

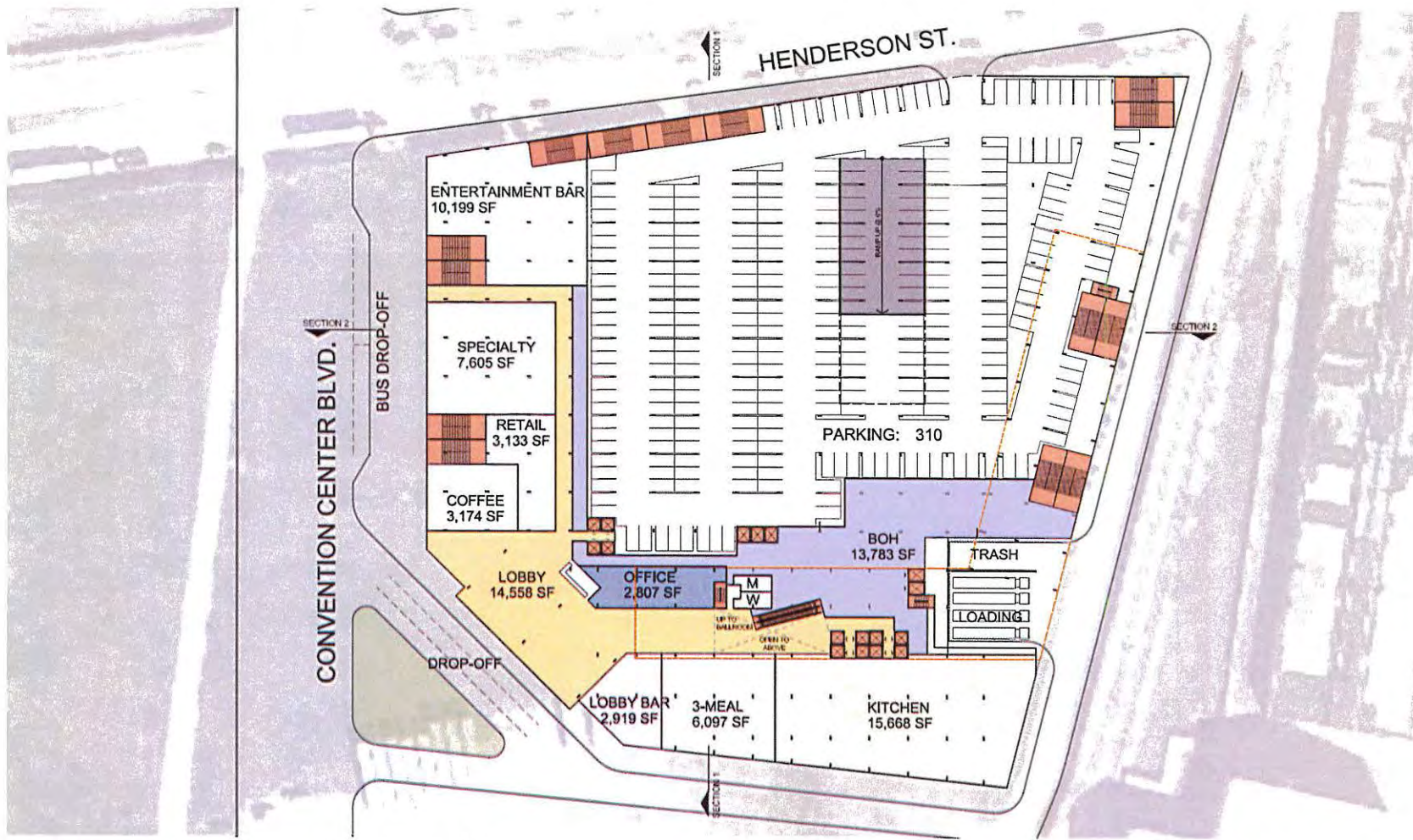


SITE LOCATION



NUNZIO MARC
DESANTIS ARCHITECTS

MATTHEWS SOUTHWEST
NEW ORLEANS, LA • 2018.03.20



NUNZIO MARC | **MATTHEWS SOUTHWEST**
DESANTIS ARCHITECTS | NEWORLEANS-LA • 2018.04.06 • 1"=60'

L1-LOBBY LEVEL

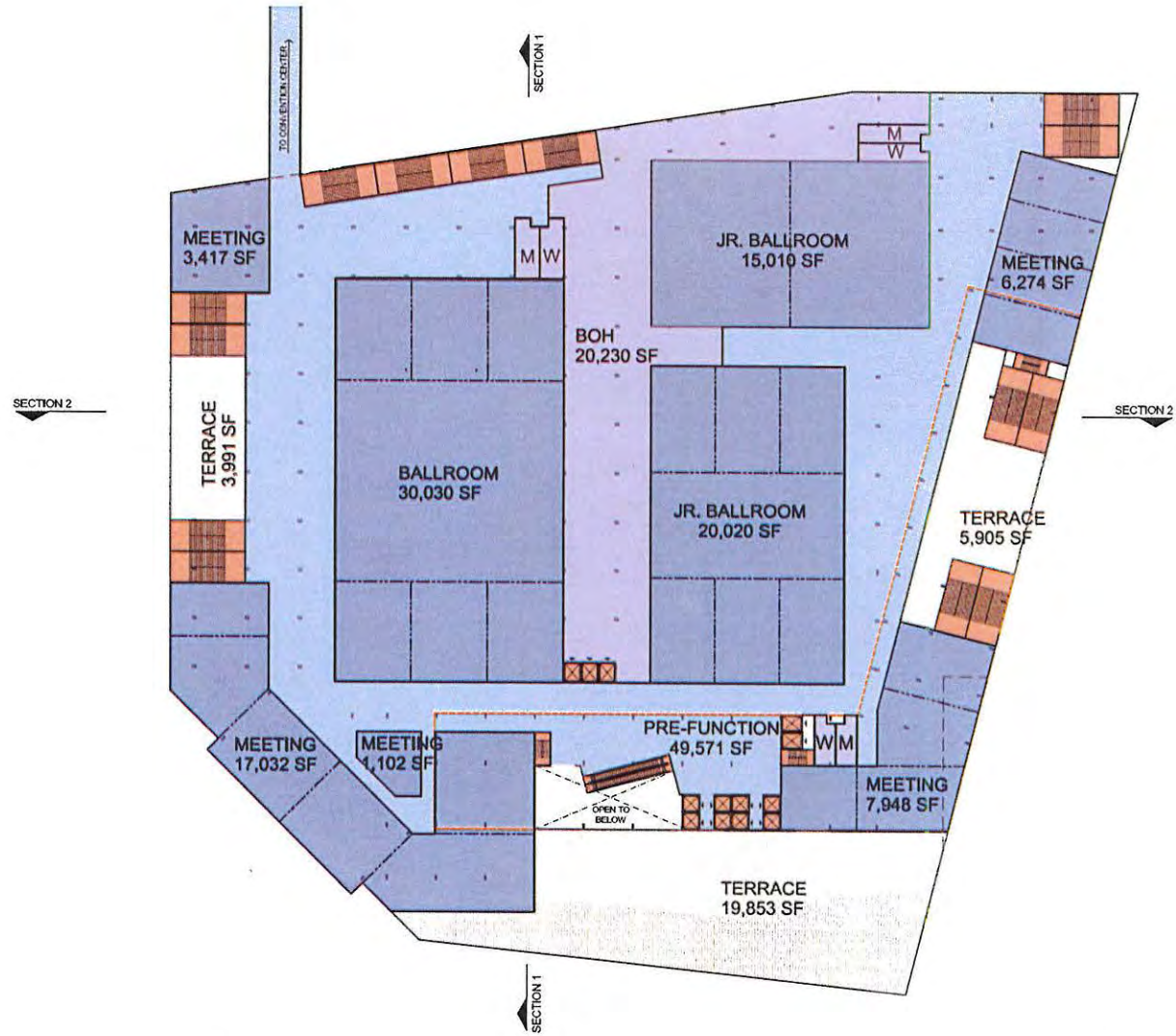


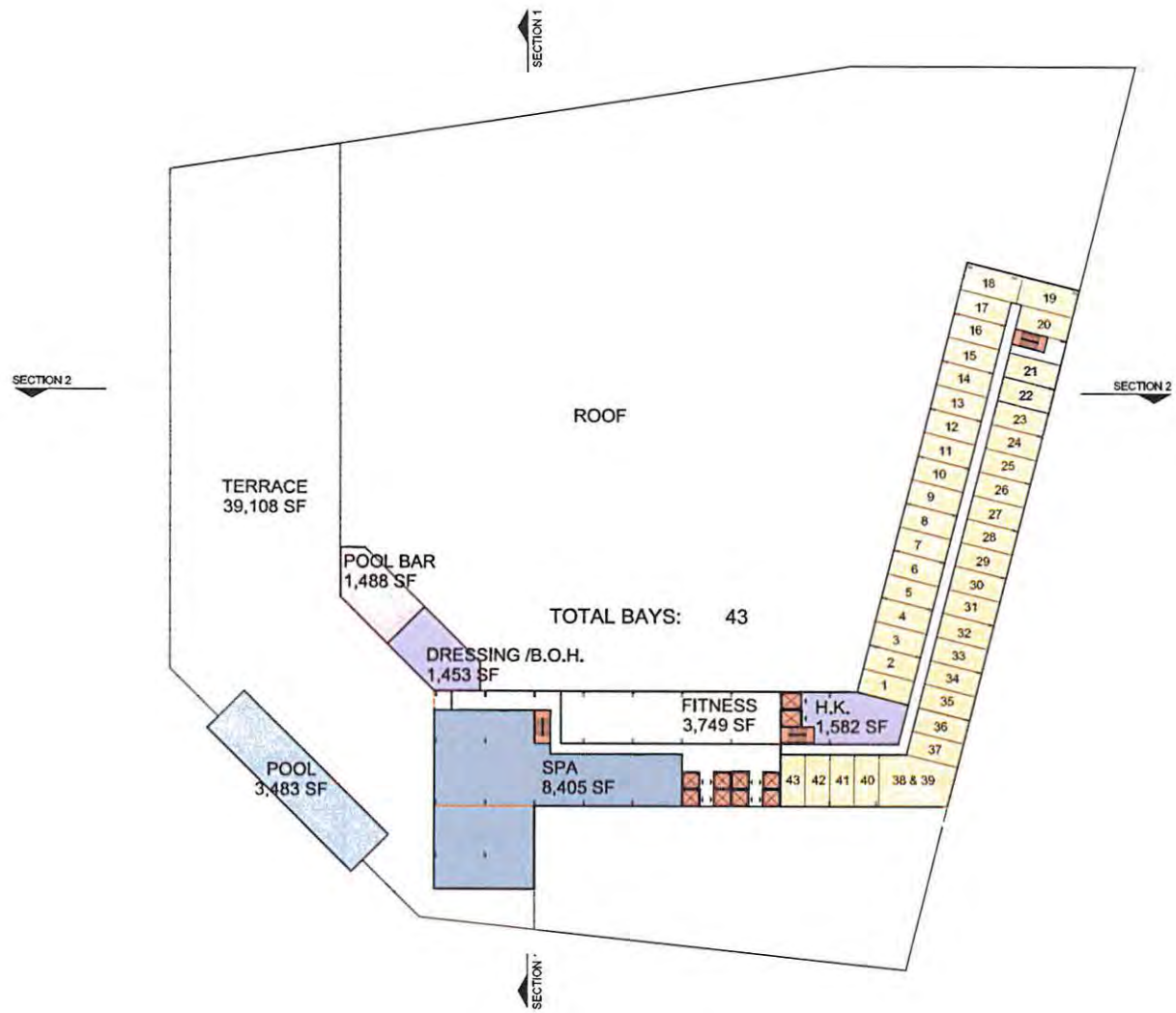
L2 & 3 - PARKING

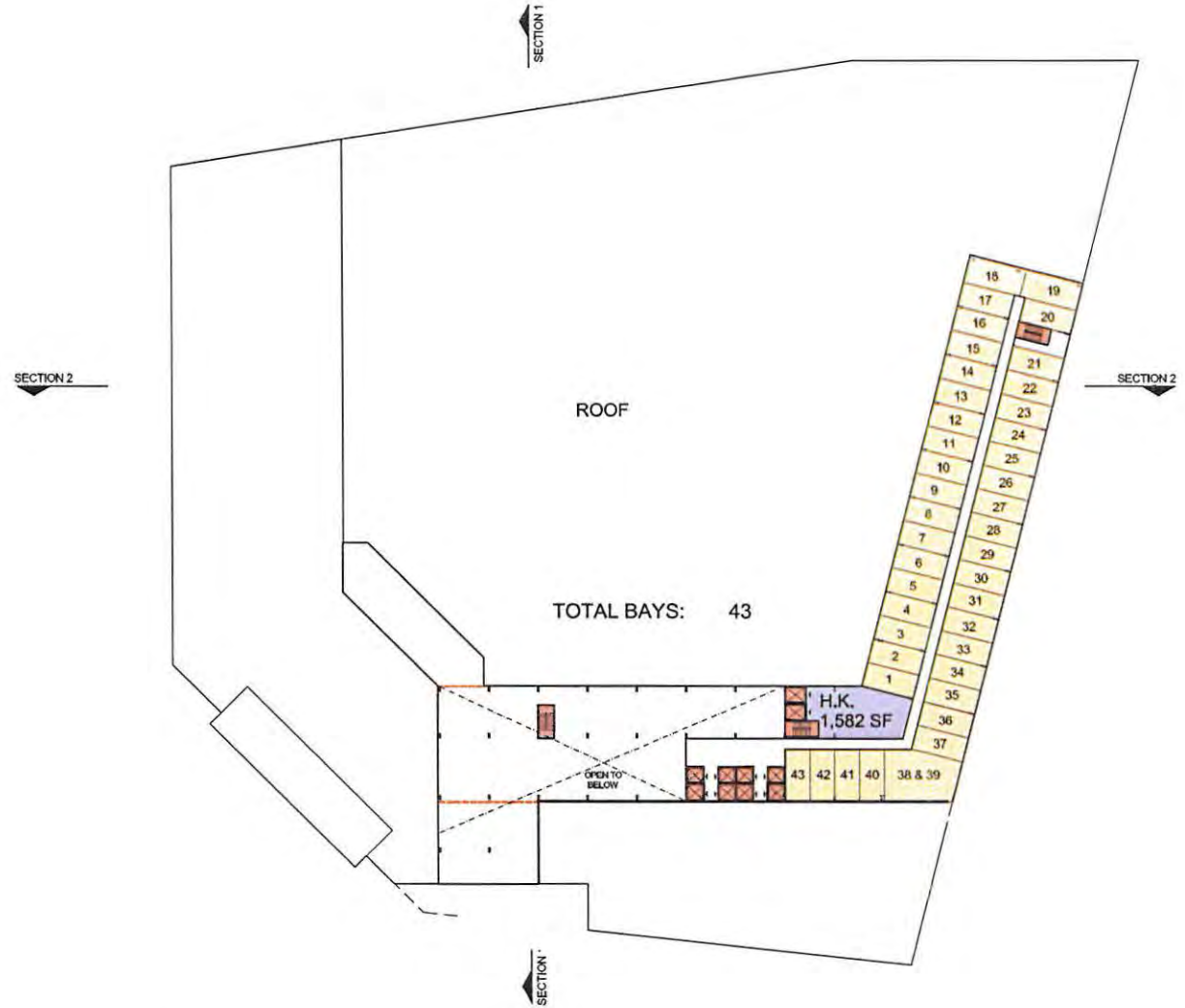


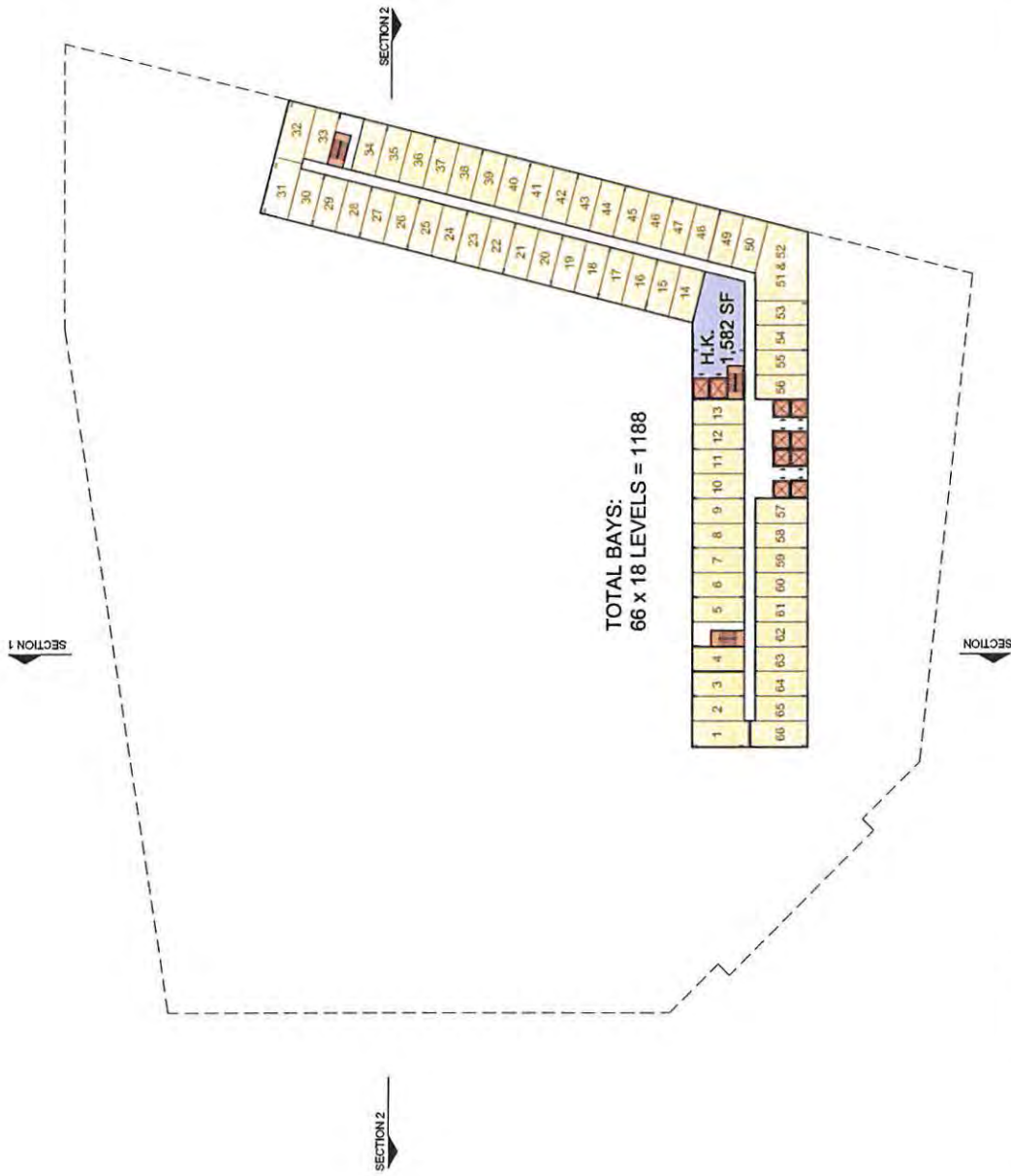
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MATTHEWS SOUTHWEST
NEW ORLEANS - LA ■ 2018.04.06 ■ 1"=60'







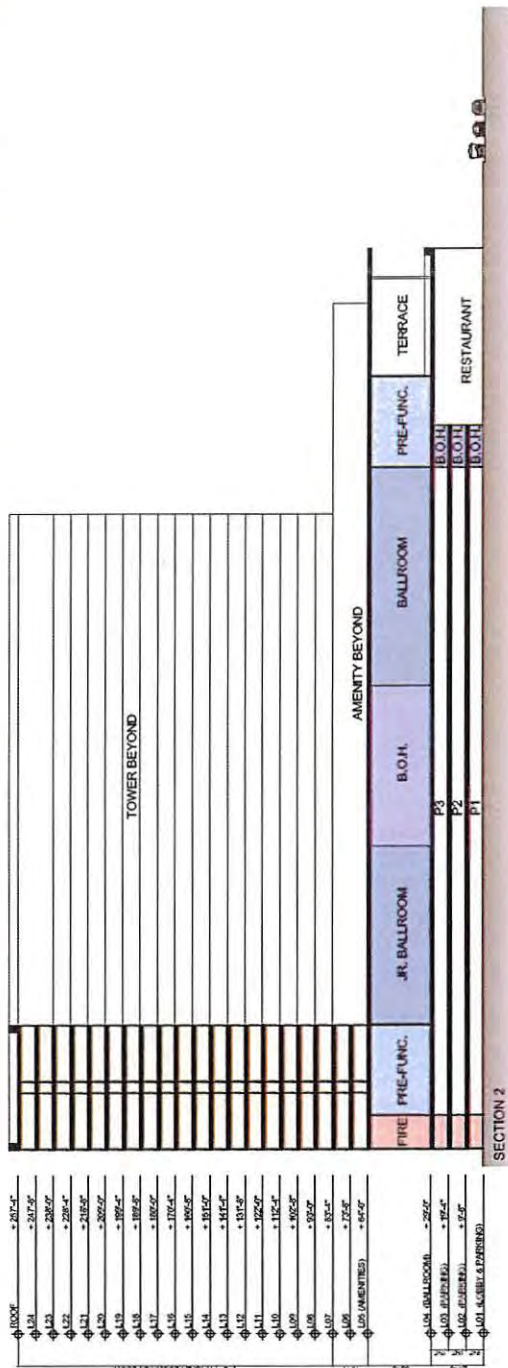
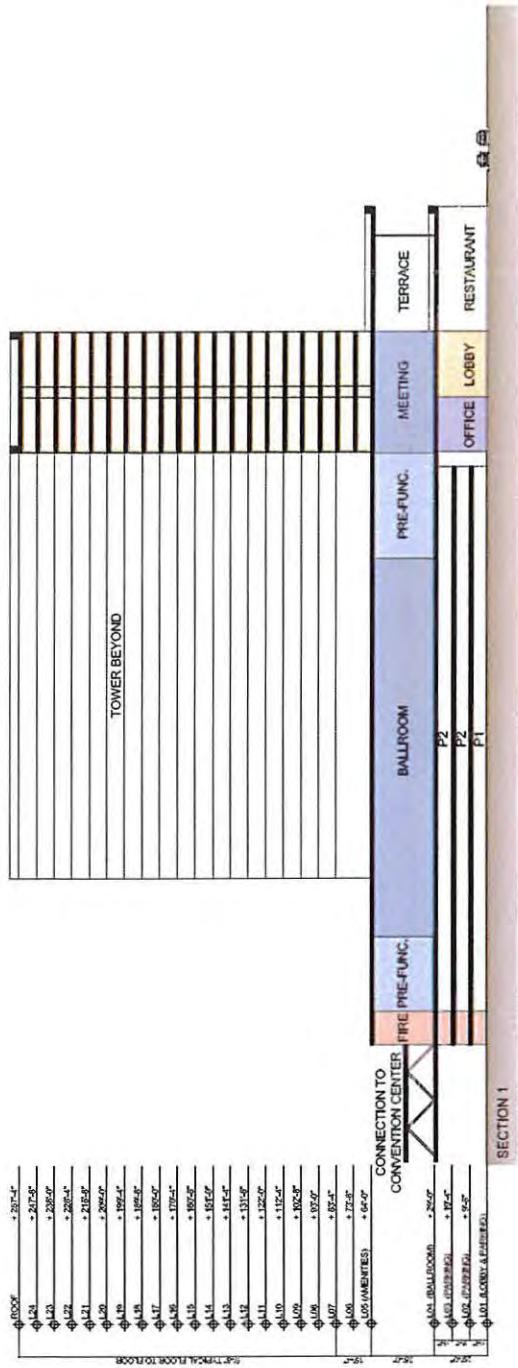


HOTEL LEVEL 7 - 24



MATTHEWS SOUTHWEST
NEW ORLEANS - LA • 2018.04.06 • T-607

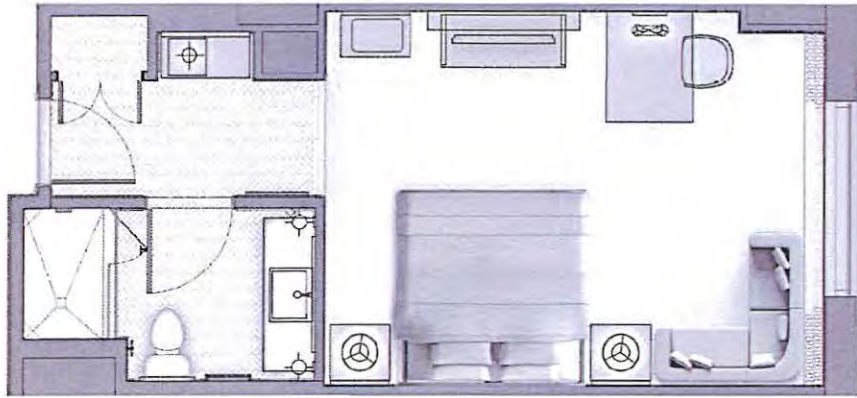
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BUILDING SECTIONS

MATTHEWS SOUTHWEST
NEW ORLEANS - LA • 2018.04.06 • 1'-60"

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TYPICAL GUESTROOM

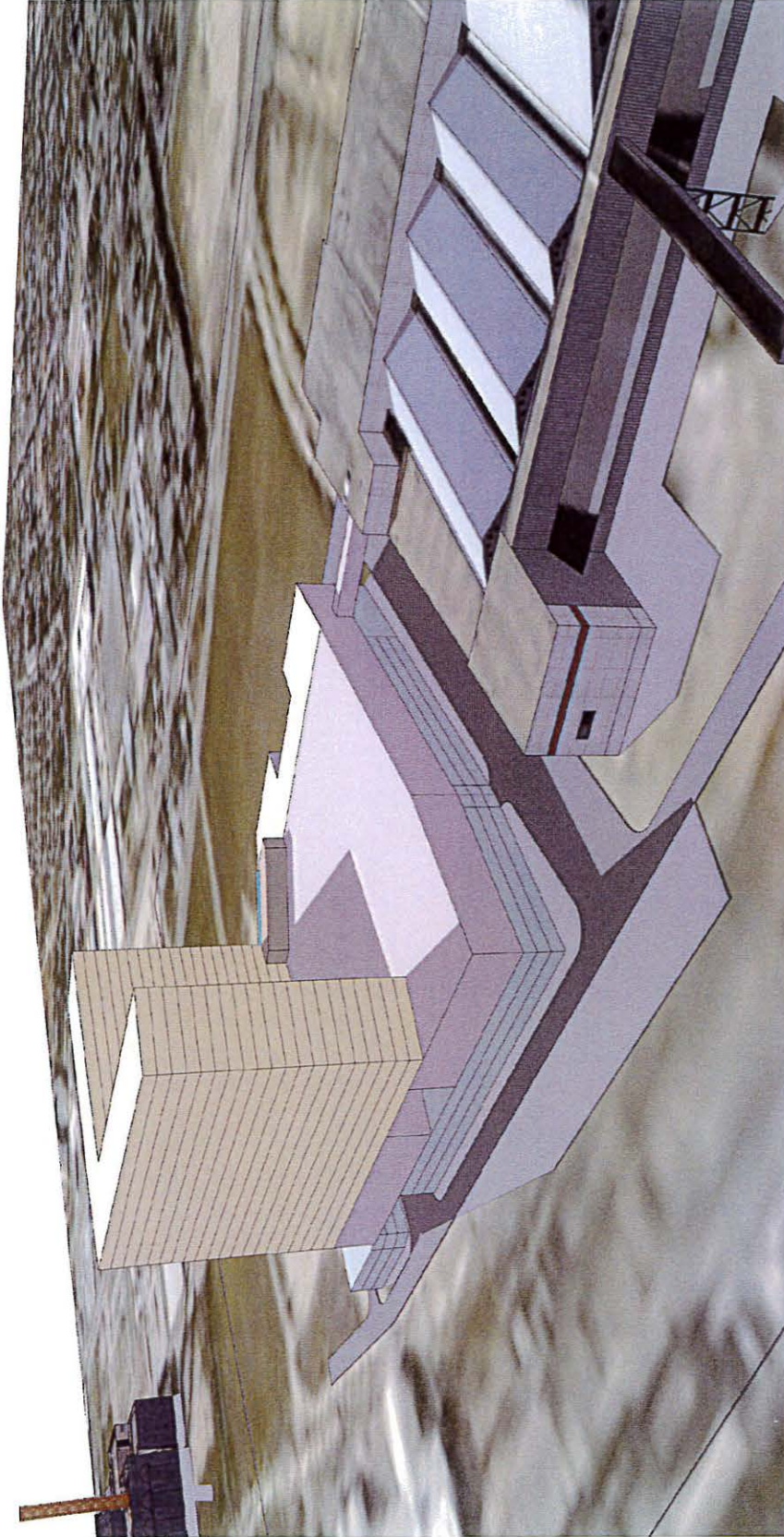
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DESANTIS ARCHITECTS
MATTHEWS SOUTHWEST
NEWORLEANS-LA ▪ 20160320 ▪ 1/4"-1"



MASSING

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DESANTIS ARCHITECTS

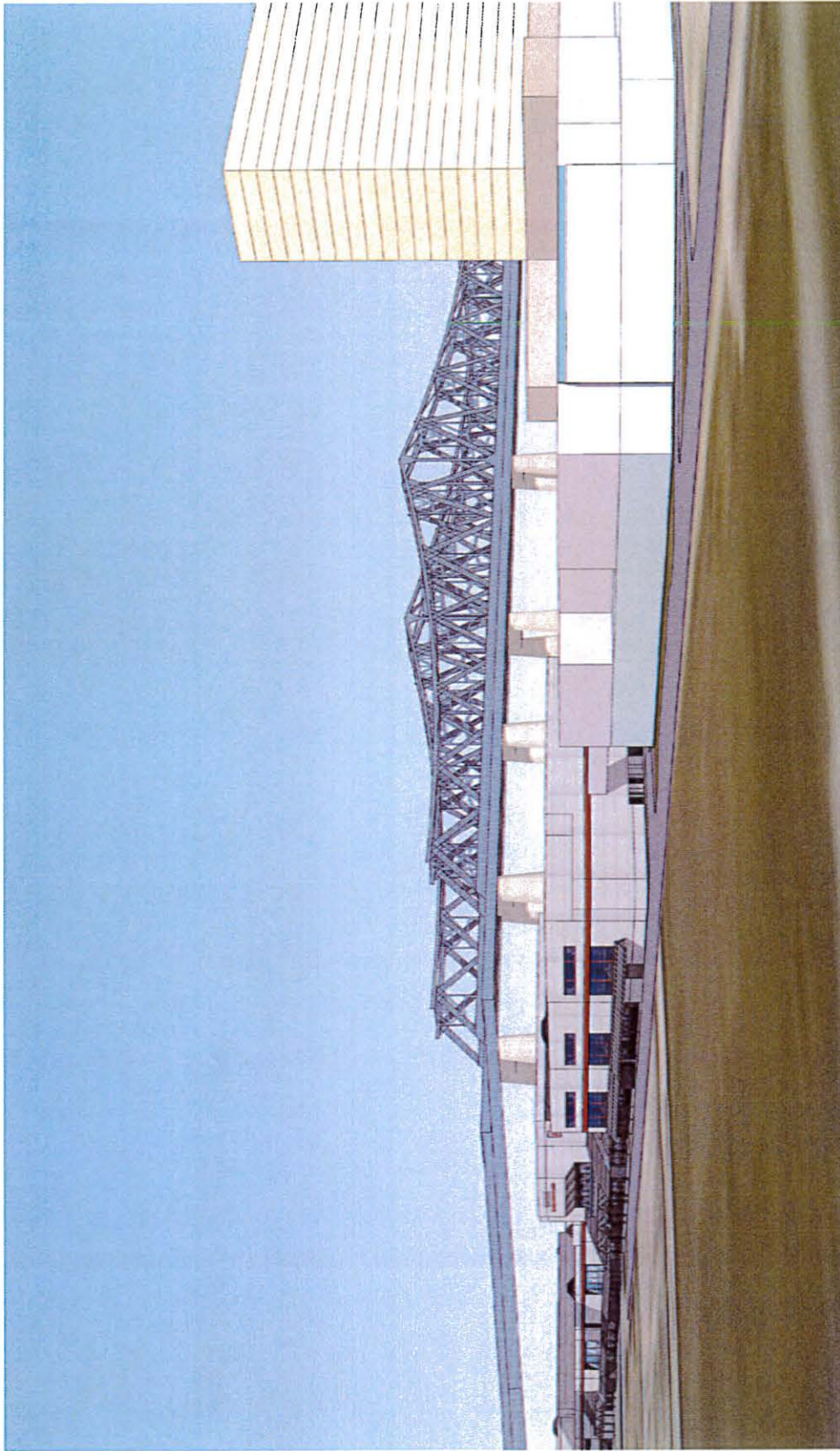
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NEWORLEANS-LA • 201804-08



MASSING

NUNZIO MARC
DESANTIS ARCHITECTS

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MASSING

NUNZIO MARC
DESIGNERS ARCHITECTS

MATTHEWS SOUTHWEST
NEW ORLEANS - LA • 2016/04/08

Building Systems Narrative The request for proposal for hotel developer requests a design narrative addressing proposed structural systems, mechanical systems and utilities, roofing systems, interior and exterior materials and glazing systems, technology and security systems, flooring systems, landscaping and outdoor amenities and other items. To do a comprehensive narrative on these building systems would require a geotechnical study and take a significant amount of time. It is simple not feasible to accomplish within this RFP response.

The subject property will be designed to meet all City of New Orleans zoning requirements. Additionally, the project will be designed according to the following:

- City of New Orleans Municipal Code of Ordinances, Chapter 26 – Buildings, Building Regulations and Housing Standards
- Applicable Louisiana State Revised Statutes
- 2015 International Building Code (IBC)
- International Code Council (ICC)
- American Institute of Architects (AIA)
- Environmental Protection Agency (EPA)
- Occupational Safety & Health Administration (OSHA)
- American National Standard Institute (ANSI)
- American Society of Testing Materials (ASTM)
- Architectural Concrete Provisions, ACI 301 – Specifications for Structural Concrete
- Institute of Electrical and Electronic Engineers (IEEE)
- National Fire Protection Association (NFPA)
- American Society of Mechanical Engineers (ASME)
- American Society of Heating, Refrigeration & Air Conditioning Engineers (ASHRAE)
- Numerous Additional Agency Standards, as applicable

Sustainable Design and Construction Our team strives to find and implement sustainable solutions for the design, development, construction, and ongoing operations of each project in order to minimize the use of water, waste, raw materials, and energy over the entire life cycle of the project. In this way, our team seeks to utilize sustainable efficiencies and green building practices as a means to both create superior performance and maximize the economic value for our clients in a way that positively benefits the owner, as well as the environment and greater community as a whole.

A key component of the Authority's development plan will be to integrate sustainable elements throughout the project. This will enhance Authority's ability to attract customers for whom sustainability is part of their selection criteria. Interest in this is evidenced by a previous "first ever" net-zero exhibit space area at the Convention Center.

The Authority has made significant investments and progress in reducing energy use and improving environmental performance. The new development can work synergistically with these efforts to achieve exemplary performance.

Our proposed Headquarter Hotel will demonstrate a continued commitment to saving energy, water, and materials in ways that lower operating costs for tenants and demonstrate the Authority's commitment and the new neighborhood to state-of-the-art stewardship and performance. We propose to "keep score" using the LEED rating system and designing to LEED standards rating system. The level of LEED standard will depend on the outcome of discussions with the Authority as plans are refined, but meeting LEED pre-requisites would ensure that the project is seen as smart development in all key areas:

- Stormwater handling would exceed the requirements of the **New Orleans Comprehensive Zoning Ordinance (CZO)**
- Potable water consumption would be at least 20% better than federal standards
- Projected energy use would be at least 10% less than state energy code, potentially much better depending on opportunities for co-generation systems
- Materials selections would promote good indoor air quality and support regional manufacturers

Omni Hotels Corporation is doing its part, along with others, to sustain a healthy balance of natural resources in the world. Omni has developed a thoughtful and responsible plan, which is helping to ensure that future generations will have abundant resources to enjoy. As an innovative community partner, Omni is leading by example — showing local communities what corporate social responsibility should look like. At the same time, Omni remains focused on providing guests with the luxury experiences they expect. Omni wants guests to be aware of, and take part in, the simple and practical actions the company undertakes to help sustain valuable resources. It's all part of Omni's environmental stewardship plan.

New Orleans Comprehensive Zoning Ordinance

The City of New Orleans implemented a Comprehensive Zoning Ordinance as part of Article 23 (Landscape, Stormwater Management & Screening). This ordinance is intended to:

- A. Assist in the development of a Sustainable New Orleans by encouraging sustainable practices for landscape design, construction, and landscape maintenance.
- B. Reduce urban runoff and mitigate the effect of new development, or infill development on the existing drainage system. Specifically, the content of stormwater management is listed in sections 23.3.c and 23.12.
- C. Increase compatibility between abutting land uses and public rights-of-way by producing landscape screening or buffers.
- D. Provide for the conservation of water resources.
- E. Protect public health, safety and welfare by preserving and enhancing visual experiences and enhancing pedestrian and vehicular traffic safety.
- F. Reduce the urban heat island effect and reduce consumption of energy by proper use and placement of landscaping and streetscaping as set forth in the City's Master Plan.

We understand the purpose and significance of meeting these requirements and others not mentioned above as contained within the New Orleans CZO and other applicable State of Louisiana revised statutes. The proposed design, while preliminary in nature, meets the intent of these requirements.

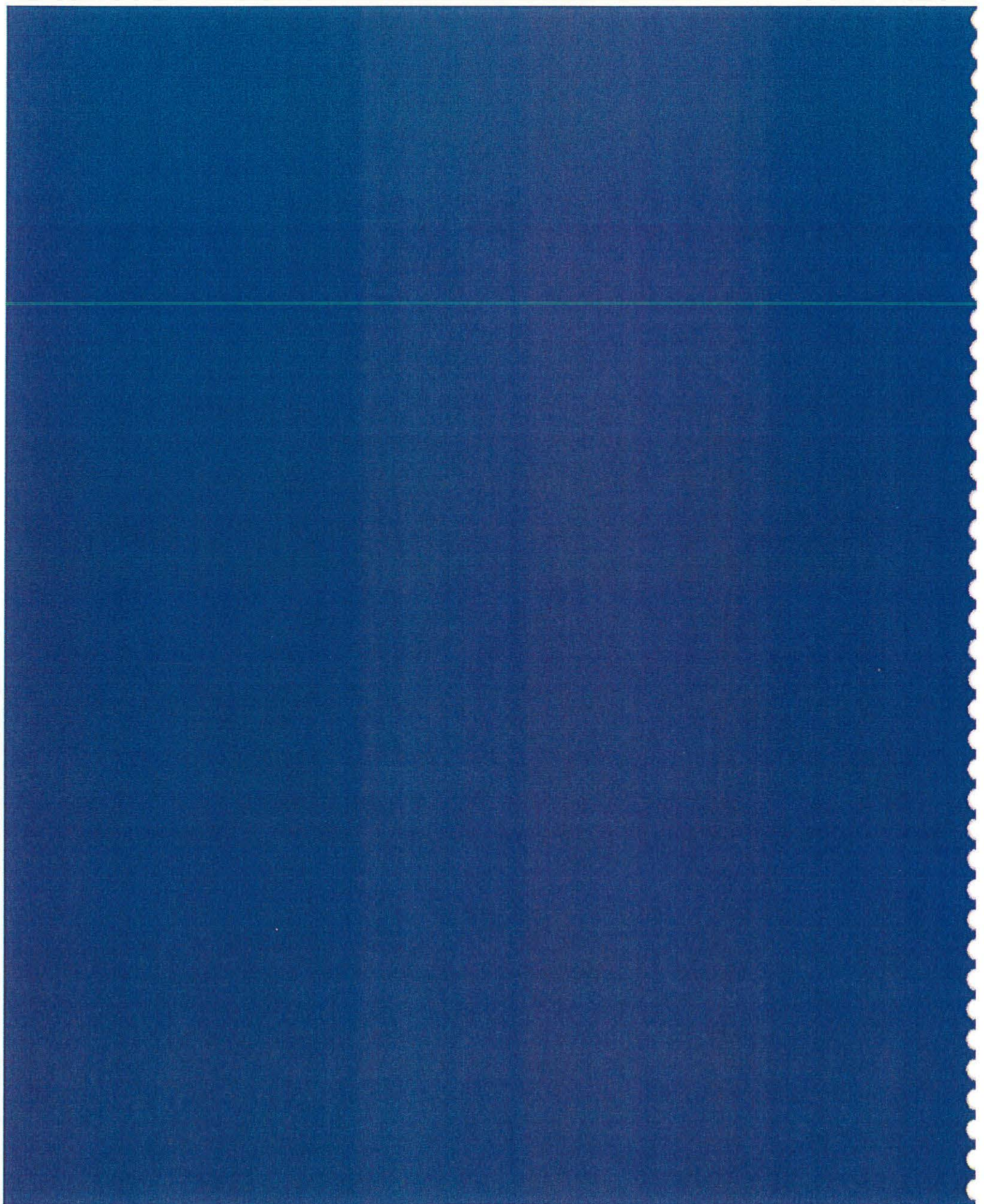
To do a comprehensive management plan would take a significant amount of time and not feasible within this RFP response. Final design will comply with all CZO and state requirements including, landscaping, screening and stormwater management. If we find that project conditions make certain aspects of the CZO unattainable, we will comply with alternate methods allowed in section 23.3.E of the CZO.





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Project Timeline Timing is of the essence for many key components of the overall plan. Working with the Authority to further refine, the tentative timeline below shows a plan to assure the headquarter hotel is operational by April 2023.

PROJECT TIMELINE - Benchmarks	Due Date
Evaluation Committee Selection	5/23/18
Negotiation and Notification of Award	6/1/18
1st Benchmark (@ 1 week)	6/8/18
1. Begin Master Lease & Development Agreement negotiations	
2. Begin Programming and Schematic Design	
2nd Benchmark (@ 12 weeks)	8/24/18
1. Present Refined Cost Model	
2. Final Feasibility Study Complete	
3. Blocking & Space Plans Complete	
4. Conclude Master Lease & Development Agreement negotiations	
3rd Benchmark (@ TBD)	
1. MCCNO Board Meeting (allow one month)	TBD
2. Lease Execution following MCCNO Board Approval	ASAP
4th Benchmark (@ 5 months)	10/26/18
1. 100% Schematic Design Documents for MCCNO Review	
2. Financial Modeling Complete & Refined Pro Forma	
5th Benchmark (@ 9 months)	3/1/19
1. 100% Design Development Documents for MCCNO Review	
6th Benchmark (@ 15 months)	8/30/19
1. 100% Construction Documents for MCCNO Review	
2. PHC Due Diligence, Complete, Final Approval & Financial Close	
3. Commence Foundation Work	
7th Benchmark (@ 17 months)	10/31/19
1. Pre-Construction Kick Off Meeting	
2. Commence Building Construction	
Construction Completion Benchmark (@ 55 months)	12/30/22
1. Allowing 38 Months for Construction	
Hotel Opening Benchmark (@ 59 months)	4/28/23
1. Allowing 4 months for FF&E and Preopening	

This is an ambitious but achievable scenario for the HQ Hotel. Mathews Southwest Hospitality, The Berger Company, MCC Real Estate, Omni Hotels Corporation and Preston Hollow Capital have vast resources across the region and nationwide to make this a reality. Our direct resources are aided by a network of professional relationships in the fields required for lease development, finance placement, design services,

pre-construction services, construction services, operations and other aspects. We have had the ability to take into the account the long term needs of the Authority both upriver and downriver in our business planning cycle for a long time. We have ongoing work outside the necessary requirements for this project and plan to have additional work to keep our respective companies growing successfully. Due to pre-planning for the success of our City's development, we have the capacity and will dedicate full time resources to meet all our commitments to the Authority.

If selected we will not assume the responsibility of being your Developer lightly. We will work hard, smart and together with the Authority to plan appropriately and execute timely to minimize the impact on normal Convention Center business and Authority business operations. Additionally, we will do our part to ensure success of the entire 47 acre district.

Matthews Southwest Hospitality has been managing the development of large projects with intensive public involvement for more than 25 years. Through this experience, we have found that most of the issues that have the potential to derail a project stem from counterproductive personal dynamics, poor communication, and lack of common goals and expectations for the project.

Mitigating Risk

To address these issues proactively, we strongly encourage a series of preliminary meetings between all team members, internal and external to ensure the projects vision, goals and objectives are aligned. By doing this, any misunderstandings of roles and expectations are limited to a point where future communication should be clear and consistent. If not, these potential underlying issues translate to budget overruns, delays, quality and safety issues and ultimately end up costing the project money. Our project meetings will identify the major project goals and align all the project team members into a cohesive decision-making force that will drive efficiency, fiduciary responsibility and precision time management throughout the project.

It is important for all parties involved with the project to first understand the goals and objectives of all stakeholders and to set expectations early on in the process. Throughout a project such as this, many decisions will arise. To do our job properly we must first present timelines to make these decisions in order for the stakeholders not to feel pressured or rushed. Once a timeline is understood, it is a developer's responsibility to analyze the option, explain and present the pluses and minuses of each and finally make a recommendation to the decision makers.

Biweekly update meetings between developer and relevant team members will be crucial to the flow of effective communication. We encourage representation at regular on-site project meetings with our contractor so they are familiar with the progress of the development. In addition to regularly schedule meetings throughout the duration of the project, monthly written reports are prepared that outline important items such as budget and schedule updates, progress photos, project compliance and contract status.

A key approach to this project will be to select the right team members who have had recent success and a proven track record of delivering similar projects on schedule

and preferably under budget. Past experience in working together as a team will limit the chance of mistakes as everyone is familiar with what they can expect throughout the process. Working with quality subcontractors will also be an important approach to this project. Going with the lowest priced trade on a large project such as this is not always the best decision due to a possible impact on schedule for non-performance. Once quality subcontractors are onboard, milestone dates and critical path items will be closely monitored to ensure the project schedule is being maintained. Any slippage in schedule will call for an immediate team meeting to discuss how to get back on target.

Monitoring and tracking unit pricing for material items will be another element of mitigating risk. As developer, we will maintain constant communication with our general contractor to determine if potential price escalations/reductions exist as well as if any labor disruptions are on the horizon. Our intention is to enter into a Guaranteed Maximum Price (GMP) contract with our chosen contractor in order to limit the opportunity of future price escalations.

Risk will always be a potential factor with a project such as this. We believe our various ways of planning ahead, effective communication and having the right team members will certainly help mitigate risk.

MCCNO ECONOMIC DEVELOPMENT DISTRICT
Established June 2015 LA ACT #420
Amended April 2016 LA ACT #457

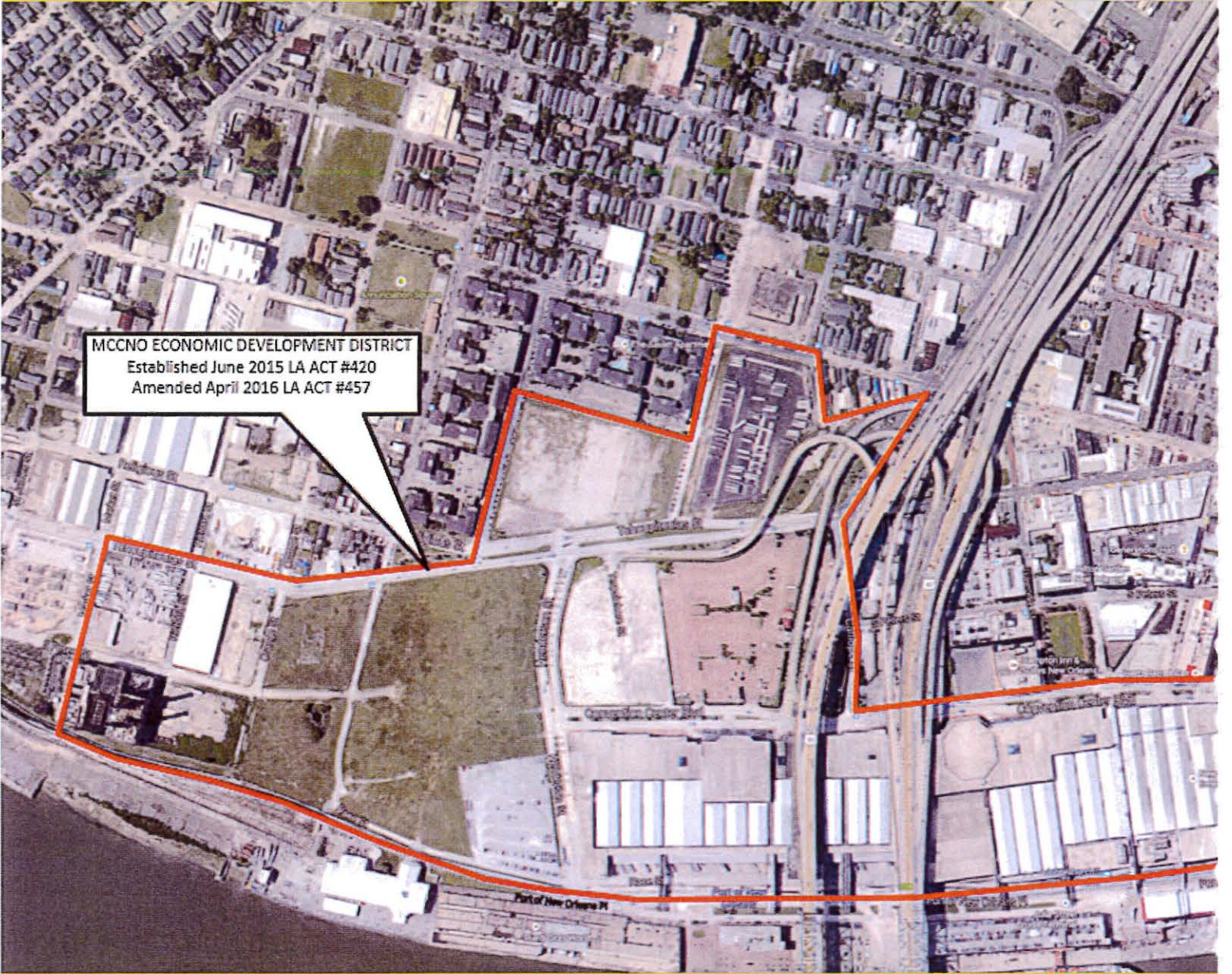
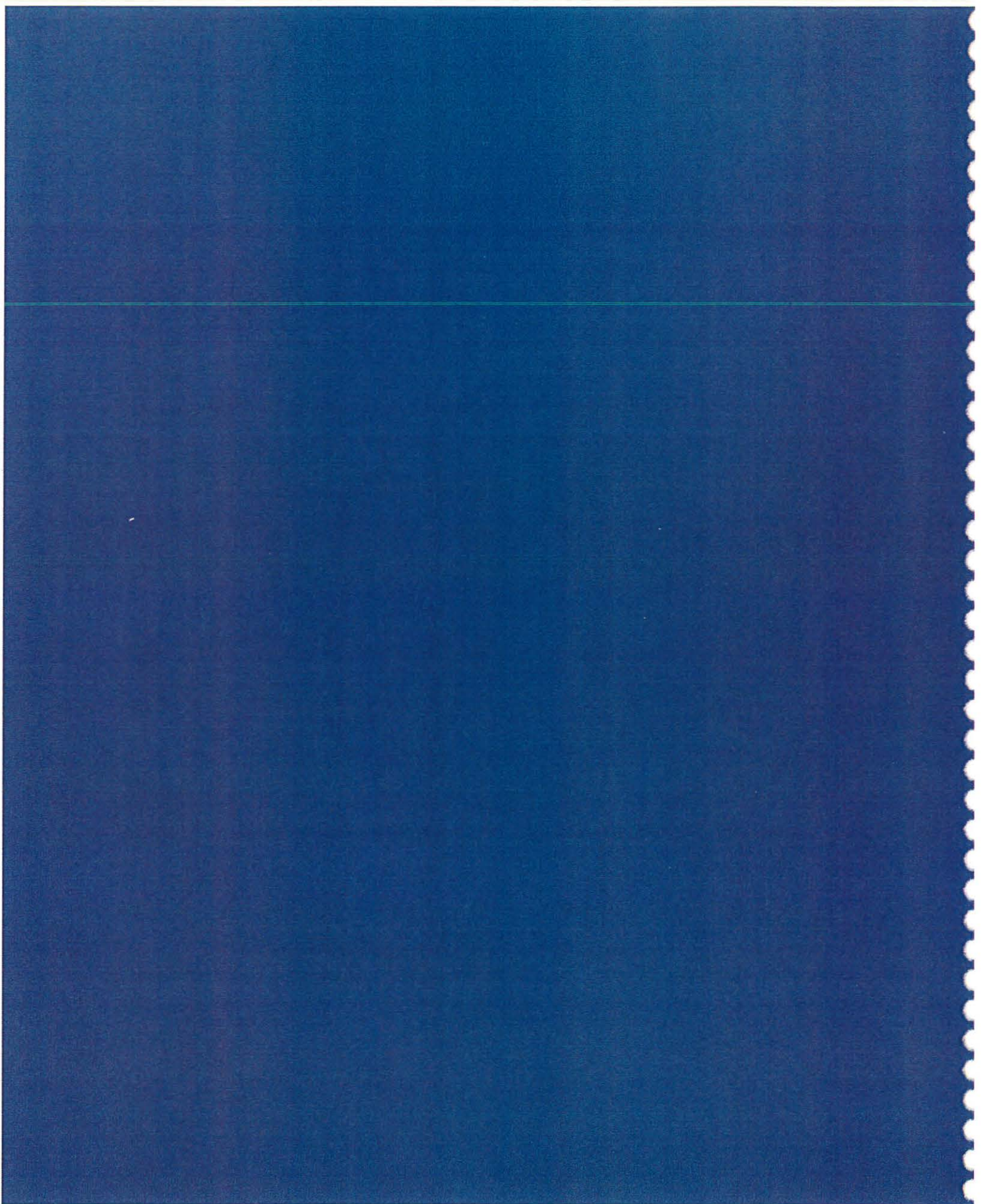




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PROJECT FINANCING AND FINANCIAL PLAN

Finance Narrative Below we have provided a detailed narrative outlining the preferred financing approach for the Hotel project. As an overview, the following are the key highlights of our preferred structure:

- The transaction is being structured as a tax-exempt debt financing (with potential for a limited amount of taxable debt);
- Provident Resources Group, a national not-for-profit, will own the Project;
- The bonds will be issued by a Louisiana-based municipal issuer or a national conduit issuer to fund (i) construction costs, (ii) pre-opening expenses and (iii) initial funding of certain working capital and reserve funds;
- The debt issuance will consist of multiple tranches / classes of bonds, including Senior Bonds, Junior Bonds and Subordinate Bonds (the "Bonds").
 - o In general, the Senior and Junior Bonds can be thought of as traditional mortgage debt while the Subordinate Bonds essentially take the place of traditional equity funding;
- The Bonds will be secured by a leasehold mortgage on the site and Hotel, gross Project revenues, Project accounts and other accounts under the Trust Indenture, covenants regarding the use and disposition of the Project, and collateral assignments of contracts;
- This structure allows for residual income, if available, to flow back to the Authority on an annual basis; and
- Neither the Authority nor any other state or local entity is guaranteeing the Bonds or the operations of the Project.

Provident Resources Group SPE - Hotel Owner The proposed tax-exempt financing structure described herein contemplates "ownership" of the 1200 room (base case) Hotel improvements by a single-asset, special purpose entity ("SPE") to be created by Provident Resources Group, Inc., a 501(c)(3) not-for-profit corporation ("Provident") on land owned by the Authority and leased to Provident pursuant to a 90-year, NNN ground lease. Provident's many non-profit missions include partnering with state and local governments to lessen the financial burdens associated with desired economic development projects while meeting the needs of their citizens. This financing structure was recently utilized by PHC and Provident for the financing of the \$115 million 350 room Westin-branded Irving (Texas) convention center hotel.

The charitable activities of Provident are primarily conducted through separate single-member limited liability companies established by Provident or through 501(c)(3) and nonprofit corporations organized as supporting organizations of Provident. Each of the limited liability companies or supporting organizations established by Provident is dedicated to a specific, limited purpose and project; holds only the assets utilized in conducting operations for that purpose and for that project; and incurs liabilities solely in connection with the ownership, management and operation of that specific project.

The SPE will be deemed a disregarded entity for federal tax purposes and will qualify as a non-profit, exempt organization under Section 501(c)(3) of the Code with the requisite ability and authority to develop the Hotel. This is due to Provident being the sole member of SPE and its status as a duly qualified non-profit, exempt organization under Section 501(c)(3) of the Code as described above.

The diagram below depicts that not-for-profit ownership structure. As illustrated, the proposed ownership structure brings together a fully committed capital structure (further detailed below in the overview of Financing Structure and Financial Plan) with turn-key development and operational expertise in a structure that partners with Authority.



Because ownership of the Hotel will be held by a not-for-profit and tax-exempt financing is contemplated, both the Hotel Operator and the Asset Manager agreements must be structured as Qualified Management Agreements (“QMA”), meaning that they need to meet the requirements of the Internal Revenue Service. In addition to Provident entering into QMA’s with the asset manager and hotel operator (Omni Hotels Corporation), Provident would also enter into development agreements with MSW, CDDA, and OHC as the developers and with the general contractor under a guaranteed maximum price contract for the construction of the Hotel.

Financing Structure and Financial Plan

Given its 501(c)(3) status, the SPE cannot be capitalized with equity. As a result, the sole financing option for the SPE is debt. The project agreement will obligate the SPE to develop and operate the Hotel. The SPE will be the obligated entity and borrower for the financing to facilitate the development of the Hotel, and will borrow the necessary funds in tax-exempt and/or taxable revenue bonds, in one or more series, through a conduit issuing authority. The Bonds will be secured by a leasehold mortgage on the site and Hotel, gross Project revenues, Project accounts and other accounts under the Trust Indenture, covenants regarding the use and disposition of the Project, and collateral assignments of contracts.

As noted above, the debt issuance will likely consist of multiple tranches / classes of Bonds, including Senior, Junior and Subordinate Bonds. Each series of Bonds will

have varying rights in terms of priority of payment and bondholder rights. The Bonds would be special limited obligations of the issuing authority (payable solely from Hotel revenues), and the Authority would not be obligated in any way with regard to the Bonds.

Our proposal will include committed funding from our financial partner, Preston Hollow Capital, which will commit to purchase 100% of the Bonds at financial close and anticipate retaining the majority of the Bonds on a going-forward basis. PHC will actively manage its investment and exposure including regular review of the performance of the Hotel; the construction manager and Omni Hotels Corporation as operator; and of the ongoing capital needs of the Hotel, etc. Given PHC is purchasing the bonds with a long-term investment horizon, as well as its role as the Bondholder Representative (detailed below), it is absolutely in PHC's financial interest to ensure the Hotel is built on time and on budget, and is operated properly.

PHC will also have both an incentive and ability to deploy additional capital, if necessary, in the future to protect the performance of the Hotel. Our proposed financing structure will create a Bondholder Representative role (PHC would function as the Bondholder Representative) to make certain enforcement decisions for all bondholders. As the Bondholder Representative, PHC would have substantial authority to ensure the timely construction and optimal operation of the Hotel including authorization to, among other things, act on behalf of any other project-related bondholders in the exercise of rights and remedies under any debt authorization documents and make additional loans to the SPE to address shortfalls in funds available for operation and maintenance of the Hotel.

Even though this is an all debt structure, the Subordinate Bonds cannot default and any unpaid Subordinate Bond interest simply accrues to the principal balance of the Subordinate Bonds and will be paid whenever funds are available from Hotel cash flow through the life of project. In this way, the Subordinate Bonds essentially replace traditional equity in that they will be the last "bucket" that gets paid and do not have default rights due to failure to make principal and/or interest payments. As a result, the Subordinate Bonds are an effective replacement of equity in a traditional model. The overall Bond structure also provides a committed financial partner that can make decisions to protect its investment including the contribution of additional capital if needed.

**PHC Bond Purchase
Agreement**

Based on an estimated (1200 room) Hotel Project development cost of \$557.5 million (including the estimated costs for the parking structure and bridge connector), PHC proposes to finance approximately \$516.5 million of the Hotel Project development costs, including related pre-development expenses incurred by the development team, financing and issuance costs, capitalized interest, reserves for debt service, working capital and attorney fees and expenses. PHC will finance such costs pursuant to a tax-exempt bond issuance outlined above, with maturity dates ranging from 30 to 40 years. As noted above, these long-term, permanent financing Bonds will be issued by a conduit issuer selected by PHC and Provident. PHC will commit to purchase 100% of the Bonds as of financial close and will covenant to retain "bondholder control"

with respect to all major financial, operational and enforcement decisions through its continued ownership of at least a majority of the controlling Bonds.

Authority Contribution Subject to State of Louisiana law limitations, the Authority will provide a grant, public assistance or subsidy of \$41 million in available cash contributed as of financial closing towards eligible Hotel Project costs, including expenditures for meeting and exhibition facilities located within the Hotel, site improvements, infrastructure and related equipment and machinery (the "Authority Contribution").

In addition to the \$41 million cash contribution, the Authority will also provide a 100% rebate to Provident (as Hotel Owner) of the 10% hotel occupancy tax and 4% sales tax on non-room revenue generated by the Hotel during the term of the Ground Lease. The proceeds of these tax rebates will be used to finance construction-related costs of the Hotel Project.

This proposal also assumes that there will be no annual ground rent payable to the Authority, other than a de minimis amount under the Ground Lease. The proposed Authority Contribution was underwritten assuming 100% real estate tax exemption expected to be achieved through 501(c)(3) not-for-profit lessee-ownership and the Hotel reversion rights of the Authority.

The net proceeds of the Bonds purchased by PHC shall be loaned to Provident, as the Ground Lessee, and be used to finance, in conjunction with the Authority Contribution, 100% of the costs of developing, constructing, furnishing and equipping the Hotel. PHC shall be obligated to purchase additional subordinate bonds to the extent necessary to cover any development costs in excess of \$557.5 million. The Developers shall be fully responsible for completion of the Hotel Project by an agreed completion deadline (set forth in the Master Development Agreement entered into with the Authority) and pay all project costs not covered by the Authority Contribution.

Authority Reversion Rights Upon full repayment of all outstanding Bonds, projected to occur on or before 40th year of Hotel operation, and well in advance of the Ground Lease termination date, title to the Hotel Project and 100% of all accumulated surplus cash reserves, and all other economic value in and to the Hotel Project would revert to Authority ownership, for liquidation or retention and continued operation at the Authority's sole discretion. The Authority's reversionary value is projected to be worth approximately \$250 million based on the Authority's cost of capital.

Financing Benefits The salient structural benefits to the Authority of PHC's proposed financing plan are as follows:

- Private financing and ownership with a not-for-profit hotel owner that is completely independent of the Authority.
- Non-recourse conduit-issuer bond financing, meaning that the Authority is not obligated in any way to make debt service payments on the Hotel Project Bonds, provide any credit enhancement or guarantee any of the construction or operational costs.
- Full ownership of the Hotel will revert to the Authority, and effect an immediate

termination of the Ground Lease, at the time all Bonds are fully repaid, which is projected to occur on or before 40 years of operation. If the Authority does not want to own the asset at that time, the Hotel could be sold, with the proceeds going to the Authority, or the not-for-profit could continue to own the Hotel for the benefit of the Authority with the Authority receiving all net operating revenues on an unencumbered basis.

- Long-term capital structure, incorporating both construction and permanent financing for the Hotel Project, through a 40-year Bond structure with a single hotel owner. This long term structure significantly reduces capital markets risk related to refinancing the Hotel and complications involving sale transactions every five-to-ten years in a typical private (debt/equity) ownership structure.
- Simplicity, speed and certainty of financing execution through (i) a single-source of funding (provided by PHC) with immediately available capital and (ii) elimination of third party lenders and equity investors with the associated non-alignment of traditional debt and equity economic interests.

Cost of Financing And Budget The preliminary transaction sources and uses are shown in the table below. The total development budget for the Hotel is projected to be approximately \$557.5 million, including \$7 million for the bridge connector and \$27.5 million for the parking structure. PHC's net investment in the Project, including Hotel operating capital and related transaction costs, is expected to be approximately \$516.5 million. In addition to PHC's investment, we would look to the Authority to contribute \$41 million towards the Hotel project in addition to the previously described 100% hotel occupancy tax and non-room revenue sales tax rebate for taxes generated by the Hotel.

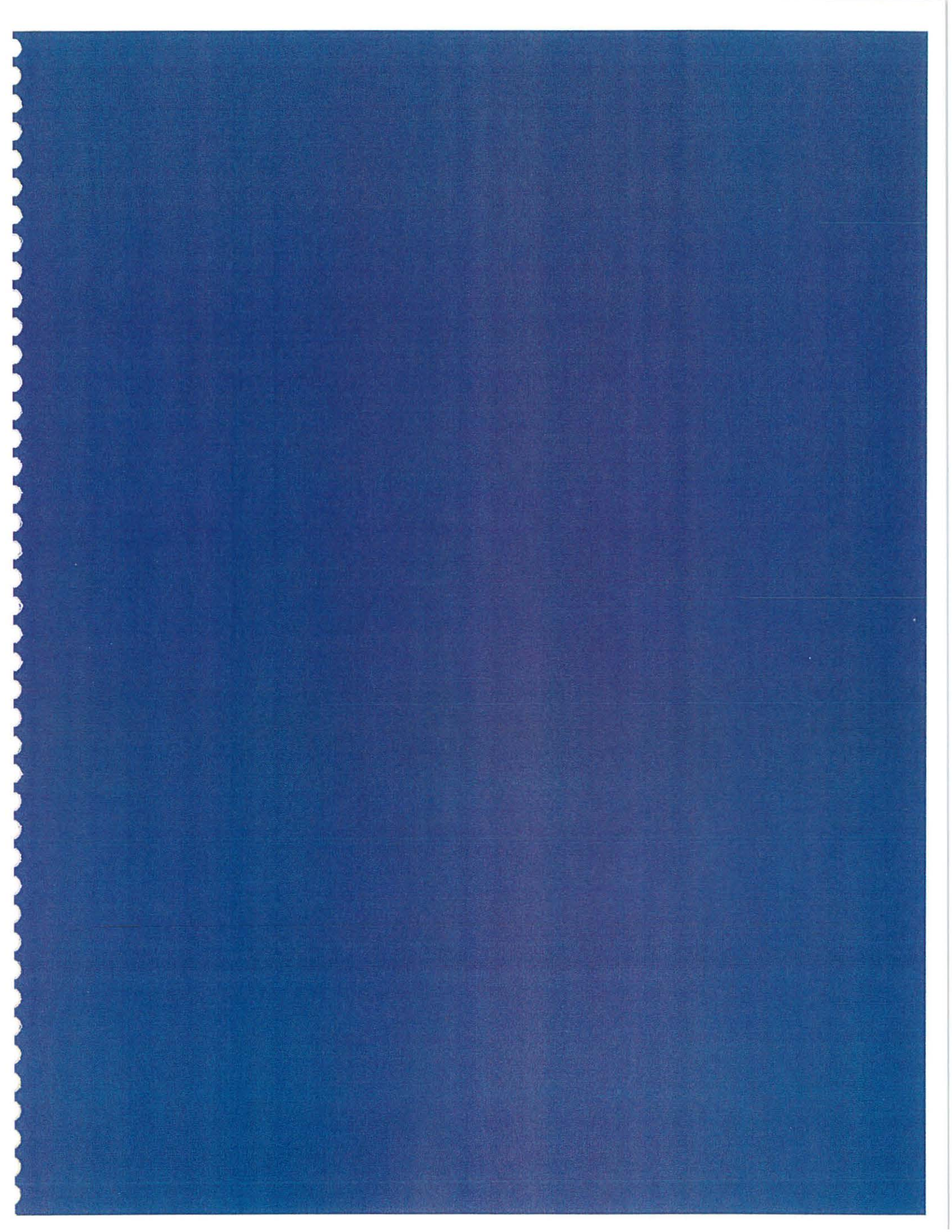
FINANCING SUMMARY (\$000s)

SOURCES OF FUNDS		USES OF FUNDS	
Net Bond Proceeds	\$ 516,500	Bridge Connector	\$ 7,000
Authority Contribution	\$ 41,000	Parking Structure	\$ 27,500
TOTAL SOURCES	\$ 557,500	Hotel Development Budget	\$ 507,000
		Initial Working Capital	\$ 9,000
		Transaction & Financing Costs	\$ 7,000
		TOTAL USES	\$ 557,500

Proposers Unlevered IRR Unlike a traditional debt and equity structure, the plan of finance as put forth by PHC is structured as an investment in tax-exempt bonds, which would supply all of the capital, net of the Authority Contribution, for the development of the Hotel. Since our structure utilizes an all-debt model, our investment return is limited by the yield on the Bonds, which range in yield from approximately 7.00% for the Senior Bonds, 8.50% for the Junior Bonds and 11.00% for the Subordinate Bonds. The expected overall yield (IRR) for the combined bond investment is approximately 8.20%. Since the proposed structure is a tax-exempt investment, the weighted cost of capital is expected to be less than a traditionally funded option.

We note that our proposed ownership structure contemplates the reversion of the Hotel and all accumulated surplus revenues to the Authority at the earlier of the

debt maturity or the term of the Ground Lease. Should the Authority not want to own the asset at that time, then the Hotel could be sold with the proceeds going to the Authority. To the extent the Hotel performs better than projections, any additional net revenues (excess cash flow) will be part of the asset reversion for the benefit of the Authority.



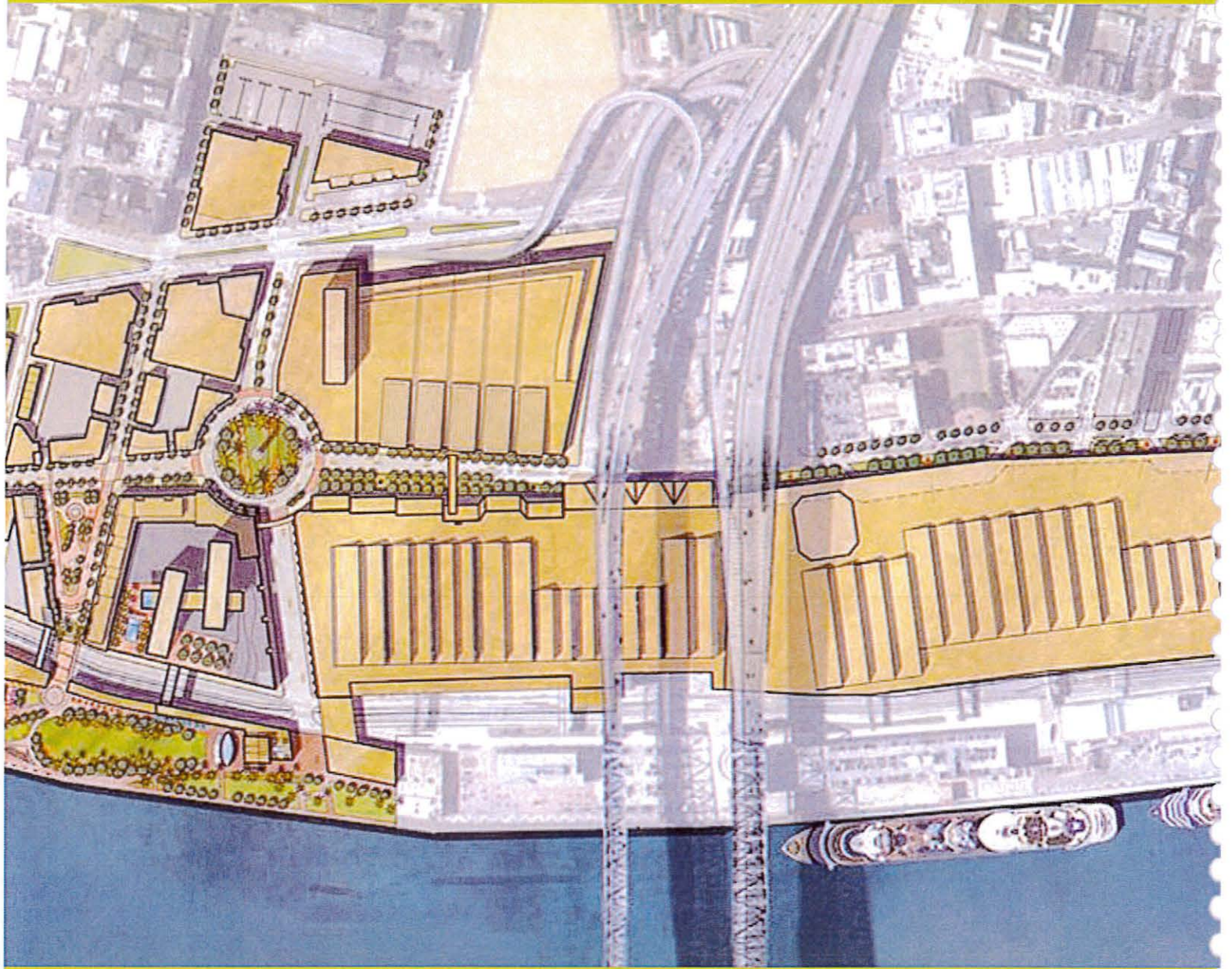
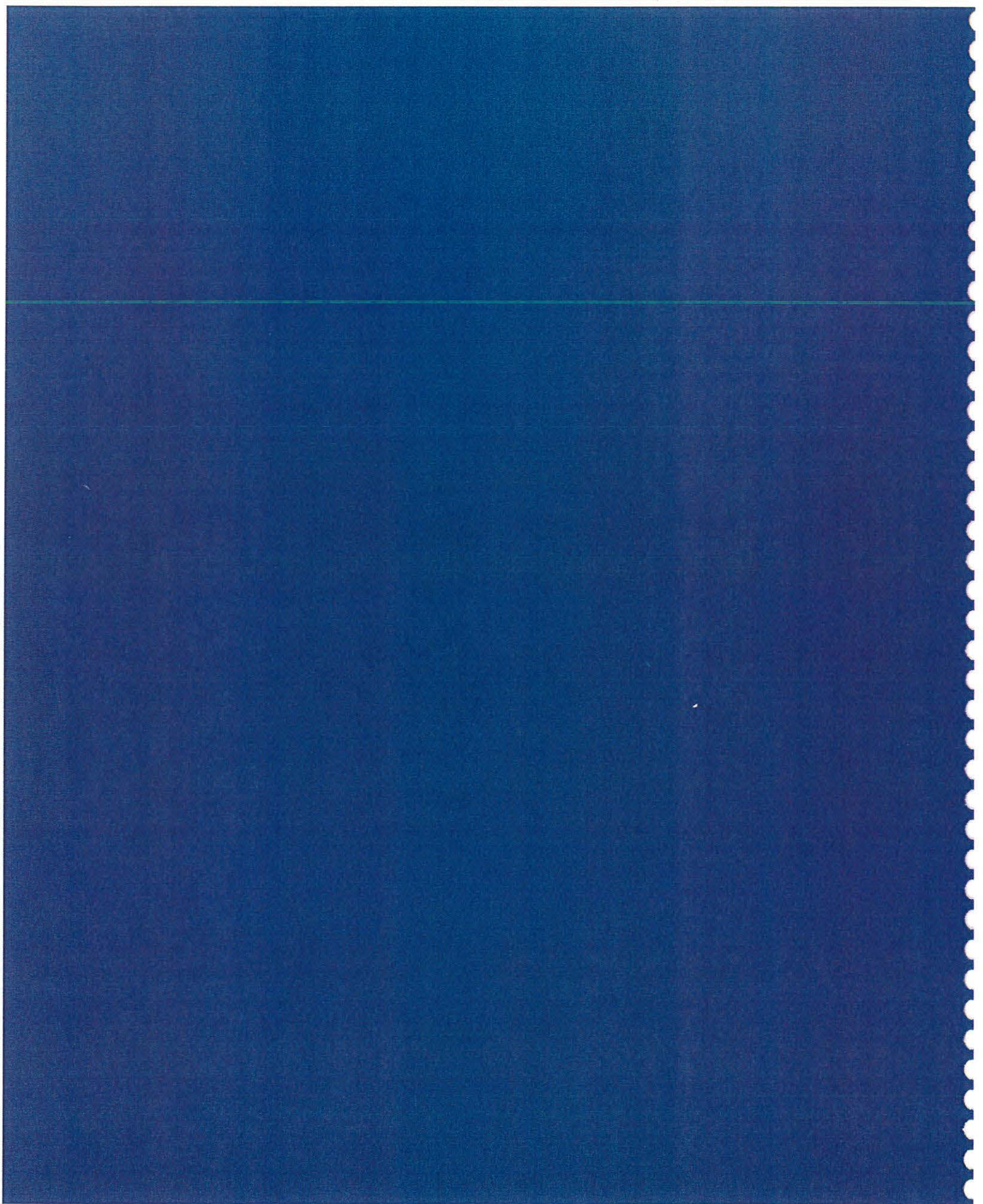




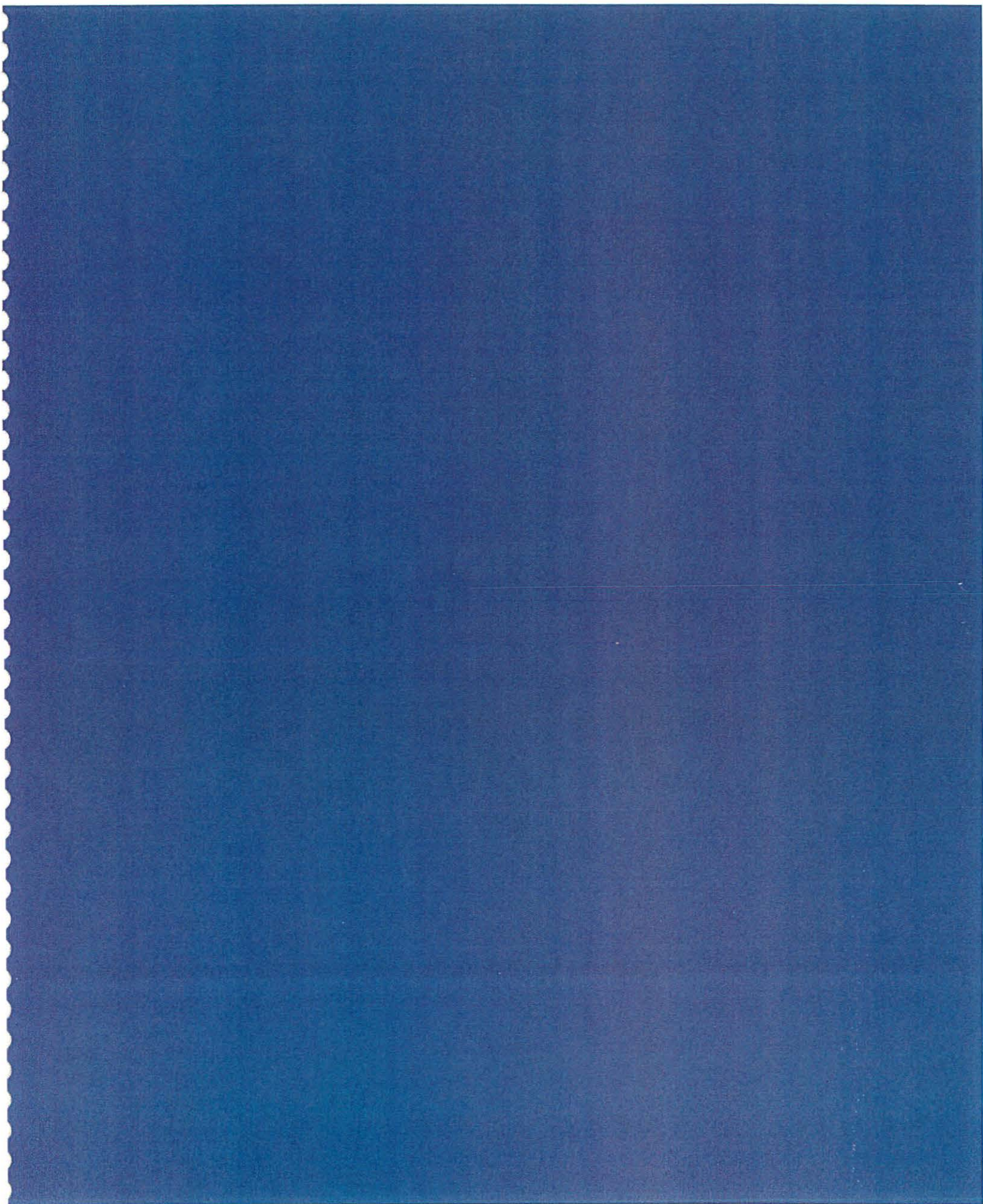
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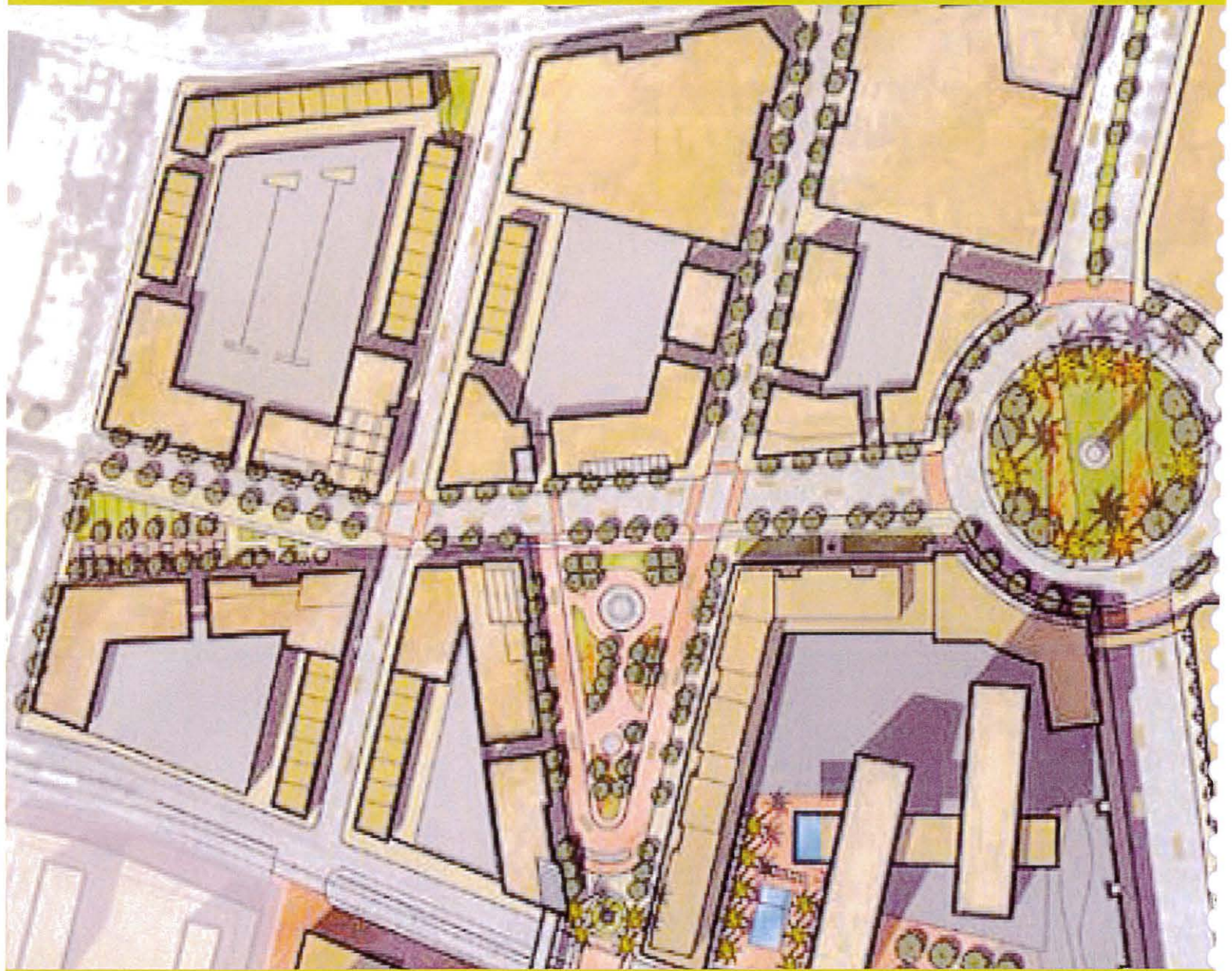
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New Orleans Convention Center Headquarters Hotel

Line No.	Item	Base Scenario	Design Period	Construction Period	Open Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Hotel Pro Forma Operating Assumptions														
1	Occupancy				64%	68%	70%	70%	70%	70%	70%	70%	70%	70%
2	Average Daily Rate (ADR)				\$ 202.58	\$ 210.59	\$ 218.89	\$ 225.84	\$ 230.82	\$ 236.59	\$ 242.50	\$ 248.57	\$ 254.78	\$ 261.15
3	RevPAR				130	142	152	159	162	166	170	175	179	183
4	Annual ADR Growth Rate													
Revenue:														
5	Rooms				\$ 56,781	\$ 62,311	\$ 66,640	\$ 69,451	\$ 70,983	\$ 72,758	\$ 74,577	\$ 76,441	\$ 78,352	\$ 80,311
6	Food & Beverage				\$ 44,109	\$ 47,729	\$ 50,336	\$ 52,118	\$ 53,421	\$ 54,756	\$ 56,125	\$ 57,528	\$ 58,966	\$ 60,440
7	Other Operated Departments				\$ 7,137	\$ 7,797	\$ 8,302	\$ 8,677	\$ 8,893	\$ 9,115	\$ 9,343	\$ 9,576	\$ 9,816	\$ 10,061
8	Misc. Income				\$ 1,519	\$ 1,644	\$ 1,734	\$ 1,795	\$ 1,840	\$ 1,886	\$ 1,933	\$ 1,981	\$ 2,031	\$ 2,082
9	Subtotal				\$ 109,547	\$ 119,481	\$ 127,011	\$ 132,041	\$ 135,136	\$ 138,514	\$ 141,977	\$ 145,527	\$ 149,165	\$ 152,894
Departmental Expenses:														
10	Rooms				\$ 12,082	\$ 13,024	\$ 13,686	\$ 14,135	\$ 14,454	\$ 14,815	\$ 15,186	\$ 15,566	\$ 15,955	\$ 16,354
11	Food & Beverage				\$ 27,969	\$ 29,566	\$ 30,562	\$ 31,114	\$ 31,892	\$ 32,690	\$ 33,507	\$ 34,344	\$ 35,203	\$ 36,083
12	Other Operated Departments				\$ 5,086	\$ 5,484	\$ 5,765	\$ 5,953	\$ 6,101	\$ 6,254	\$ 6,410	\$ 6,570	\$ 6,735	\$ 6,903
13	Subtotal				\$ 45,137	\$ 48,074	\$ 50,014	\$ 51,203	\$ 52,448	\$ 53,759	\$ 55,103	\$ 56,480	\$ 57,892	\$ 59,340
Undistributed Operating Expenses:														
14	Administrative & General				\$ 7,673	\$ 8,193	\$ 8,539	\$ 8,877	\$ 9,085	\$ 9,313	\$ 9,545	\$ 9,784	\$ 10,029	\$ 10,279
15	Information & Telecomm. Systems				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Sales & Marketing				\$ 9,548	\$ 10,302	\$ 10,831	\$ 10,972	\$ 11,221	\$ 11,502	\$ 11,789	\$ 12,084	\$ 12,386	\$ 12,696
17	Prop. Operations & Maint.				\$ 3,230	\$ 3,642	\$ 4,171	\$ 4,336	\$ 4,437	\$ 4,548	\$ 4,662	\$ 4,779	\$ 4,898	\$ 5,021
18	Utilities				\$ 3,121	\$ 3,377	\$ 3,561	\$ 3,687	\$ 3,779	\$ 3,874	\$ 3,971	\$ 4,070	\$ 4,172	\$ 4,276
19	Subtotal				\$ 23,571	\$ 25,514	\$ 27,103	\$ 27,873	\$ 28,523	\$ 29,237	\$ 29,968	\$ 30,717	\$ 31,485	\$ 32,272
Fixed Charges														
20	Management Fee				\$ 3,286	\$ 3,584	\$ 3,810	\$ 3,961	\$ 4,054	\$ 4,155	\$ 4,259	\$ 4,366	\$ 4,475	\$ 4,587
21	Franchise Royalty (if applicable)				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Insurance				\$ 1,739	\$ 1,777	\$ 1,762	\$ 1,832	\$ 1,875	\$ 1,922	\$ 1,970	\$ 2,019	\$ 2,070	\$ 2,122
23	Reserve for Replacement				\$ 2,191	\$ 3,584	\$ 5,080	\$ 5,282	\$ 5,405	\$ 5,541	\$ 5,679	\$ 5,821	\$ 5,967	\$ 6,116
24	Annual Property Tax Payment <i>Projected Taxable Market Value x 11% Assessment Ratio x 110 (Mill Levy) / 1,000</i>				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Subtotal				\$ 7,217	\$ 8,947	\$ 10,653	\$ 11,075	\$ 11,335	\$ 11,618	\$ 11,909	\$ 12,206	\$ 12,511	\$ 12,824
26	Annual Net Operating Income (before lines 27-30 below)				\$ 33,622	\$ 36,947	\$ 39,242	\$ 41,890	\$ 42,830	\$ 43,901	\$ 44,999	\$ 46,123	\$ 47,277	\$ 48,458
Ground Rent to the Authority														
Base Rent														
27	Annual Rent to the Authority				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Annual Escalation for the Rent				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	First Base Rent Payment Commences (number of years from construction completion)													
Participation Rent														
30a	Option 1 - % of Hotel Gross Revenue Share with the Authority													
30b	Option 2 - % of Hotel Net Income Share with the Authority													
30c	Option 2 - Developer return on invested capital hurdle rate threshold above which 30b Authority share applies													
31	Annual Net Operating Income (net of lines 27-30)				\$ 33,622	\$ 36,947	\$ 39,242	\$ 41,890	\$ 42,830	\$ 43,901	\$ 44,999	\$ 46,123	\$ 47,277	\$ 48,458





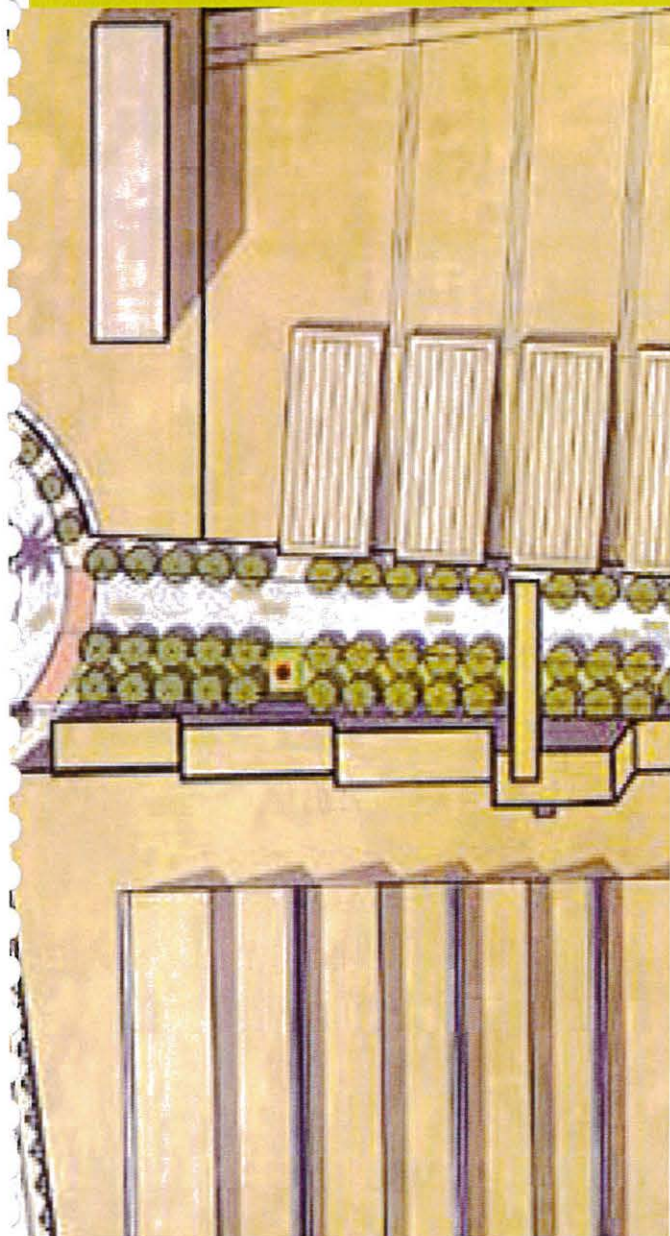
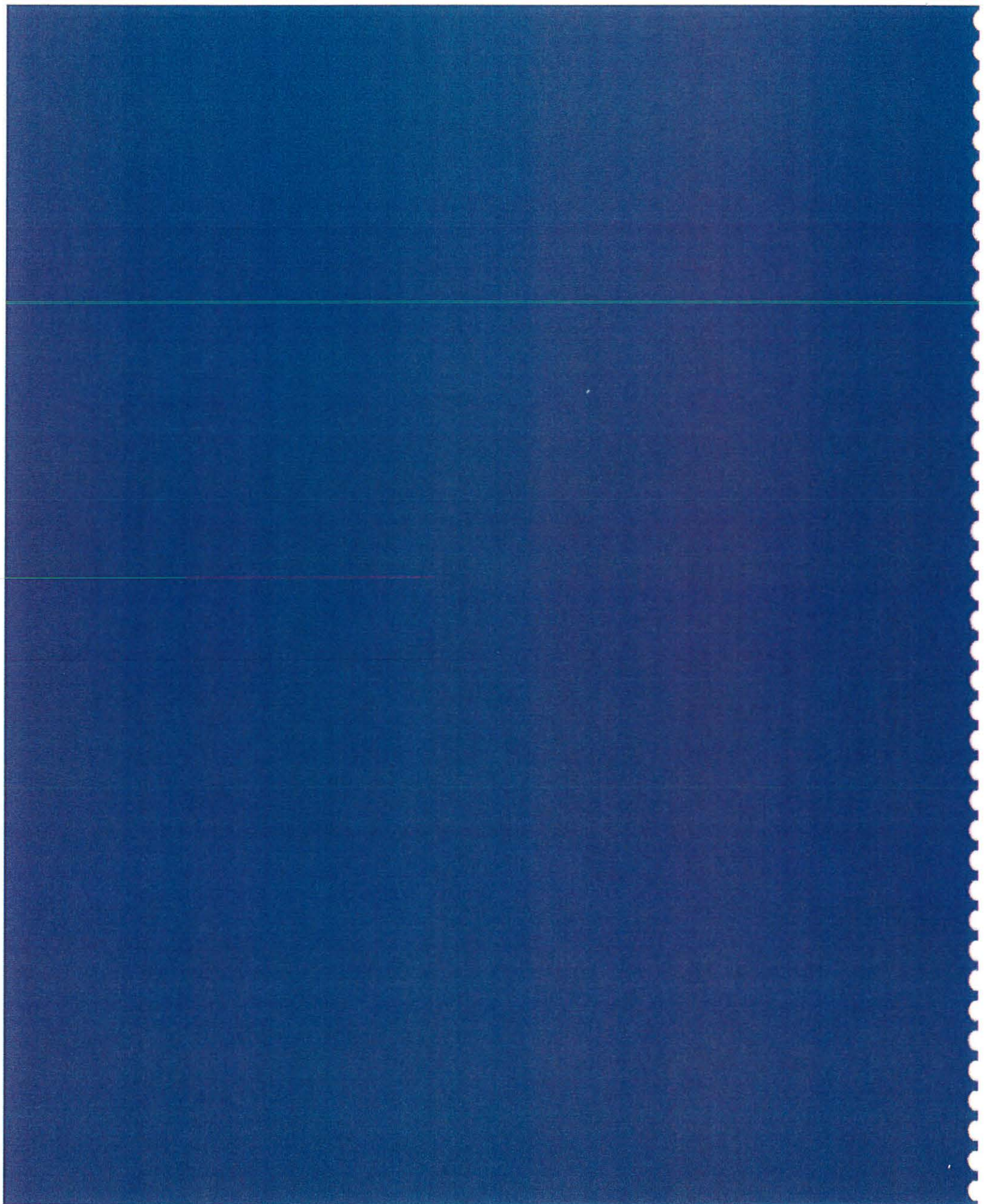


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TERM SHEET COMMENTS

- PARTIES** Ernest Morial New Orleans Convention Center Authority – “the Authority”:
- For the Redevelopment Agreement, Ground Lease, and the Hotel Operations and Support Agreement
 - For the Room Block Agreement

Owner:

- Provident Resources Group, Inc. (“Provident”), a 501(c)(3) not-for-profit corporation, by and through either: (i) a single-member limited liability company (SPE) created by Provident, or (ii) a separate nonprofit corporation organized as a supporting organization for Provident, for purpose of executing the development, financing and operation of the Project in conjunction with the Project Team listed below.

Additional Proposers:

- Proposal jointly submitted with and on behalf of Provident by (i) of Matthews Southwest Hospitality, LLC, and Convention District Development Associates, LLC (Darryl Berger & Joseph A. Jaeger, Jr.) (the “Developers”), (ii) Omni Hotels Corporation (the “Operator”) and (iii) Preston Hollow Capital, LLC (the “Lender”) and, collectively with the Developers and Operator, (the “Project Team”).

- PROJECT DESCRIPTION** Development of full-service convention center hotel located on the Project Site and having the following features:
- Minimum of 1,200 rooms
 - Minimum of “upper upscale” designation as defined by STR Global
 - Minimum 150,000 net square feet of ballroom, meeting and prefunction space
 - Dining and related amenities
 - Appropriate ground-level retail
 - Meeting all standards of the Omni Hotels brand
 - Pedestrian bridge from hotel to convention center (to be discussed)

- PROJECT SITE** Approximately 8.1 acres of land generally bounded on Henderson and Race and Water Street

- DEVELOPMENT RESPONSIBILITIES** Owner and the project team will have the obligation to develop, finance, construct and operate the Project and to contract with approved parties with extensive convention center hotel experience for branding and operation of the hotel.

- AUTHORITY RESPONSIBILITIES** The Authority will:
- Lease Authority-owned property for the Project Site to Owner according to terms of the Master Lease
 - Proposers’ request for public funding support:
Subject to State of Louisiana law limitations, the Authority will provide (i) a grant, public assistance, or subsidy of \$41 million in immediately available cash contributed as of financial closing towards eligible Hotel Project costs, including Authority committed infrastructure improvements, and other expenditures for meeting and exhibition facilities located within the Hotel, site improvements, infrastructure, and related equipment and machinery; plus (ii) additional financial concessions and/or proceeds from the New Orleans Exhibition Hall

Authority Economic Growth and Development District, consisting of annual rebates of Hotel occupancy and sales taxes, and ground lease rent abatement and/or rent subordination to Bond payments (collectively, the "Authority Contribution"). The proposed Authority Contribution was underwritten assuming 100% real estate tax exemption (until the bond debt is repaid) based on 501(c)(3) not-for-profit lessee-ownership and the Hotel reversion rights of the Authority.

Proposer Comment:

- Breakdown of Authority Contribution/Public Funding Support
- (1) Authority committed infrastructure improvements (cash grant of \$41 million for:
 - Street, curb, lighting and "green" space construction along with storm water drainage and retention in accordance with the Comprehensive Zoning Ordinance Article 23.
 - Utility infrastructure to Hotel parcel (pad) necessary to support construction and continued operations
 - Linear Park / complimentary space which enhances Hotel property and surrounding areas
 - Renovation of Henderson Street portion of the existing Convention Center to comport with design of Hotel as an entrance
 - Mitigation of hazardous materials as needed
 - Site survey
 - Utility analysis
 - Real estate appraisal for full parcel and parcel sections (Hotel)
 - (2) Rebate of Hotel occupancy taxes equal to 10% of gross revenues and 4% (non-room revenue) sales taxes until bond debt is repaid
 - (3) Ground Lease rent abatement (equal to \$1/year) or, alternatively-agreed upon minimum rental amount subordinated to payment of debt service on the bonds, until bonds repaid in full (with annual rent increasing, after bonds repaid, to an amount equal to 100% of net available cash flow thereafter)
 - (4) Authority funded development of public infrastructure to the 47 acre site and concurrent development of 47 acre site bounded by Henderson Street, Tchoupitoulas Street, Orange Street, and the Mississippi River

**PRE-DEVELOPMENT
AGREEMENT**

After the Authority's announcement of the selected Proposer, the Authority and the selected Proposer shall promptly begin contract negotiations, starting with the pre-development agreement. The pre-development agreement is intended to allow the parties to move forward expeditiously with the design of the hotel, to finalize a construction cost for the project, and to finalize the investment plan outlining the level and type of financial support to be provided by the Authority.

If the selected Proposer fails to sign the pre-development agreement with the Authority within 60 days after announcement of the selected Proposer, the Authority may elect to cancel the selection and enter into negotiations with the next highest ranked Proposer.

DEVELOPMENT AGREEMENT (PARTS I AND II) Prior to execution of the Development Agreement, the Owner's Project Team is responsible for providing conceptual drawings, evidence of insurance in amounts and coverages as required in the Pre-Development Agreement, detailed design and construction schedule, preliminary project budget and identification of major contractors, architects and engineers.

Among other things, the Development Agreement will address the following:

- Pre-construction activities and obligations:
 - o Design and construction quality must be maximized and the highest possible aesthetic quality, durability and sustainability achieved within budget parameters.
 - o Developers must obtain Authority's approval of concept design.
 - o Developers will have opportunity for due diligence inspections.
 - o Developers will provide the Authority with Schematic Design Studies within 6 months of execution of Redevelopment Agreement.
 - o Developers will provide the Authority with Design Development Documents within 6 months of providing Schematic Design Studies to the Authority.
 - o Developers will provide the Authority with Construction Documents and Landscaping Plans within 8 months of providing Design Development Documents to the Authority.
 - o Developers will secure a financing commitment or otherwise demonstrate its ability to undertake the Project.
 - o Developers will obtain Authority's approval of design team and construction team.
 - o Developer will design the improvements within construction and development budgets.
 - o Developers will hold regular meetings with its design team, including charrettes (with design and each design milestone).
 - o Authority designated representatives will be kept informed of the project and entitled to attend all meetings with Developer's design team.
 - o Developers may secure title insurance before entering into Ground Lease.
- Contracts with design and construction team members must:
 - o Bind the parties to the Construction Documents and the highest and best professional standards of care.
 - o Acknowledge that claims cannot be satisfied out of the Project or the property.
 - o Name the Authority as a third-party beneficiary.
 - o Provide broad indemnification of Authority entities.
 - o Conditionally assign the applicable agreement to the Authority.
 - o Make the construction contingency transparent.
- Construction activities and obligations:
 - o Development must be in accordance with applicable Authority urban renewal, project plans, and policies, as well as with all applicable City of

- o New Orleans ordinances.
- o Developers will have exclusive development rights.
- o Owner and Developers will commence site preparation and vertical construction on dates to be agreed to.
- o Owner and Developers will complete the Project to coincide with the opening of the new convention center, to be no later than 2022.
- o Time is of the essence as to all dates and time periods.
- o Owner and Developers will be liable for liquidated delay damages [in an amount to be determined].
- o Owners use is subject to covenants that the property will be used only as a hotel so long as the Convention Center is a convention center and to comply with anti-discrimination laws.
- o Owners will be allowed to terminate agreement for enumerated defaults by the Authority.
- o Developers will hold regular meetings with its construction team.
- o Authority designated representatives will be kept informed of the project and entitled to attend all meetings with Developer's construction team.
- o Developer will develop a safety program with strict safety standards (zero-harm safety culture).
- o Developers will secure value engineering approval by the Authority.
- o Developers will secure commissioning approval by the Authority.
- o In addition to warranties in the Construction Documents, Contractor will provide a one-year warranty period which will run from final completion.
- o Authority will issue a certificate of completion upon satisfaction of substantial completion, indicating termination of Owner and Developer's construction obligations.

GROUND LEASE Prior to execution of the Ground Lease, Owner will provide evidence of funds sufficient to complete the Project, guaranteed maximum price ("GMP") contract, agreements for branding and operation of the hotel and executed contracts with major contractors, architects and engineers meeting specified requirements.

The term of the Ground Lease will be one 50-year term with four 10-year renewal options at the Owner's option - provided, however, upon full repayment of all outstanding bonds, projected to occur on or before the 40-year maturity date, and well in advance of the Ground Lease termination date, title to the Hotel Project and 100% of all accumulated surplus cash reserves, and all other economic value in and to the Hotel Project would revert to Authority ownership, for liquidation or retention and continued operation at the Authority's sole discretion. Among other things, the Ground Lease will address the following:

- Minimum and participation rent payable to the Authority. [to be determined]
- Owner will pay all incidents of ownership of the property as "additional rent," includes taxes, expenses, insurance, utilities, and all operating costs.
- Covenants will restrict use of the Project Site to construction and operation of a hotel so long as the Convention Center is operated as the City's primary convention center.
- Authority will warrant quiet enjoyment unless there is an event of default.

- Owner may mortgage, pledge or conditionally assign its interest in the Ground Lease to leasehold mortgagees.
- The Authority will not agree to subordination of Ground Lease, but will grant lender customary leasehold mortgage protections including "step in" rights subject to curing defaults.
- Owner with all applicable environmental laws and will indemnify the Authority entities from any claims arising from introduction of hazardous materials onto the property past closing.
- Loss or damage to the hotel will not terminate the Ground Lease. Owner will be responsible for any required reconstruction work, and the Ground Lease will terminate if Owner does not reconstruct. However, either party may terminate if the hotel is destroyed or rendered unusable during last five years of the term.
- Upon termination, Owner will properly surrender the property, and title to all improvements and all accumulated cash and other economic interests will pass unencumbered to the Authority.

Hotel Operations and Support Agreement The term of the Hotel Operations and Support Agreement ("HOA") will begin on an Effective Date to be agreed to by the parties but no later than Substantial Completion and for a term of years qualifying the HOA as a "Qualified Management Agreement" necessary to affect the tax-exempt bond. Among other things, the HOA will address the following:

- The hotel must be operated 24 hours a day, seven days a week (with limited exceptions, e.g. force majeure and renovations).
- The hotel must be operated and maintained to meet the Minimum Standards of the American Automobile Association's designation for Four-Diamond Hotels and operations of comparable properties.
- Owner must keep the Authority reasonably informed of all matters affecting the Hotel through regular meetings of an advisory committee (which will consist of appointed members of the Authority and Provident).
- Owner may contract with an affiliate for asset management.
- Owner must operate in compliance with the Room Block Agreement.
- Authority will provide support by designating the Hotel as the New Orleans Owner and operator Authority's Convention Center Hotel and ensuring proper operation of the new convention center.
- Upon termination, Owner will properly surrender the property, and title to all improvements will pass unencumbered to the Authority. The Authority may require demolition on termination.
- Owner may sublet to vendors and retail tenants at market rates with Authority consent.

Legal Provisions Applicable to all Phases of the Project (Construction and Operation) The following provisions apply to phases of the project from the beginning of construction through termination of the Ground Lease:

- Owner and/or applicable project team member will provide broad indemnity of Authority entities for all claims related to construction and operation of the hotel.
- Owner will maintain public liability, workers' compensation, automobile casualty

insurance, and all other insurance coverage reasonably requested by the Authority.

- Owner will be responsible for all applicable taxes.
- Owner will keep the Property free from liens and require a partial and final lien waiver process during construction.
- Owner may not assign until substantial completion of the hotel. Thereafter, Developers may assign with the Authority consent which will not be unreasonably withheld.
- The Authority will be allowed to terminate Ground Lease and agreements in the event of certain enumerated defaults, following notice of default to Developers (and Lender) and Developer's (and Lender) opportunity to cure.
- Authority may assign Developer's interest in the Project if Developers fails to cure enumerated defaults.
- In the event of eminent domain or expropriation, value will be allocated between the parties based on the FMV of outstanding lease term.
- Owner will be responsible for obtaining all applicable governmental approvals, licenses and permits at its own cost and expense.
- Owner will be responsible for all utilities and utility charges.
- Owner must act in full compliance with all applicable legal requirements.
- Both parties will make customary representations and warranties.
- Customary force majeure provisions will apply.
- Customary requirements for maintenance of books and records by Owner with audit rights by Authority will apply.
- Louisiana law shall govern all contracts and agreements, and any lawsuit relating to this project shall be brought in the Civil District Court for the Parish of Orleans.

Room Block Agreement The term of the Room Block Agreement will begin on an Effective Date to be agreed to by the parties and then be coterminous with the Ground Lease and the Hotel Operations and Support Agreement. Among other things, the Room Block Agreement will address the following:

- City-wide events defined as a convention, trade show, public exposition or other such event generating a minimum of TBD room nights. [to be determined]
- Room block commitments will be booked in accordance with Authority Convention Center Booking Policies and Procedures (to be developed for the hotel and the convention center).
- Procedure is established whereby Owner will be obligated to offer Event Room Blocks.
- Rates for City-Wide Events will be Event Block Rate, established through a set process with an inflator of % . [to be determined]
- Owner will have right to commit up to % of rooms on any given date and to commit all rooms not subject to a prior commitment for any period less than months in advance. [to be determined]
- Mediation terms for resolving booking disputes
- Hotel free sell calendar defining dates on which hotel is not required to reserve room blocks for City-wide events

Guarantees Owner and the project team will provide a Payment and Performance Guaranty of Construction and will guarantee the contractual indemnification by the Developers.

Capital Commitment Owner will finance \$516.5 m of the Project cost through the issuance of Tax-Exempt bonds and will own the Improvements, subject to the terms of the Ground Lease. Preston Hollow Capital will provide a commitment to purchase 100% of the bonds subject to customary due diligence, closing conditions, governmental approvals and acceptable construction, operational and bond documentation outlined herein. The bonds will be secured primarily by a leasehold respect mortgage in the Hotel and Hotel revenues. The Authority will have no liability with respect to repayment of the bonds.

Agreements Required to Implement the Project The following agreements are required to execute the Project:

- Pre-Development agreement
- Development Agreement (Parts I and II)
- Ground Lease
- Hotel Operations and Support Agreement
- Room Block Agreement
- Tax-Exempt Bond financing documentation (and approvals)

Intent of the Parties The Parties acknowledge that the following issues will also be further discussed and addressed:

- Reimbursement for Hotel parking
- Access and entry into the Project in terms of location of key entrances, off-loading, and street-level retail.
- Other issues

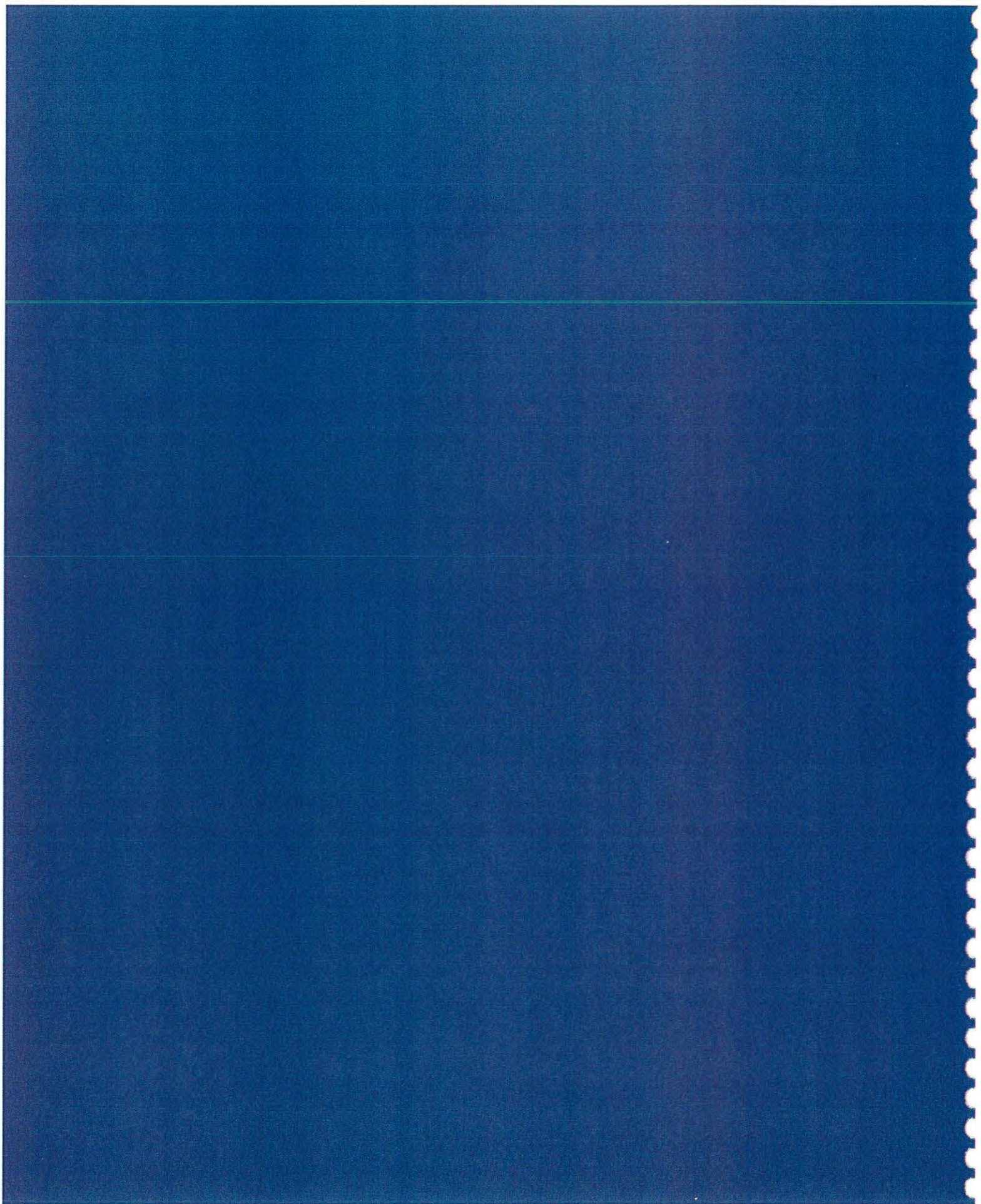


Small & Emerging Busin

Business Program

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DBE/SEB AND WORKFORCE TRAINING PROGRAM PLANS

DBE and SEB Program We are aware of the desire to create job opportunities and openings for both individuals and companies under contract for temporary or permanent work at the Convention Center Hotel development from the New Orleans Metropolitan Area. We are in complete agreement that direct business participation and the procurement of goods and services from local small and emerging businesses is of paramount importance to the development of our state and local economy. We will contact companies, both Disadvantaged Business Enterprise's (DBE) / Small Entrepreneurship Business (SEB) and local to the New Orleans Metropolitan area, as soon as we know we are the selected Developer and have confirmed the scope of work to be done by that industry or capability. Additionally, we will work in partnership with the Ernest N. Morial Convention Center Small and Emerging Business consulting firm, JD Russell Consulting, LLC, to advise and assist in our outreach, advertising, tracking, reporting, and community engagement efforts.

To further assist in fulfilling this commitment, we will partner with other outreach organizations and work with the City of New Orleans Office of Workforce Development, Job1 Business and Career Solutions Center. Working together we will enhance and encourage employment opportunities for Metro Area small emerging and entrepreneurial businesses and its residents. We expect the result of our combined efforts to exceed, to the greatest extent possible, commercially meaningful and useful participation by DBE's and SEB's with a **direct participation goal of 30% and a goods and services participation goal of 25%**. Our general contractor and applicable subcontractor(s) will be held accountable for achieving these objectives. We will require documented efforts and periodically measure performance results to achieve the goals of this local business and local resident program plan.

Workforce Training Program To further expand access to training and jobs for metro area residents and specifically New Orleanians, we will collaborate with the Greater New Orleans AFL-CIO, in the creation of a model Community Benefit Agreement (or Project Labor Agreement). Our goal is to create a model and implement it at Convention Center Hotel to make a sustainable social impact, such as increasing minority employment and increasing participation by other Small Entrepreneurship (SE)/Hudson Initiative Businesses, MBE's and DBE's within the construction industry in New Orleans. This agreement could be used in future phases of Authority initiated projects and will be implemented in our construction phase of the Convention Center Hotel development.

We will use our community benefit agreement to create highly structured training and recruiting for young workers into the construction industry, a need in our local economy considering the skills shortage in the industry. We will to the greatest extent feasible, provide opportunities for training and employment to low and very-low income residents of Orleans Parish. Working in partnership with the AFL-CIO and the Ernest N. Morial Convention Center Small and Emerging Business consulting firm, JD Russell Consulting, LLC, we will develop an appropriate measure to determine success of our workforce training program. Our worker training goal success will be measured by the number of Metro Area residents obtaining specific trade skills as evidenced by a program completion certificate. The general contractor and applicable subcontractor(s) will be held accountable for achieving these stated goals and documented performance results.

Workforce Training Plan Additional, it is our desire to recognize the entry into the building and construction trades, veterans and members of the National Guard and Reserves who are interested in careers in the building and construction industry. We will agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment, a Joint Labor-Management Cooperation Trust Fund, established under the authority of Section 6(b) of the Labor-Management Cooperation Act of 1978, 29 U.S.C. Section 175(a), and Section 302(c)(9) of the Labor-Management Relations Act, 29 U.S.C. Section 186(c)(9), and a charitable tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Center's "Helmets to Hardhats" program to serve as an additional resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

Our model for recruitment, training and advancement will not end with entry level skill sets. Rather our focus will be on the beginning of progressive career path training and developing sustainable lifelong employment opportunity in addition to providing immediate jobs. It will be supportive of the Mayor's groundbreaking NOLA FOR LIFE Initiative. Our model will be a strategic breakthrough in dealing with these issues of education, race and equality, and income inequality at all levels.

Pre-Construction Services Our Development Team recognizes that in order to affect our stated goal, strong outreach efforts are needed to initiate interest, identify recruitment sources, and by structuring procurement in such a way to allow DBE's and SEB's contracting and supply firms the opportunity for involvement. It is our intent to accomplish this via the following methods:

- Appoint a full time Government and Community Relations Coordinator, DBE/ SEB Plan Administrator to manage and ensure success.
- Community outreach meetings.
- Industry Day workshops.
- Utilization of Community Based Resources, Organizations and Trade Associations.
- Project and Craft Specific Advertisements.
- Notification to related organizations.
- Project scope forms, time lines and particulars sent directly to prospective DBE/SEB's via certified mail return/receipt requested and followed up by telephone five days after mailing.
- Pre-bid meetings and structuring of bid packages to allow for breakdown of work and comparable scope between similar trades (where feasible).
- Matching DBE/SEB's with prospective bidders on large packages where they may not be competitive.

The Development Team will begin by drawing on its existing database of DBE/SEB businesses, subcontractors, and suppliers. This combined database was built over many years of seeking out and working with minority and disadvantaged business enterprises.

The Development Team will conduct additional outreach through advertisements to trade organizations, special interests group publications, and large distribution publications. The Development Team will make contracting opportunities widely recognizable. It is the Development Team's intent to structure verbiage of this advertisement in such a way to show sincerity and responsibility. Businesses that respond to said advertisements will be maintained in our database for future contact when their appropriate scope of work is bid.

In addition to advertisements, the Development Team will partner with outreach organizations to assist in sourcing DBE's and SEB's targeted for the construction industry. Educational and workforce development programs will be recommended to assist in sourcing individuals and businesses in our industry.

All interested socially and economically disadvantaged businesses will be encouraged to contact the City of New Orleans Office of Supplier Diversity and become registered with the State of Louisiana and Local Disadvantaged Business Enterprises (SLDBE) certification program if not already certified.

Certified LAUCP subcontractors who are already certified as a DBE or SEB through the Louisiana Department of Transportation's Unified Certification Program are welcomed. During our pre-construction phase we will encourage all certified LAUCP DBE's and SEB's to obtain cross certification in the SLDBE program through the City of New Orleans Office of Supplier Diversity.

Through community meetings and other notifications, scopes of work targeted to DBEs and SEB's with approximate dollar amounts will be made known. Letters requesting initial interest and member listings will be forwarded to other organizations. Organizations wishing to participate in the project will have their members listed in the contact list for bid solicitation. Furthermore, the Development Team will inform special interest organizations of contracting opportunities by speaking when invited to opportunity meetings.

The Development Team will forward construction drawings and documents to industry and community organizations to accommodate bidding convenience. When a particular scope of work is published for bid solicitation, the Development Team will further accommodate interested bidders via project specific, pre-bid meetings. During the meeting, bidders will be given a bid package that clearly defines a scope of work and a method of submitting proposals, availability and access to construction documents. Bid packages will be structured in a format which is simplified and conducive to identifying scope between various subcontractors.

In an attempt to accommodate DBE and SEB participation, bid bonds will not be requested unless deemed necessary by the general contractor and/or as approved by the Development Team.

Once bids are received, it is the Development Team's intent to ensure that all businesses bid on comparable scopes of work. In order to accommodate the aforementioned, it is necessary to define specific scopes of work. For instance, does

a drywall contractor pick-up installation of fire caulking, taping, and finishing? A great deal of effort will be expended in analyzing the various proposals for uniformity. If requested by a number of businesses or deemed by the Development Team to be a benefit to the project, various scopes of work may be broken down and awarded to two or more businesses to accommodate a specific scope of work. When feasible, the Development Team will create an Incubator Program to assist partner DBE's and/or SEB's in developing their specific skill set and business practice where needed.

It is the Development Team's intent through the above efforts to identify the lowest bidders who are both qualified and have been responsive during the bidding procedure. Once these firms have been identified, steps toward contract award and negotiations will be initiated.

Contract Award During the award of subcontract agreements, a number of steps will be taken by the general contractor to ensure that the subcontractors have adequately prepared themselves and understand the work which is to be performed, the time it is to be performed within, and the policies and procedures which are to be followed as deemed necessary via the Development Team's policies and procedures.

The lowest bid most qualified business will be notified and requested to meet with the Project Management Team to discuss particulars associated with the respective scope of work. Unless deemed necessary by the by the general contractor and/or as approved by the Development Team, bonding will not typically be required. Bonding will be required when one or all of the following pertains to a DBE or SEB subcontractors' scope of work:

- High dollar amount.
- Highly specialized scope of work.
- Unusually long fabrication periods.
- Work which necessitates very large crew sizes.

Once a contract has been awarded, businesses will immediately be notified of project coordination meetings and copied on all correspondences that pertain to their portion of work.

In order to assist DBE and SEB businesses who may not have adequate resources to fulfill their portion of work, the general contractor may offer cash flow assistance. Cash flow assistance can be any one or combination of the following:

- Subcontractors may receive assistance in accounting by monthly payroll draws, joint check arrangements to vendors, etc.
- The general contractor may allow the businesses to assign their subcontract agreements to financial institutions to accommodate lending requirements which affect cash flow distribution.

Once a subcontract has been executed on behalf of both the general contractor and subcontractor, the general contractor further guides DBE and SEB businesses through

the construction process. As an example, timely submission of pay requests are critical to timely payment. We will work to develop and implement regular pay request schedules.

Performance Management To ensure the development teams DBE and SEB expectations are being met, a system of compliance reporting will be required to be implemented and managed monthly by the general contractor with participation including all subcontractors. This system will provide a documentation of efforts and measurable performance results to ensure our goals of local business, local resident and workforce training are progressing. A few highlights of these program requirements are:

- Submission of monthly utilization reporting and good faith efforts to include progress measures tracking stated goals, validation of DBE and SEB contract awards and verification of payment notices.
- Communication with the development team, general contractor and applicable subcontractor(s) via email regarding compliance issues.
- Prior approval from the development team for all DBE and SEB substitutions or terminations.
- Inclusive of prompt payment clause in all DBE and SEB subcontractor agreements.
- All DBE and SEB subcontract agreements must be fully executed within 30-days after the subcontractor's agreement is fully executed.
- Progress measures on worker training successes including the number of Metro Area residents who are enrolled and who have obtained specific trade skills as evidenced by documented program certification.

An inclusive DBE and SEB program is not only critical for this project, but for every project the development team partners construct. Our philosophy and proactive efforts match the Ernest N. Morial Convention Center Small and Emerging Business commitment and together we will continually improve by including socially and economically disadvantaged business persons and small and emerging businesses in our community. We are formalizing our commitment on the following page, Form - 1 SE/DBE Responsiveness Form.

DBE & SEB Past Participation Success Our general contractor and applicable subcontractor(s) will be screened based on their past participation and success working with DBE/SEB firms. They will be contractually obligated and held accountable for achieving our committed DBE/SEB and Workforce Training objectives.

A good example of Matthews Southwest Hospitality (MSWH) past success was the Omni Dallas Convention Center where there was an established goal of 25% M/WBE participation. MSWH achieved 30% participation upon project completion, exceeding the goal. One of the reasons for success on previous projects is the ability to identify qualified team members with prior experience working with small business programs and share a common interest in seeing the program succeed.

Our local development partner, MCC Real Estate, has had past success in the Metro New Orleans area working with DBE's /SBE's. One of MCC Real Estates roles

in this project will be that of Diversity Coordination, ensuring implementation and success of our program plans. A recent example of MCC Real Estates success is in the renovation of The Jung Hotel at 1500 Canal Street. MCC Real Estate worked with the City of New Orleans, Office of Supplier Diversity to develop an inclusive plan with a subcontracting opportunity goal of 35% representing in excess of \$22 million of opportunity to help undercapitalized firms succeed and grow. The planned dollar amount was exceeded. Program success assisted firms in the following scopes of work; pre-cast parking garage, drywall framing, interior painting, storefront glass and glazing, plumbing and mechanical labor services, fire alarm system, security system, electrical labor services, doors & frames, carpentry & millwork, interior masonry and stucco.



Small Entrepreneurship (Hudson/SEB) and Disadvantaged Business Enterprise Plan

Ernest N. Morial New Orleans Exhibition Hall Authority ("Authority")

FORM 1 - SE/DBE RESPONSIVENESS FORM

RFP/RFQ/Solicitation/Other # MCCNO Hotel RFP Respondent Matthews Southwest Hospitality, LLC
 Project Description Request for Proposal for Hotel Developer

FOR RFPs/RFQs: THIS COMPLETED FORM SHOULD BE FURNISHED TO THE AUTHORITY WITH THE PROPOSAL. FAILURE TO COMPLETE THIS FORM PROPERLY MAY CONSTITUTE THE OFFER AS BEING NON-RESPONSIVE AND SUFFICIENT CAUSE FOR REJECTION.

The undersigned respondent has satisfied the requirements of the solicitation specifications for the above-referenced Authority project in the following manner:

Please check the appropriate space:

- The respondent is committed to achieving a minimum of 30 % SE/Hudson utilization on this contract.
- The respondent is committed to achieving a minimum of 25 % DBE utilization on this contract.
- The respondent is unable to meet the SE/Hudson goal, but is committing to a minimum of _____ % SE/Hudson utilization on this project and is submitting evidence of good faith efforts to achieve SE/Hudson participation on Form-2(A)
- The respondent is unable to meet the DBE goal, but is committing to a minimum of _____ % DBE utilization on this project and is submitting evidence of good faith efforts to achieve DBE participation on Form 2(B).

Name of Respondent Firm: Matthews Southwest Hospitality, LLC
 Telephone: 214.421.0706 Fax: N/A E-Mail: MGarcia@MatthewsSouthwest.com

By: President 04 / 20 / 18
 (Signature of respondent's authorized representative) (Title) (Date)

If the respondent does not receive award of the prime contract, any and all representations in this form shall be null and void.

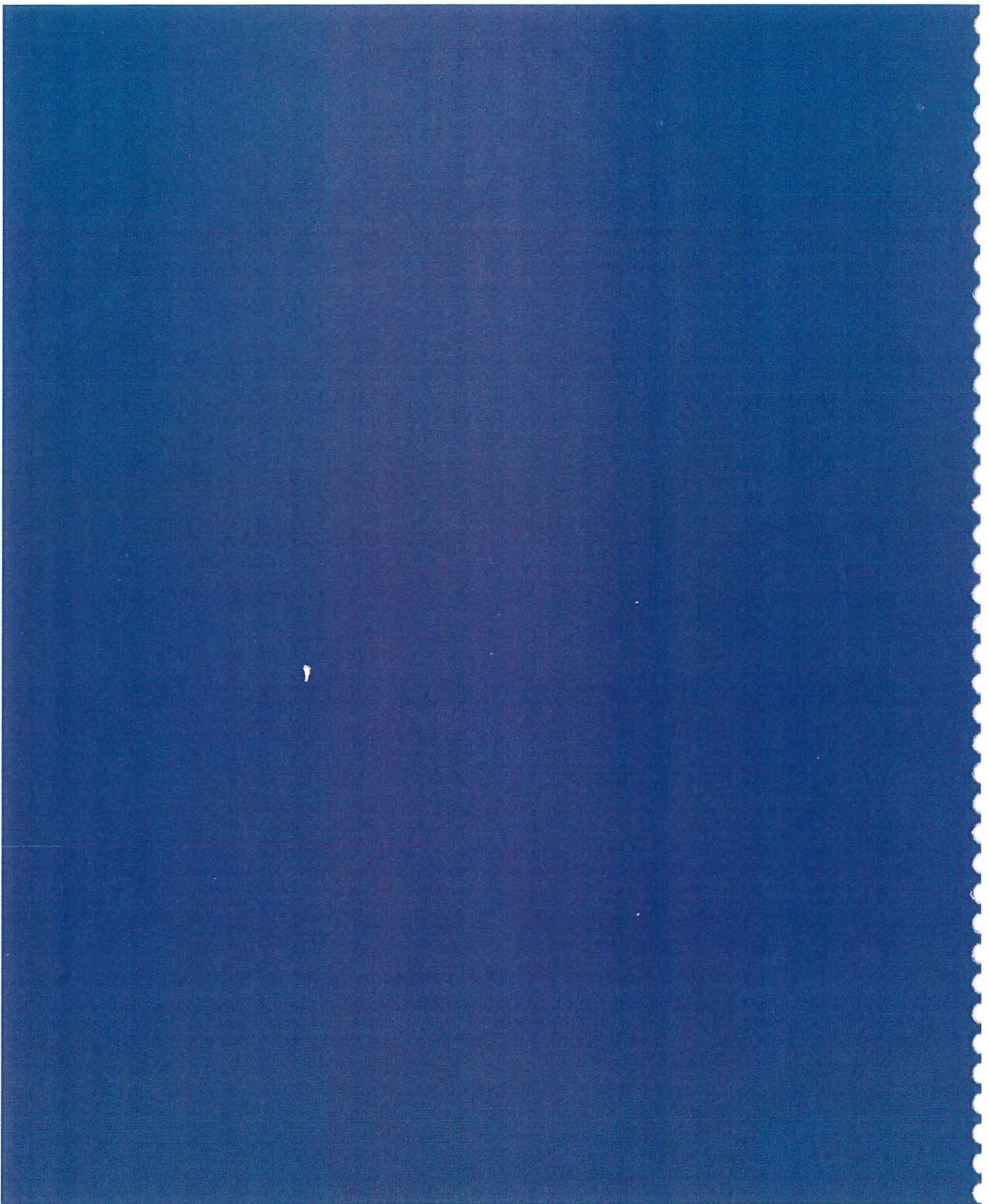
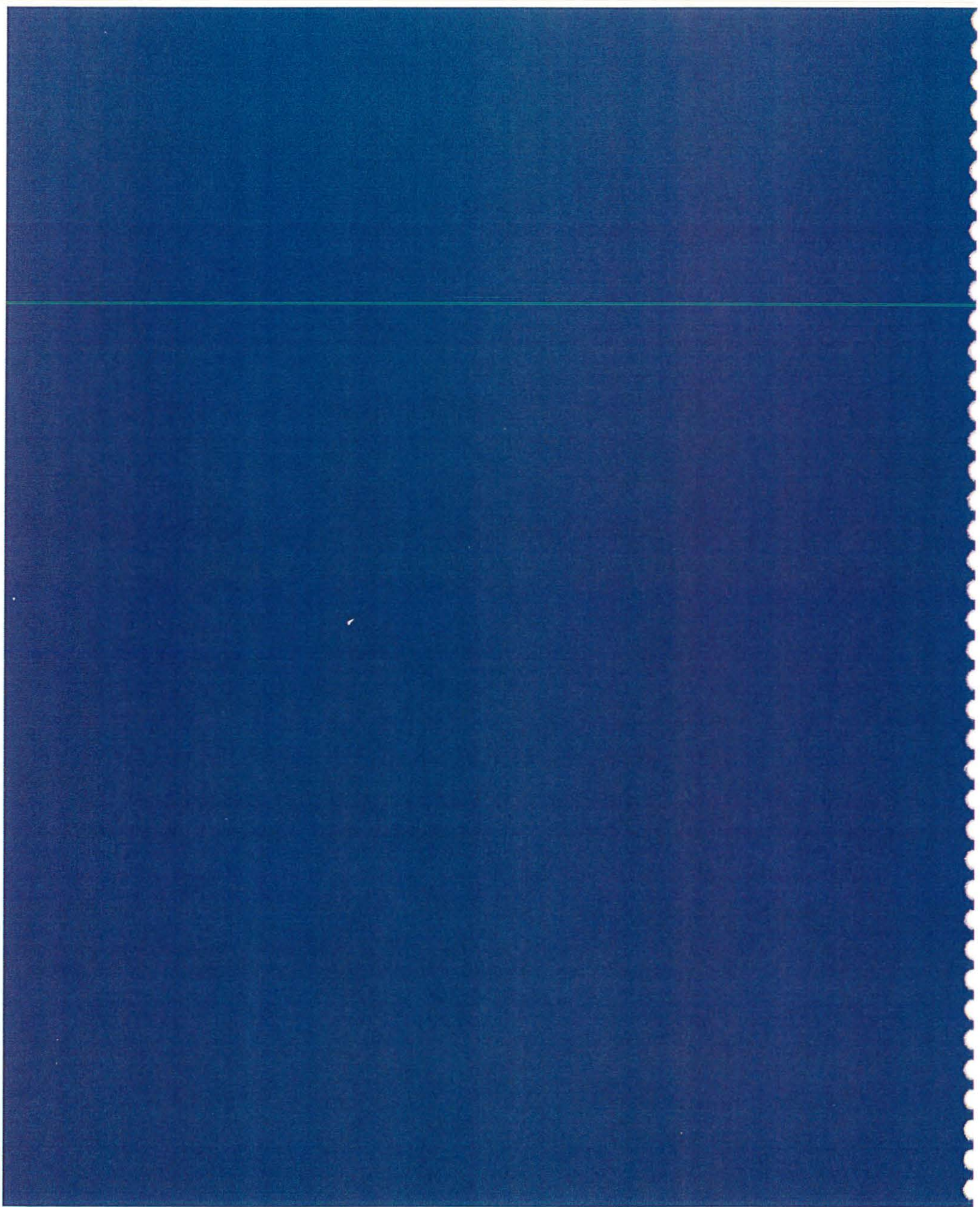






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Attachment A

Certification Statement

The undersigned hereby acknowledges that she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

Official Contact. The Authority requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. Please fill in the information below for the individual designated as the Official Contact:

Date: April 5, 2018 Official Contact Name: Michael Garcia

Email Address: MGARCIA@MATTHEWSSOUTHWEST.COM Telephone Number: (214) 421-0706

Mailing Address: 320 W Main Street, Lewisville, TX 75057

Proposer certifies that the above information is true and grants the Authority permission to contact the above named person or otherwise verify the information provided.

By its submission of this proposal and authorized signature below, Proposer certifies that:

- The information and statements contained in its proposal submitted in response to this RFP have been made in good faith and are accurate, and Proposer understands that the Authority is not liable for any errors, omissions, changes, or delays as a result thereof;
- Proposer has complied with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
- Proposer accepts the procedures, evaluation criteria, conditions, and all other administrative requirements set forth in this RFP;
- Proposer understands that if selected as the successful Proposer, it will have 90 days from the Authority's announcement of the selected Proposer to complete negotiations and execute the initial contract with the Authority, the failure of which may result in the Authority electing to cancel the selection and enter into negotiations with the next highest ranked Proposer;
- Proposer agrees to fully comply with the Authority's Small Entrepreneurship (SE)/Hudson Initiative and Disadvantaged Business Enterprise Programs, including all reporting requirements and the specific contract goals for participation;
- Proposer has been given access to materials necessary for it to complete its own due diligence in regards to submitting its proposal.



Authorized Signature

Title: President

Printed Name: Michael Garcia

Proposer Name: Matthews Southwest Hospitality, LLC

Address: 320 W Main Street, Lewisville, TX 75057

Attachment B

Letter of Authorization

The Proposer identified below has responded to this Request For Proposals for the development, construction, and operation of the proposed on-site hotel.

On behalf of the Proposer identified below, I hereby authorize the Authority to verify and supplement the information contained in the Proposer's proposal, through reference checks, credit checks, litigation searches, and other means including site visits.

Matthews Southwest Hospitality, LLC
Proposer Name


Signature of Proposer's Authorized Representative

Michael Garcia
Printed Name

President
Title

April 5, 2018
Date

Attachment C

No Collusion/Conflict of Interest Affidavit

STATE OF Louisiana

PARISH OF Orleans

BEFORE ME, the undersigned authority, duly commissioned and qualified and sworn in and for the State and Parish aforesaid, personally came and appeared:

("Affiant")

who after being duly sworn, did depose and say as follows:

1. That Affiant is the President (title) of Matthews Southwest Hospitality, LLC (company), who is the proposer that has submitted the attached proposal;
2. That such proposal is genuine and is not a collusive or sham bid;
3. That neither the said proposer nor any of its officers, partners, owners, agents, representatives, employees or parties of interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other proposer, firm, or person to submit a collusive or sham bid in connection with the contracts for which the attached proposal has been submitted or to refrain from submitting a proposal in connection with such contracts, or has in any manner, directly or indirectly sought by agreement or collusion or communication or conference with any other proposer, or to fix any element of the proposal of any other proposer, or to secure through any advantage for the Authority of any person interested in the proposed contracts;
4. That the proposed financial structure and funding elements quoted in the attached proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the proposer or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.
5. That the Affiant has not been convicted of, or has entered a plea of guilty or nolo contendere to any of the crimes, or equivalent federal crimes, listed in Louisiana Revised Statute 38:2227, specifically: public bribery, corrupt influencing, extortion, money laundering, theft, identity theft, theft of a business record, false accounting, issuing worthless checks, bank fraud, forgery, contractors misapplication of payments, malfeasance in office;
6. That the contracting entity, person, or corporation whose principal(s), member(s), and/or Officer(s) have, within the preceding 5 years, not been convicted or plead guilty to, a felony under state or federal statutes, for embezzlement, theft of public funds, bribery, falsification or destruction of public records;
7. That the following is a list of individual partners, incorporators, directors, managers, officers, organizers, or members who have a minimum ten percent interest ownership interest in the proposing entity:

Matthews Southwest Hospitality, LLC (name) Omni Hotels Corporation (name)

Convention District Development Associates, LLC (name) Preston Hollow Capital, LLC (name)

Provident Resources Group, Inc (name)

8. That no other persons hold an ownership interest in the proposing entity via a counter letter.
9. That none of the above named individual partners, incorporators, directors, managers, officers, organizers, or members, who has a minimum ten percent interest ownership in the proposing entity, been convicted of, or has entered a plea of

guilty or nolo contendere to any of the crimes, or equivalent federal crimes, listed in Louisiana Revised Statute 38:2227, specifically: public bribery, corrupt influencing, extortion, money laundering, theft, identity theft, theft of a business record, false accounting, issuing worthless checks, bank fraud, forgery, contractors misapplication of payments, malfeasance in office.

The following sections apply only to Public Works Contracts:

10. In accord with Louisiana Revised Statute 38:2212.10, the entity represented herein is registered and participates in the "status verification system" of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324(a), known as the "E-Verify" program), to verify that all employees in the State of Louisiana are legal citizens of the United States or are legal aliens.
11. The entity represented herein shall continue, during the term of all contracts, to utilize a status verification system to verify the legal status of all new employees in the state of Louisiana.
12. The entity represented herein shall require all subcontractors to submit to the contractor a sworn affidavit verifying compliance with the status verification system and Paragraphs 10 and 11 above.

SIGNATURE

(duly authorized representative of proposer)

SWORN TO AND SUBSCRIBED, before me this 28th, day of March, 2018.

NOTARY PUBLIC

Printed Name: April Rhodes

My commission expires 4/22/21

(Seal)

