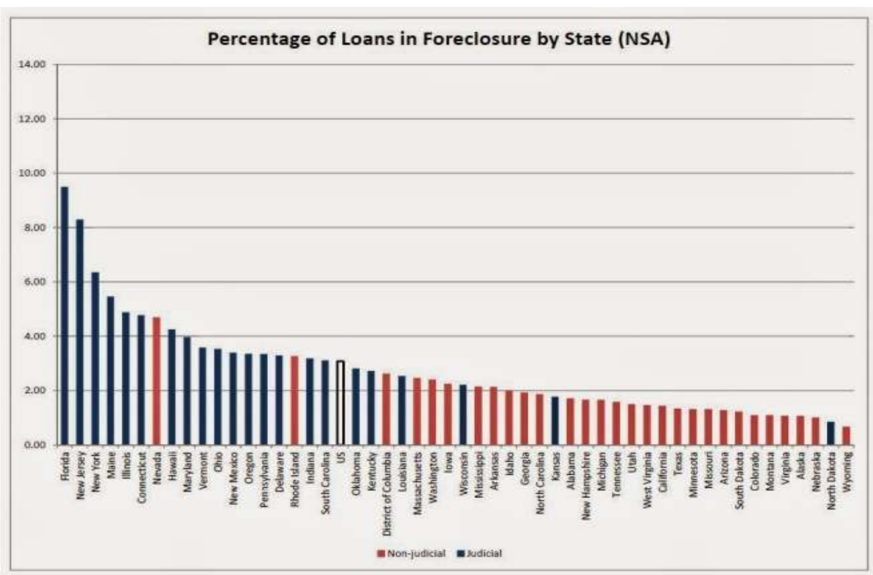
	Years Ended December 31,					LTM July	Years Ended December 31,
	2008	2009	2010	2011	2012	2013	2013E
Gross Revenue	$ 10,697,344	$ 13,903,758	$ 32,903,110	$ 48,846,621	$ 50,232,837	$ 29,069,367	$ 54,313,318
Expenses	$ 9,942,244	$ 13,146,068	$ 28,972,488	$ 45,425,411	$ 47,118,360	$ 26,371,109	$ 49,574,440
Adjusted EBITDA	$ 1,137,870	$ 1,801,706	$ 4,493,664	$ 4,590,972	$ 4,403,777	$ 3,120,420	$ 5,461,217
	11.1%	*13.0%*	*14.3%*	*10.2%*	*9.3%*	*11.2%*	*10.5%*

Project Construction Operation Segments

Risks, Success Factors and Mitigating Strategies

Property Preservation Cycle Dynamics





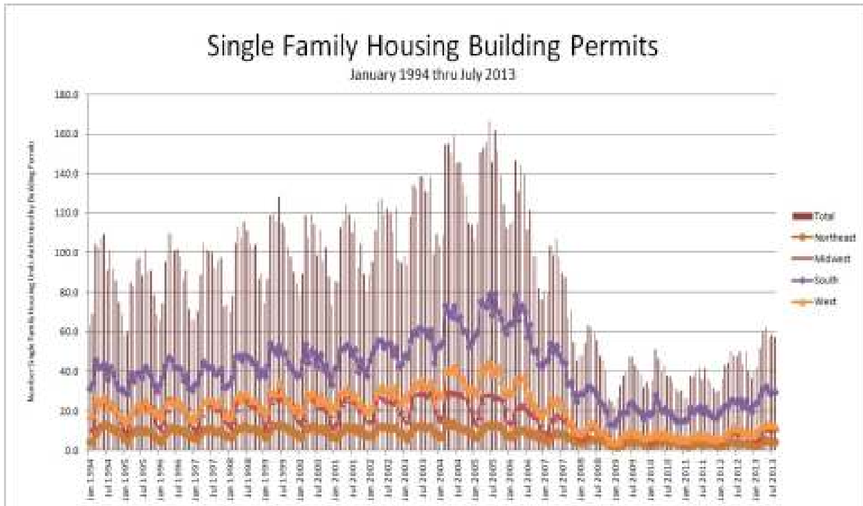
Space Drivers

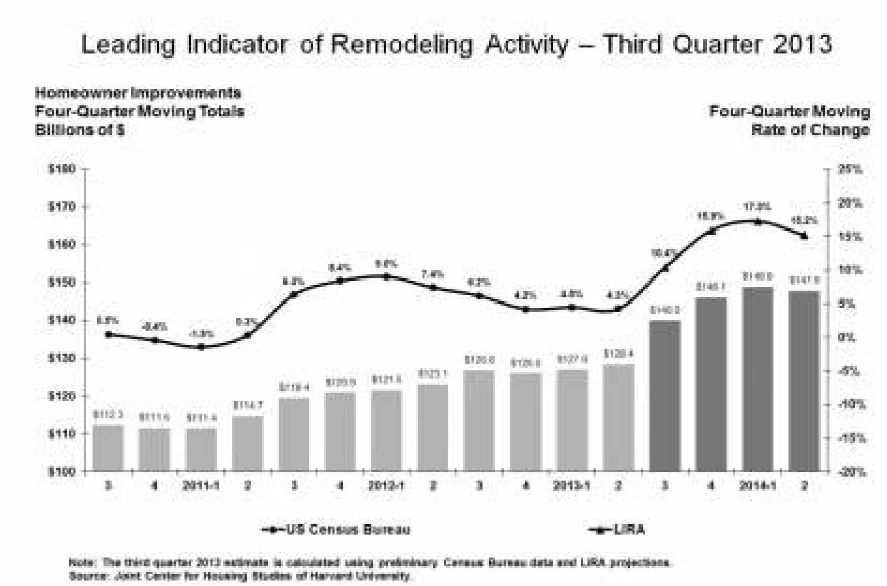
- Approximately 7% of all mortgages in US are delinquent with more than 3% in foreclosure, well over the 1942- 2005 average of 1%.
- Judicial foreclosures states (5.28% rate) lag behind non- judicial states (1.7% rate).
- Millions of modified mortgages have strong probability of moving toward foreclosure in next 5 years as temporary rate reductions (HAMP) phase out driving payments to double at a time when incomes are stagnant.
- Sharp jumps in foreclosure activity in some local markets demonstrate that while millions of distressed homeowners have been pulled back from the precipice by foreclosure prevention programs over the past several years, once those programs expire a percentage of these troubled homeowners are still susceptible to falling into foreclosure. In addition even slight economic downturns at the local or regional level can push these homeowners hanging on by a thread over the edge.
- Lenders are changing forms and paperwork to correspond to new laws, and they believe the foreclosure processes will be dramatically slowed for the next several months/years.
- Judicial State foreclosure processing requirements have stretched out the foreclosure process, meaning that even if more of these loans can't get modified, they're unlikely to be dumped on the market at once.

Project Construction Operation Segments

Risks, Success Factors and Mitigating Strategies

Construction Cycle Dynamics





Space Drivers

- Long-term demographic trends in single family building permits
- Niche space need to complete investor owned distressed and non-distressed home restoration in quick, cost effective method.
- For the first time since 2005, residential fixed investment (RFI) contributed positively to gross domestic product (GDP) adding more than a quarter-point to economic growth and amounting to a healthy 12 percent of the total increase in the economy.
- Firms such as Blackstone Group, Colony Capital, SilverBay Realty Trust and American Residential Properties have spent billions of dollars buying up single family homes, investing 15% - 20%+ LTV in renovations prior to placing each into single family rentals and/or REITS.
- Remodelers of single-family homes, a traditionally stable sector, are being transformed further with projected long-term growth as the older existing home stock ages.
- Homeowner improvement spending contributed more than 45% of total residential investment expenditures in 2012 — well above the 25 percent share averaged in the decades before the housing crash and is projected to grow higher.

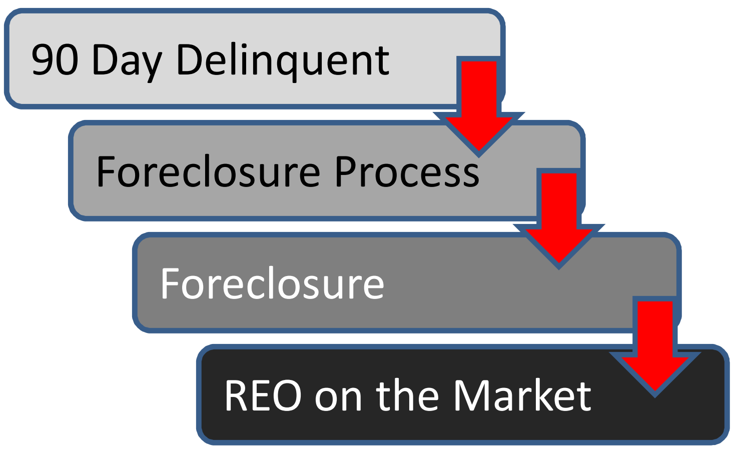
Period	Market Condition – Construction Renovation
2000-2007	Significant portion of US GDP, averaging 4% - 5%, rising to over 6% in 2005.
2008-2012	Drop in contribution to national economy (down 2%)
2013-2020	Return to prevalence as an economic force in key regions and cities of growth.

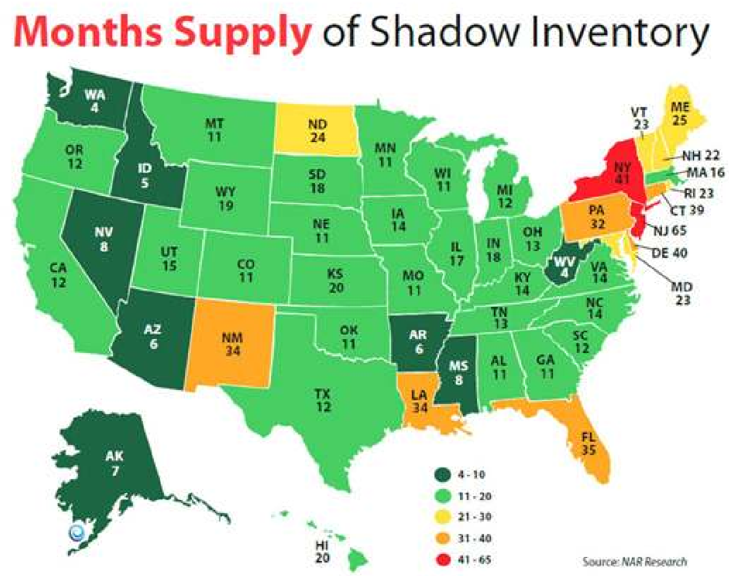
Deal Thesis - Project Construction

Space Drivers – REO Preservation Shadow Inventory

Banks and investors will likely continue to withhold REOs until the market value of the properties appreciates, allowing them to sell the homes at higher prices.

Foreclosure Process





- Shadow inventory is:
  - Properties where the homeowner is seriously delinquent on their mortgage payment (at least 90 days behind)
  - Houses currently in the foreclosure process
  - Properties already foreclosed on but that have not been brought to market yet.
- Shadow Inventory will not be mass released to market.
  - Releasing REOs onto the market also chips away at home prices in general, depressing the value of the homes of other customers -- who could already be teetering on the brink of foreclosure -- and the additional REOs that lenders hold on their books. If lenders break the log jam, the deluge of foreclosures cascading onto the market could plunge the country into a recession and home prices would nosedive by 20 percent.

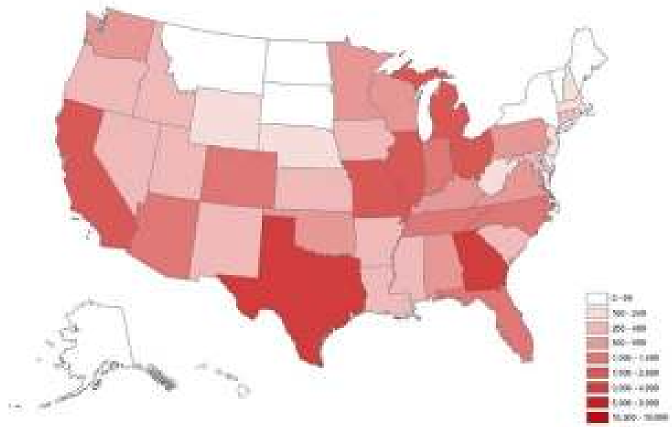
Project Construction Operation Segments

Risks, Success Factors and Mitigating Strategies

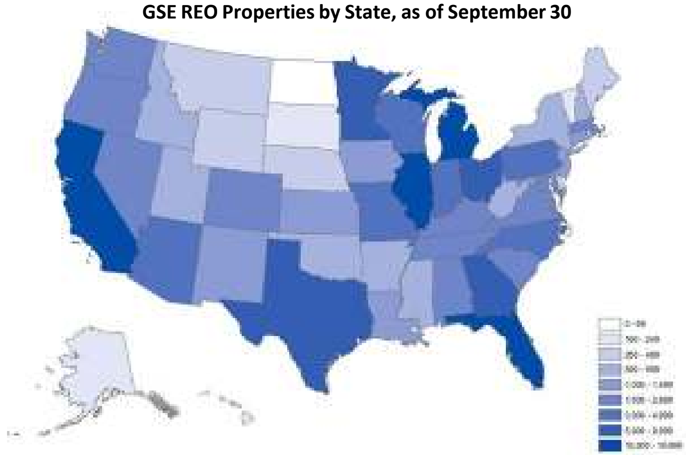
Risks – Preservation Space

1. Client concentration risk.

HUD REO Properties by State, as of September 30



GSE REO Properties by State, as of September 30



Strategy – Preservation

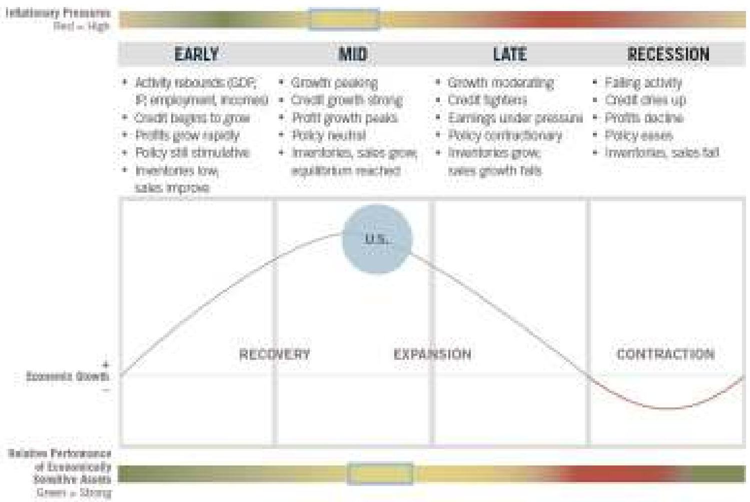
- 90% of REO market controlled by HUD, Freddie Mac & Fannie Mae. Asons maintains exclusive, 3 year renewable contracts with all three. Each contract covers strategic areas within each clients geographic coverage area.
- To lesson the concentration risk, management will:
- ***Enhance Relationships with Existing Customers and Further Develop New Customer Relationships.***
  - Expand ASONS current footprint of LTSA's (Long Term Supply Agreements) to include multiple clients within the companies top 15 customers.
  - We have identified a number of regional banks and investor groups across the United States which can benefit from the Company's service offering.
- ***Expansion of Geographic Reach.***
  - ASONS has historically expanded its territory with each major customer successfully, and management believes ample opportunity exists to continue this expansion.
    - *As a note, ASONS, as a family-owned business, has been methodical with expansion but management believes the Company could expand more aggressively with the right acquirer.*
- ***Selectively Pursue Strategic Acquisition Opportunities .***
  - REO service providers have recently paired up with "front-end" mortgage service companies to create firms less subject to cyclicality. We believe the Company may serve as a platform for future growth within the REO industry or in tangentially related areas.
- ***Expand Sales Force.***
  - Prior to2013 ASONS had never maintained professional sales or marketing focused employees. This year with the addition of sales and marketing, ASONS has added incremental business.
- ***New Service Offerings.***
  - We will continue to selectively add services to the portfolio through expansion of our vendor network.

Project Construction Operation Segments

Risks, Success Factors and Mitigating Strategies

Risks – Preservation Space

2. Industry Cyclicality risk



Strategy – Preservation

Businesses have historically operated within a cyclical market, with periodic booms and recessions. Most cyclical risks can be mitigated through effective diversification of capacity and channels.

Capacity:

- Management will **maintain a core team** of employees to manage each client and **supplements with outsourcing** to mitigate the need for rapid hiring and removal of human capital during the high and low demand seasons.

Channel Diversification:

- **Product portfolio planning, research and development**. A cross-functional team will be assembled to approach planning, developing, delivering business focused on minimizing cyclical risk.

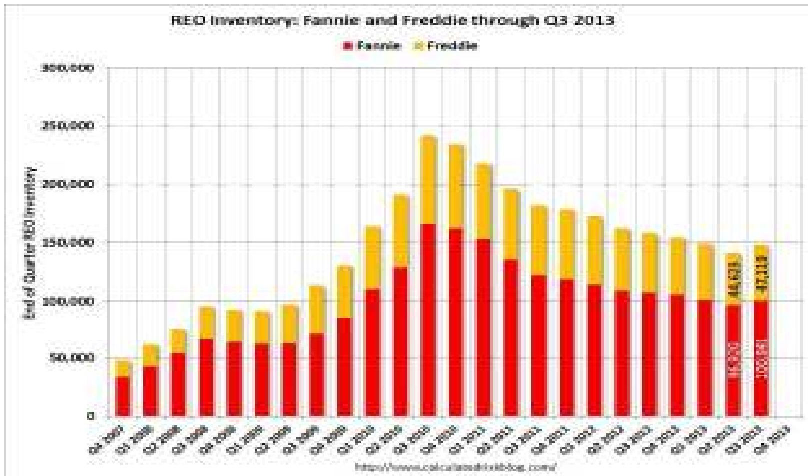
- Diversification into **Residential Property Management –** Demand for services has grown partly due to strong demand in the single family rental, apartment and condo sector. The rise in home prices and strict credit standards have made renting single family homes, apartments and condos a more affordable alternative for consumers.

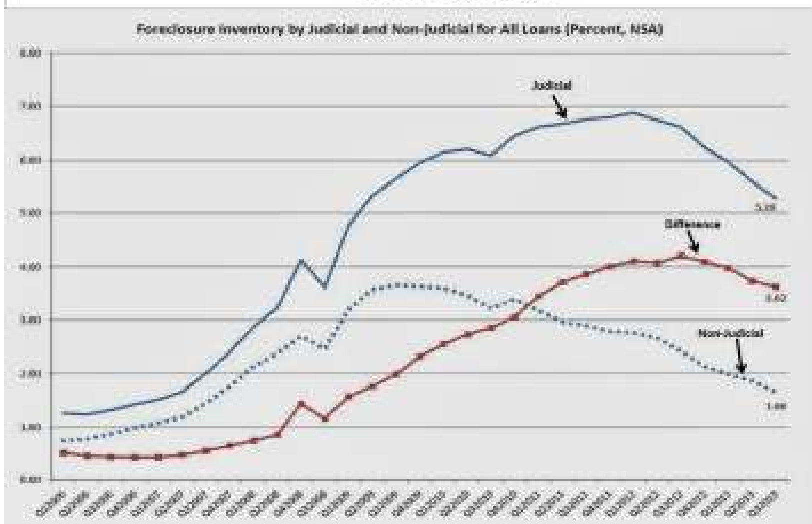
Project Construction Operation Segments

Risks, Success Factors and Mitigating Strategies

Risks – Preservation Space

3. Delinquencies in decline





Strategy – Preservation

- 90% of REO market controlled by HUD, Freddie Mac & Fannie Mae.
    - Either the Government or Private sector would need to create a platform/market with enough capital and time to hold onto a 30 year investment or banks would not have money to lend new would be homeowners.
    - With Shadow Inventory and Judicial States Foreclosures, Fannie and Freddie are taking in at the same rate they are disposing of their distressed inventory, keeping the level of inventory constant.
- United States on average EOM June 2013, currently shows 7% of all mortgages are delinquent and 3% + are in the foreclosure process. These rates, although down from their peak (10.6%/4.6%) of March 2010, are still far above the 1942-2005 average of 1% of mortgages in the foreclosure process.
    - Despite a lower national average foreclosures continue to rise in a select group of markets where state legislation and court rulings kept a cap on foreclosure activity during the worst of the housing crisis.
- According to a report from the OIG (Office of Inspector General) HUD and the GSE's (Fannie Mae & Freddie Mac) hold approximately 1.7 million properties in shadow inventory for a ratio of 6 to 1 (shadow inventory to REO inventory) for the GSE's and for HUD it is 19.9 times greater than REO inventory.

Deal Thesis – Project Construction

Strategies

Value Creation Strategies

It is proposed that we continue the transformation of the company into a balanced, lean/Six Sigma based operation, generating top line growth by providing exceptional customer service, highest shareholder returns and dynamic employee engagement. The combined strategies herein have a potential to provide high returns on investment, leading client service, top level professional team management and high levels of year/year improvement in EBITDA.

Investment Considerations

•***Differentiated Business Model with Complete Product Offering and Respected Brand*** – ASONS' unique blend of property preservation and rehabilitation / construction services has established the Company with its customers and vendors, and has insulated the Company from the financial instability that many REO-focused construction or REO-focused property preservation firms experience due to the cyclical economic climate.

•***Strong Management Team*** – The Company's management team has deep experience at a number of Fortune 500 and other well-established mortgage services firms. Over the past two years the management team has significantly improved the Company to become more acutely focused on cost improvements, best practices, and metrics-based monitoring.

•***Proprietary Information Systems*** – ASONS' internally-created operating systems are dedicated solely to the Company's industry and provide a highly scalable basis for operating the business and tracking key performance metrics. The Company's operating system, is capable of handling a virtually infinite number of work orders – whether they are property preservation or property repairs – and the system remains flexible to be efficiently modified at ASONS' discretion to respond to, and meet, any customer's most stringent requirements.

•***Scalable, Flexible and Agile Infrastructure with a National Contractor Base*** – With a broad portfolio of service offerings for rehabilitation, construction and preservation work, ASONS has expanded its relationship with existing clients and has demonstrated the ability to successfully add new clients. The Company is poised to expand its client base and perform services that precisely meet new clients' needs.

•***Low Cost, High Quality Provider with Low Capital Expenditure Requirements*** – ASONS' price structure, systems, and operations were built to be profitable under the National Servicer pricing models. As a result of upheaval in the mortgage industry, ASONS had the opportunity to receive direct business from HUD and the GSE's in selected geographies. Additionally, ASONS expanded upon this local model and has developed the Company into a scalable, nationally-focused organization.

•***Six Sigma/Lean-based Management Methodologies Providing Significant Growth Potential*** – ASONS, in addition to being one of the first companies to put a professional face in the distressed property management marketplace, was the first to embrace six-sigma throughout its organization.

•The Company's *Key Value Proposition* is that ASONS' wide range of services preserves and adds value for their customers, who are not equipped to service their properties effectively. ASONS serves as a turnkey, consultative partner to its customers, removing any/all property management functions from their customers' areas of concern. The Company is well positioned to capitalize on positive or negative swings in the housing market nationwide due to the Company's suite of services and existing infrastructure.

Deal Thesis – Project Construction

Actionable Steps for Top Line Growth and EBITDA Expansion

- ***Enhance Relationships with Existing Customers and Develop New Customer Relationships***
  - ASONS has established long-term relationships with its customers. Management will take a proactive approach to customer satisfaction, and analyze progress toward customer satisfaction initiatives regularly.
  - In addition to expansion opportunities with existing clients, management has identified a number of regional banks and investor groups across the United States which can/will benefit from the Company's service offering.
  - Management believes there are many potential customers nationwide that are currently overlooked by competitors, particularly those with relatively low numbers of properties to be serviced that our business model can service profitably.
  - Finally, management expects many smaller firms in the industry to cease operations as customers increasingly require a broader portfolio of service capabilities and segment cost reductions.
- ***Broaden Geographic Reach***
  - ASONS has historically expanded its territory with each major customer successfully, and management believes ample opportunity exists to continue this expansion, particularly with Fannie Mae as certain firms may struggle with the demands of Fannie's new system.
  - The Company has identified many potential new clients nationwide. ASONS, as a family-owned business, has been methodical with expansion but management believes the Company could expand more aggressively with the right acquirer.
- ***Selectively Pursue Strategic Acquisition Opportunities***
  - Although the REO space is highly fragmented with no dominant participant, the general ability of national and regional firms to operate more efficiently than smaller firms and the cost savings that can result from mergers will result in continued industry consolidation. Further, a number of REO service providers have recently paired up with "front-end" mortgage service companies to create firms less subject to cyclicality. ASONS' management believes the Company may serve as a platform for future growth within the REO industry or in tangentially related areas.
- ***Expand Sales Force***
  - ASONS expects to further develop its sales force to proactively search for incremental business opportunities. Prior to 2013, the Company had never maintained professional sales or marketing focused employees.
- ***New Service Offerings***
  - ASONS has selectively added services to its portfolio through expansion of its vendor network, and serves as a solid platform for continued expansion through the addition of new services in the future.
- ***Further Enhance Productivity through Measurement and Continual Refinement***
  - Management expects to continue to investigate and refine operating processes to eliminate non-value added steps. Management is heavily invested in six sigma and total quality management, and views these tools as a powerful approach to improving processes and costs throughout the organization, while eliminating process variation and inconsistency.

Deal Thesis – Project Construction

Strategies

Value Creation Strategies

It is proposed that we continue the transformation of the company into a balanced, lean/Six Sigma based operation, generating top line growth by providing exceptional customer service, highest shareholder returns and dynamic employee engagement. The combined strategies herein have a potential to provide high returns on investment, leading client service, top level professional team management and high levels of year/year improvement in EBITDA.

Value Proposition

Exit Strategy

• Three to five year sale to a larger integrated mortgage service company seeking to expand/grow their lean/six sigma operation. This time frame will coincide with maturity of the property management expansion and the calculated decline of shadow inventory.

Deal Thesis – Project Construction

Exit Strategy #1

Three to five year sale to an Employee Stock Ownership Program (ESOP). This time frame will coincide with the maturity of the property management expansion and out in front of the shadow inventory decline. When the transaction is closed, the company may elect to be taxed as an S corporation. This will greatly enhance its cash flow, and the additional cash can be used to pay off the acquisition indebtedness on an accelerated basis.

If it is not possible for the company to obtain sufficient funds from employees and lenders to completely buy out private equity, then private equity may provide additional financing in exchange for a debt instrument and detachable warrants. This may be an attractive investment for the private equity firm because the warrants will enable it to retain an equity interest in a company that will operate on a tax-free basis. When the potential return on the warrants is combined with the interest rate to which the private equity firm will be entitled on its subordinated note, the internal rate of return for the private equity firm on the financing it provides should be very high.

Exit Strategy #2

Three to five year sale to an integrated mortgage service company seeking to expand/grow their lean/six sigma operation. This time frame will coincide with maturity of the property management expansion and in front of the shadow inventory decline as well. This purchase integration can provide a strong market presence and/or complementary geographic coverage need.

Deal Thesis – Project Construction

Industry Overview

The Real Estate Owned (REO) services market is estimated to be approximately $3B in sales annually, per the Mortgage Bankers Association. The industry is segmented into Inspections, Pre-Sale Preservation, REO Maintenance, Asset Management and REO Rehabilitation (Construction). ASONS' participates in all segments except asset management, but is primarily focused on the REO Maintenance and REO Rehabilitation segments of the industry, which account for the bulk of industry-wide revenue.

Segment	% of 2013 YTD Revenue
Inspection	1.2%
Property Preservation	60.7%
REO Rehab (Construction)	38.1%

The dynamics that favorably or unfavorably impact industry revenue are not easily predictable. Unanticipated events can trigger default mortgages by way of effects on housing prices. A temporary decline in housing prices creates an incentive to increase the consumption of housing space, but as the majority of homeowners maintain mortgage balances, leverage may make it more costly than beneficial for homeowners to sell homes in a declining real estate environment. Highly leveraged homeowners may determine that a strategic default may be the only option available if a move is necessary or if they can no longer service their debts. The effects of foreclosure activity, as well as government foreclosure prevention policies lead to changes in revenue streams for service companies such as ASONS.

REO Property Preservation (Pre- & Post-Sale Preservation) – Pre-sale properties are pre-foreclosure properties; the foreclosure process is in progress, but the foreclosure auction to sell the property has not been completed. During this period, which can typically last 6 – 12 months, the mortgagor (homeowner) retains legal ownership of the property and has the right of access to the property. Post-Sale properties are those in which the lender has taken control of the property and are in the possession of either the lender's REO department, or in possession of a new owner who purchased the property at auction.

Pricing for property preservation services is established by clients and spans the Federal Housing Administration guidelines for Pre- and Post-Sale Preservation. Once established at the outset of each new client relationship, pricing is consistent for the life of each contract.

•Pre-Sale (also called Pre-Foreclosure) pricing is determined by FHA and has a maximum allowance per property that can be spent putting the property in conveyance condition. This amount can be exceeded if necessary by the submission of an over-allowable request to FHA.

•Post-Sale preservation pricing is open to market and is set by the market in which each client participates.

Deal Thesis – Project Construction

Competitive Landscape

Industry participants in the property preservation and rehabilitation and construction industries may be broadly segmented into the following categories (or a combination thereof):

• *Local* – performs services in 5 or fewer counties
• *Regional* – performs services in 5 or fewer states
• *Super-Regional* – performs services in 10 or fewer states
• *National* – performs services in 40 or more states

• As geographic scope expands, industry participants generally provide a wider variety of services to their clients, which tend to be larger and require a wider breadth of services. National participants such as Safeguard, MCS, Field Asset Services, Core Logic and Cyprexx tend to provide services to clients who have regional or national real estate portfolios to manage. ASONS performs less than 10% of its revenue as a sub-contractor to national providers on a regional or local level (largely as a sub-contractor to LPS). ASONS also maintains proprietary regional contracts that, in most cases, do not overlap with each other.

• In 2013, ASONS will complete work in 42 states with 75% of revenue being generated in the Midwest, an attractive geography for this industry. As the majority of the Company's revenue is generated in the Midwest, ASONS could be considered a super-regional or a relatively concentrated national service provider.

• The industry's competitive landscape is partially dependent on whether services are provided to local and national banks, national HUD contracts, or regional Fannie Mae or Freddie Mac property preservation contracts. Management believes ASONS is the only company in the industry capable of adequately serving customers of all types and sizes.

• ASONS not only services large entities, but will service small entities such as local banks or credit unions on a limited, but growing basis. In general, competition within the more commoditized property preservation portion of the industry relates to timely service, quality of work and price. Although ASONS performs these services, competing against firms of all sizes, the Company provides a greater portfolio of property preservation services than most industry participants and differentiates itself through its lower cost structure and by way of its rehabilitation and construction services.

Deal Thesis – Project Construction

Competitive Landscape

• The largest national industry participants are present in ASONS' core geographic area, but the Company has managed to achieve a strong record of growth despite its comparative lack of size due to a focus on customer satisfaction and retention. Management believes ASONS is relatively unique in the industry with few direct competitors that are focused nationally but able to compete at a local level. In RFP processes, ASONS typically competes against local or regional businesses that lack the capabilities and infrastructure the Company provides. Most national competitors hold relationships with GSEs and HUD but also commercial banks, which is a market ASONS is just beginning to explore.

• Management views the Company's primary competitors as the following:

Competitor	Location	Est. Size	Description
Local			
ASAP properties	Muncie IN	$2 MM	Performs property preservation services in the northern half of Indiana
Regional / Super-Regional			
ZVN Properties	Canal Fulton, OH	$15MM	Performs construction and property preservation services in Ohio and surrounding states as well as New Jersey
Good Choice	Sarasota, FL	$10MM	Performs property preservation services in Florida, Ohio and New England
National			
Lender Processing Services	Solon, OH	$175MM	Performs inspection, construction and property preservation services nationally
Field Asset Services	Austin, TX	$135MM	Performs inspection, construction and property preservation services nationally

Deal Thesis – Project Construction

Operations and Services

Evolution of Service Mix

The ASONS service mix has evolved as the Company has grown and the operating environment has shifted, from an 80/20 ratio of property preservation to rehabilitation/construction in the Company's early years through the recession to a projected 2014 mix of 51/49 due to the Company's emphasis and market need for REO repairs. Management believes, while property preservation will continue to represent a meaningful percentage of revenue going forward and for many years in the future, even as foreclosure volumes in ASONS' current contracted areas slowly recede from the 2010 peak, the demand for companies which are able to perform rehab services on a national scale will greatly off-set any losses incurred in the property preservation area. Future growth will be generated by offering rehabilitation/construction and property preservation services directly to banks, property investors, and GSA/Federal contracting opportunities across the United States.

Increasing Rehabilitation and Construction Service from Fannie Mae

Another factor to which the changing mix of business from property preservation to rehabilitation and construction is directly attributable is the expected 100% increase in rehabilitation and construction work expected from Fannie Mae in 2014. Effective September 22, 2013, Fannie Mae has placed bidding assignments on a "round robin" basis through the Equator system with only current SAM contractors allowed to bid and complete projects. Importantly, all bids for Fannie Mae are fixed price and non-competitive. ASONS currently has three partial state contracts and one full state contract with Fannie Mae. As the round robin assignments begin, ASONS is poised for substantial growth in the three partial contact states.

Niche Rehabilitation Service Growth

Further incremental growth is expected in the rehabilitation and construction side of the business as a result of niche rehabilitation service programs, such as the Federal Housing Administration (FHA) 203k program. The FHA 203(k) program offers property buyers the ability to have an REO property repaired or otherwise modified as part of the purchase price, with the cost of repairs or related work included as purchase price and included in a mortgage loan. This program is becoming increasingly popular to first-time home buyers who often lack the ability or financial wherewithal to make repairs themselves and desire move-in ready properties. ASONS is currently developing a model in Ohio that can soon be exploited across the nation to take advantage of this program.

Investor Real Estate Portfolio Management

Perhaps the greatest opportunity for rehabilitation and construction growth outside of the Company's existing client base is servicing the needs of investors who purchase portfolios of real estate. These investors often manage their properties differently than banks or quasi-government entities – which generally maintain, but less often improve properties under management. Investor groups often desire to make subtle, but significant changes to their properties after acquisition to either improve the prospect of attracting tenants or improve the potential for returns on investment when the property is sold.

Generally, investors' initial strategies involved hiring local 'mom and pop' individuals or small construction firms to perform work on their properties. However, this model has proven unsustainable due to the sheer volume of properties that investors are purchasing across the United States, and particularly in certain geographic areas. The time required to identify contractors, receive bids, approve bids, and complete a single property work order using individual contractors has caused a backlog of properties in need of repair. This delay has caused investor groups to fall short of their ready-to-market target date goals, which affects their ability to receive additional funds for additional purchases. These investor groups are actively seeking national solutions in order to keep their funding pipeline active while real estate prices remain at relatively low levels. In 2013 and beyond, investor groups will continue to turn to companies such as ASONS to refurbish and maintain their properties.

Deal Thesis – Project Construction

Operations and Services

Pre-Foreclosure Services

Inspection

Foreclosure Services

Property Preservation

REO Services

Construction Services

Deal Thesis – Project Construction

Valuation and Investor Returns

ASONS has grown dramatically over the past several years due largely to new contracts, expansion of its geographic footprint, and with the help of the housing crisis. Management expects the Company's growth to continue as a result of (i) continued struggles in the housing market, but more importantly (ii) an increasing need by institutional investors in the housing market to service their property portfolio and (iii) a rationalization of the number of firms in the industry, particularly firms which are able to serve large customers.

The cost drivers currently are subcontractor expenses and FTE labor. ASONS has been able to keep costs down due to the Company's superior operating model and further costs can be removed from the field subcontractor pricing reductions, deeper outsourcing of labor, and a continued year over year productivity improvement goal of 5% improvement.

The Company's highly variable cost structure allows ASONS to maintain relatively consistent margins despite fluctuation in work order volume. The Company's vendor network is paid only for work performed, and the majority of the Company's employees are paid on an hourly basis.

Management estimates that only 10% of the Company's total costs are fixed which primarily consists of overhead and office and equipment maintenance costs.

Project Construction Projections

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Total Revenue	$ 57,047,860	$ 62,705,680	$ 73,108,850	$ 74,985,160	$ 81,372,000
% Growth	10%	10%	17%	3%	9%
Cost of Sales					
Total Cost of Sales	$ 37,899,691	$ 40,758,692	$ 46,058,576	$ 46,490,799	$ 49,636,920
% of Net Sales	66%	65%	63%	62%	61%
Gross Profit	$ 19,148,169	$ 21,946,988	$ 27,050,275	$ 28,494,361	$ 31,735,080
% of Net Sales	34%	35%	37%	38%	39%
Expenses					
Total Operating Expense	$ 11,470,318	$ 12,141,531	$ 12,709,709	$ 12,830,746	$ 12,594,809
% of Net Sales	20%	19%	17%	17%	15%
Net Income From Operations	$ 7,667,851	$ 9,795,457	$ 14,330,566	$ 15,653,615	$ 19,130,271
% of Net Sales	13%	16%	20%	21%	24%
Adjusted EBIDTA $	$ 7,713,571	$ 9,841,177	$ 14,376,286	$ 15,699,335	$ 19,175,991
% of Net Sales	13.5%	15.7%	19.7%	20.9%	23.6%