Introduction to Textura
Construction Payment Management
Company based outside of Chicago, Illinois

- Founded in 2004 by two former Price Waterhouse Partners and senior executives from the construction, financial services and technology industries

- Private First to Market – Innovative automated payment solution – CPM

- Successfully rolling out an industry wide solution to prequalification – PQM

- Bid Management

- SaaS – Hosted Applications

- Built on a foundation of “exceptional customer experience”
Textura Partnerships/Alliances

• Willis

• Aon

• Zurich

• Arthur J Gallagher

• FMI
Textura
Construction Payment Management Solution
Current Textura CPM Usage in the United States

Textura is quickly becoming the industry standard for construction payment management in the US.

- Current clients of Textura™ represent nearly $200 Billion in total projects under development
- Offices in the UAE, UK, US – Chicago (HQ), Phoenix, Houston
- Over 300 General Contractors & Developers and over 35,000 user are on the Textura™ system in the United States
- Projects from $50K to $7B
- General Contractors from $20M to $5B
- Textura™ processes over $1 B US dollars monthly in construction payments
- Many national owners mandating our system
- Textura™ has been featured by the following:
  - Construction Finance Manager’s Association
  - ENR Magazine
  - Construction Executive Magazine
  - ConstrucTech
  - Textura™ was a top finalist in Associated General Contractors’ 2007 Best Information Technology Solution award
What Textura CPM Can Do for GCs

- Reduce Risk
- Eliminate errors and the manual steps in the payment process
- Total Savings – averaging over 3-4 times Textura fees
- Eliminate the paper chase and free up resources
- Standardization - process driven with project information in a central location
- Be recognized as progressive or a leader in construction technology and processes
- Green Advantage – environmentally favorable
- Provide easily accessible support
  - Audit trails- Ensure all tiered participants have been paid, waivers collected, and compliance documents are current

Textura Supports The Entire System
Characteristics of the current Project Payment Process that Textura improves or eliminates:

► Consists primarily of paper documents that are physically exchanged

► Prone to errors

► Considerable tracking of documents and follow up required

► Payments are typically by check – mailed or picked up

► Process can create disputes and mistrust
CPM Key Functionality

Email Notifications For All Actions
- Approval or rejection
- Rejection message

Project Based Configuration Flexibility

On-line Review
- GC Budget
  - GC SOV
  - Reallocation
  - Flexible contingency allocation
  - Cost Codes
- Sub Budgets
  - Sub SOV
  - Sub of Sub (of Sub…)
  - Off-System Subs
  - GC review of Sub SOVs
  - Specified SOV to Sub
- Owner's Budget
  - Hard and soft costs

Billing
- % complete, $ amount, project-to-date
- Specified billing to Sub
- "No invoice"
- Material deliveries
- Retention
- Over bill / Under bill
- Advance bill

Change Order Process
- Internal, Owner or Subcontractor
- Change existing or add additional budget line
- Incorporated into SOVs
- Change Order Cost Codes

Document Attachments

Invoices & Sworn Statements
- AIA G702/703, G701
- GC/Sub Sworn Statements
- Contractor affidavit tracking
- Warranties
- Owner Sworn Statement
- Custom Forms

Lien Waivers
- Conditional / Unconditional / Final
- By state, including $0
- Custom Forms
- Proprietary

Document & Timing Flexibility

Configurable Approval

Compliance Tracking
- Signed contract, current insurance, workers comp, W-9, etc.
- Notification of requirements with draw
- Automatic emails when missing / expired
- Ability to submit electronically
- Automatic payment holds

Lien Waiver Tracking
- Subcontractors & suppliers
- Tracking preliminary notice amounts and dates
- Automatic emails when missing
- Automatic payment holds

Digital Signatures
- Audit trail

Electronic Notarization

Encryption

Payments
- ACH
- Manual check
- Electronic joint check
- Hold – ACH or manual
- Advance payment
- Partial payment
- GC or Title Company
- Cash management

Interfaces
- All common software packages
- AP, AR
- Job Cost
- Change Orders
- Compliance tracking

Roles Supported
- GC
- Sub
- Owner
- Lender/Financial Institution
- Architect
- Title Company

Authority Levels
- Disburser
- Project Manager/Accountant
- Signer
- Notary
- Local Administrator
- Compliance Manager
- View Only

Reporting
- Excel draw data download
- Flexible individual or linked project reports
- Owner custom reporting

On-Line Training
Less paperwork, lower costs
- Automated generation of AIA G702/703, Sworn Statements and Lien Waivers
- Eliminates travel for document delivery & pick up – saving gas, parking fees, tolls, waiting time
- Eliminates the need for FedEx or wire transfer fees
- Electronic document storage

Direct electronic payments
- Direct ACH payments – immediately available funds
- Typically faster payment
- Email notification when payment has been sent

Lower risk; lower chance of delay
- Lien Waivers matched with payment
- Better project information and monitoring

Reduced GC/Sub tension
## CPM Benefits for General Contractors

<table>
<thead>
<tr>
<th>With Textura</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>• All subcontractor billing documents and lien waivers are gathered electronically</td>
<td>• Frees staff from faxing &amp; collecting Lien Waivers</td>
</tr>
<tr>
<td>• Subcontractors create invoices – automatically uploaded to GC’s accounting system via an interface</td>
<td>• Eliminates data entry of subcontractor invoices, freeing accounting staff</td>
</tr>
<tr>
<td>• Payments to subcontractors can be made electronically</td>
<td>• Eliminates preparing, signing and distributing checks</td>
</tr>
<tr>
<td>• Pre-lien tracking centralized</td>
<td>• Improves tracking of lien waivers with subcontractors &amp; suppliers; automatic emails and payment holds if missing</td>
</tr>
<tr>
<td>• Textura system can track signed contracts, safety/insurance forms, EEO compliance forms, etc.</td>
<td>• Automates tracking of documents; automatic emails and payment holds if missing; electronic submission</td>
</tr>
<tr>
<td>• Electronic communication</td>
<td>• Dramatically reduces need for faxes, phone calls and meetings</td>
</tr>
<tr>
<td>• Electronic document distribution</td>
<td>• Saves on copying documents</td>
</tr>
<tr>
<td>• Electronic document storage and search</td>
<td>• Saves on volumes of document storage; Improves retrieval ability</td>
</tr>
</tbody>
</table>

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**CPM Benefits for Owners and Developers**

### Reduces Legal and Financial Risk
- Financially intact, legally correct system & documents
- Electronic payments directly to the subs/suppliers, if desired
- Current unconditional waivers rather than 30 day trailing ones
- Document validation integrated with disbursement

### Improves Controls
- Billing on change orders can be limited to **approved** orders only
- Visibility to the lowest level sub/supplier, subject to contract with GC
- Required documents can be tailored by draw by sub/supplier
- Single data repository for everyone, not multiple sources of data
- Cost analyses by project and by project sub component – across GCs

### Greater Efficiency
- Integrated with your accounting system to **eliminate data entry**
- Ability to review project budget according to your Chart of Accounts, not your GC’s view
- **Standardized pay applications** from your GCs around the country

### Facilitates Sarbanes-Oxley
- Greater transparency of financial position
- More efficient financial reporting / disclosure through always up-to-date, visible costs
- Improves internal control
  - Management information is always available
  - Audit trails ensure an ability to track all changes
  - Percent complete of both work and payments help track obligations

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*Lower legal & financial exposure – Should reduce costs over time*

*Better, more current information*

*Fewer manual activities, greater process standardization*

*Improved management information, audit-ability, & future view*
# CPM Deliverables – Monthly Draw Process

<table>
<thead>
<tr>
<th>Activity</th>
<th>Existing Process</th>
<th>Textura™ Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notify subcontractors</td>
<td>Email</td>
<td>Automated</td>
</tr>
<tr>
<td>Verify calculations</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Verify change order approval</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Verify prior payment amounts</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Batch invoices for PM</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Review / Markup Invoices</td>
<td>Paper</td>
<td>Online</td>
</tr>
<tr>
<td>Communicate changes to subs</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Key invoices</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Complete Owner Billing</td>
<td>Manual / Excel</td>
<td>Online</td>
</tr>
<tr>
<td>Key owner billing</td>
<td>Manual</td>
<td>Manual</td>
</tr>
<tr>
<td>Activity</td>
<td>Existing Process</td>
<td>Textura™ Process</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Compliance Doc Collection</td>
<td>Mail / Fax / Email</td>
<td>Same plus Online</td>
</tr>
<tr>
<td>First Tier Sub LW Collection</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Sub-Tier LW Collection</td>
<td>Mail / Fax / Email</td>
<td>Same plus Online</td>
</tr>
<tr>
<td>Lien Waiver Tracking</td>
<td>Manual / Excel</td>
<td>Online</td>
</tr>
<tr>
<td>Communicate missing or expired documents to subs</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Verify compliance</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Hold payments</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Activity</td>
<td>Existing Process</td>
<td>Textura™ Process</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Check writing</td>
<td>Manual</td>
<td>N/A</td>
</tr>
<tr>
<td>Check distribution to branches</td>
<td>Overnight Mail</td>
<td>N/A</td>
</tr>
<tr>
<td>Compliance review</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Communicate missing or expired</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment hold</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Payment review &amp; approval</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Monitor status of held payments</td>
<td>Manual</td>
<td>Automated</td>
</tr>
<tr>
<td>Check distribution to subs</td>
<td>Mail</td>
<td>N/A</td>
</tr>
<tr>
<td>Payment</td>
<td>Manual Check</td>
<td>ACH</td>
</tr>
</tbody>
</table>
Textura Subcontractor Prequalification Management Solution
GC Led Pre-Qualification with Textura-PQM

**General Contractor**

1. Enter Document Templates Into Textura-PQM

3. Request Subs to Prequalify

5. Receive Completed Pre-Qual Documents for Approval

7. Automatically Receive Updates

**Subcontractor**

2. Populate Library with Prequal Data – One Time!

4. Auto-Populate GC Request

6. Enter Updates

8. Generate Pre-Qual Documents for Non-PQM GC’s

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General Contractor Value Proposition

**Improved Risk Mitigation**
- Automated monitoring of Subcontractor contracts across an organization versus evaluation limits and bonding capacities
- More regular updates of critical information
- Improved flexibility to define requirements down to individual Subcontractors
- Better communication – internally and with subcontractors
- Better, more robust reporting

**Improved Information Gathering and Accessibility**
- Easy means to capture subcontractor project performance evaluations at milestone points across organization
- Dramatically improved visibility to current data / status
- On-line history, search capability

**Lower Costs**
- Substantial process efficiencies – communication, data capture, follow up
- Automated and definable workflow management
- Automated expiration management
- Standardization of documents, data
- Interfaces to address book, document repository, Textura CPM

**Enhanced Capabilities**
- Ability to incorporate new practices for information verification & evaluation
- Search for subs in local areas
- Green
**Greater Effectiveness**
- Satisfy varied General Contractor PQM requirements – but only enter the information once
  - Automated PQM package creation
  - E-signatures
  - Automated distribution
  - Submission history
  - Automated update capability
  - Easier answering of GC questions
  - Better insight to current status
- Same process for Textura-PQM GCs and non Textura GCs

**Significant Cost Savings**
- Substantial process efficiencies – communication, data entry, document creation / distribution, follow up

**Enhanced Capabilities**
- Prequalify with more General Contractors with little additional effort
- Market to General Contractors in local markets
Textura is committed to providing an exceptional customer experience through tailored, relevant service. Components of our service strategy include:

**Customer Support Team**

- Implementation Support
- Functionality Enhancements
- Custom Documentation
- Interfaces to Customer Systems
- Comprehensive Training Program
- On-going Customer Support

**Delivering Service Excellence**
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