

Prepared by  
Hawkins Strategies Group



# FEASIBILITY STUDY

October 2005

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Health and Rejuvenation Resort

*“Rejuvenate Yourself”*

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## Executive Summary

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Hawkins Strategies Group was commissioned in September 2005 by the client to prepare an independent feasibility<sup>1</sup> study that reviews the Business Plan dated February 2005 to ensure that demand, utilization, and related cash flow issues are closely reviewed and commented upon. This feasibility study was prepared for use by financial institutions (potential funders) and governmental regulatory agencies. Hawkins Strategies Group will provide a summary of important findings and recommendations. Annex A provides credentials, background and resumes of the consultants with Hawkins Strategies Group who participated in the Feasibility Study.

To address the technical and financial feasibility of the project, we asked three questions.

1. Has the organization demonstrated that it possesses the problem-solving abilities and/or special competencies required by the strategy? **Yes, it is our belief that the organization possesses both the problem-solving abilities and special competencies outlined and required by the strategy.**
2. Has the organization demonstrated the degree of coordinative and integrative skill necessary to carry out the strategy? **Yes, it is our belief that the organization has demonstrated the degree of coordinative and integrative skill necessary to carry out the strategies.**
3. Does the strategy challenge and motivate key personnel and is it acceptable to those who must lend their financial support? **Yes, it is our belief that the strategy outlined in the business plan, the marketing plan, and support documentation challenge and motivate key personnel and is acceptable to their stakeholders who must lend their financial support.**
4. Is the Client Business Plan not only feasible but financially viable providing acceptable profit margins and returns while maintaining business risks within reasonable parameters? **Yes, it is our belief that the business plan as stated above is not only feasible but financially viable by offering acceptable profit margins and returns and, if executed properly, the potential for carving out several core competencies in the market place that will be difficult for competitors to duplicate.**

After careful review of documents, research, discussions with management, and experts in various capacities and conducting a site visit to the proposed property, it is our opinion that the Client Health and Rejuvenation Resort is feasible and will have a significant impact from a financial, economic, community development, and environmental healing perspective. We have concluded that the hybrid industry (health and tourism) project is reasonable and feasible from a financial, market position, management and implementation perspective. The organization's entire mission and goals is a paradigm shift to healing from a holistic viewpoint, not only for its guests, but also for its surrounding rural communities with positive environmental consequences for global health.

The client will meet several relevant government policies and programs including new high wage job growth, utilizing the latest environmental-friendly technology in its infrastructure, rural community development, and the potential to improve the current socio-economics of the local population by providing new jobs in the area. As the largest private employer in the County, the client will have a significant impact on tax revenues for the county including employment, property, lodging, and gross receipt taxes. The project will create xxxx direct new jobs in an economically distressed and underserved rural community with a population less than 25,000 persons, stimulating the local economy through the investment of over \$xx million dollars in construction goods and services and an \$xx million per year payroll. The total direct and indirect output is \$xxx.xx million for the construction activity. High wage jobs, \$x.00-\$xx.00 hour, and increased job opportunities will enhance the standard of living and allow for upward social mobility in this rural area of the region. It is our view that the client will create desperately needed high wage jobs in a rural community that may result in significant positive cultural and societal implications as outcomes from this investment.

## ***Notice to Prospective Funders***

This Feasibility Study is being furnished solely for the purpose of enabling prospective funders to determine whether they wish to fund the Health and Rejuvenation Resort project. All of the material included in this Feasibility Study is based on data and information gathered from various sources including signification documentation by the client. While we have taken great care with a high level of due diligence to compile this information, the information may vary due to any change or alteration in any of the factors and data. As a consequence, and without limitation of the above, Hawkins Strategies Group makes no representation or warranty as to the accuracy or completeness of any information included in this Feasibility Study or any other information, written or oral, or any document made available in connection with this Feasibility Study. This Feasibility Study speaks of the date hereof. Neither the delivery of this Feasibility Study nor any eventual funding of the project, under any circumstances, imply that the information contained within the Feasibility Study is correct as of any future date or that there has been any change in the client's affairs after the date hereof. Nothing contained within the Feasibility Study is, or should be relied upon as, or considered to be a promise or representation as to future performance. Hawkins Strategies Group or any of its consultants are not under any obligation to update or revise the Feasibility Study, following final acceptance by the client, unless another contract and scope of work is negotiated by both parties.

Any financial projections and other statements of anticipated future performance that are included in this Feasibility Study or otherwise furnished in connection with this project are for illustrative purposes only and are based on assumptions by the client's management that are subject to significant risks and uncertainties and may prove to be incomplete or inaccurate. Actual results achieved may vary from the projections and the variations may be material. Variations in the assumptions underlying the projections may also significantly affect projected results. The projections contained in this Feasibility Study were not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants or generally accepted accounting principles and have not been examined, reviewed or compiled by Hawkins Strategies Group's independent certified accountants. Prospective funders should read these projections conjunction with the risk factors, projected financial data and other information included in this Feasibility Study or otherwise furnished in connection with this project for additional factors that could cause results to differ materially from those projected. No representation or warranty of any kind is made with respect to the accuracy or completeness of the financial projections or assumptions statements, any assumptions underlying them, the future operations or the amount of any future income or loss.

Certain of the information contained in the Feasibility Study concerning economic trends and performance is based upon or derived from information provided by third-party consultants and other industry sources. Hawkins Strategies Group, though commenting on this information which to the best of our ability we have verified, we cannot assure the accuracy of any data obtained by or from these sources.

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# **I. Summary of Important Findings and Recommendations**

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## ***Description of The Project Health and Rejuvenation Resort – Setting and Purpose***

The project<sup>2</sup>, a unique business model, will be the first Health and Rejuvenation Resort with the purpose of providing an integrated holistic approach for its clients by combining authentic Complementary and Alternative Medicine (CAM)<sup>3</sup> therapies and Integrative Medicine<sup>4</sup> services delivered in a luxurious five star all-inclusive resort environment. Along with its core businesses, support offerings will include the sale of researched nutraceuticals and cosmeceuticals, international cottage industry crafted products and lifestyle goods customized for each client in the first eco-friendly sustainable commercial health resort in the U.S. The resort encompasses 1,600 private acres in the foothills of the xxx Mountains, highlighted with the flow of the xxx River through the property. The County, where the property is located, is an economically distressed, rural region of the state. Forty-five minutes to the west is a major city.

An additional benefit manifests itself for the rural regional community is where the property is located in; providing high wage jobs, supplier business enhancement and development and tax receipt generation from an existing vacant property. We have independently made a site visit of the property confirming the setting, purpose and description of the Health and Rejuvenation Resort. In our opinion, it is a feasible project from both a financial perspective and from the technical capability of its management to execute the business plan.

## ***Market Potential and Description of Revenue Components***

The factors that comprise the market potential are articulated in the business plan and subsequent marketing<sup>5</sup> plan, Annex B. The marketing plan fully describes the main components of an accepted industry standard marketing plan and execution of the unique business plan model including pricing, promotion and distribution of ideas, goods and services to meet its guests' needs and exceed current offerings. In our opinion, the market potential and description of revenue components, as outlined in the business plan and subsequent marketing plan, make this a feasible project.

## ***Schedule of Net Benefits and Capital Requirements***

We have assessed the net benefits and capital requirements of the project. Our discussion can be found under **VII. Business Plan Analysis**, page 38 with the supporting worksheets attached under Annex C. The weighted average maturity was computed to be xxxxxx years and the weighted average cost of capital (WACC) was computed to be x.xx%.

## ***Benefit/Cost Ratios and Internal Rates of Return***

We have assessed the net benefit/cost ratios and internal rates of return. Our discussion can be found under VII. Business Plan Analysis, page 38 with supporting worksheets attached under Annex C. The cash flows from the Business Plan of February 200x were stress tested x00 basis points. The original Business Plan called for an interest rate of x%. Since the weighted average cost of capital is x.xx%, we stressed the cash flows from x.xx% to xx.x%. The analysis indicates that the project generates a positive internal rate of return when the weighted average cost of capital is x.xx%; the internal rate of return is xx.xx%. When stressed to the weighted cost of capital at xx.x% the internal rate of return is xx.xx%. This is based on a conservative occupancy ratio of xx%.

### ***Project Benefits (NPV) and Costs***

We have analyzed the project benefits based on the preferred method of capital budgeting in finance using net present value (NPV). Our discussion can be found under VII. Business Plan Analysis, page 39 with supporting worksheets attached under Annex C. The conclusion drawn from the analysis of net present value and internal rate of return is that the project generates positive cash flows even if interest rates increase to x00 basis points (from WACC-x.xx% to WACC xx.x%) and provides a positive rate of return to all investors.

### ***Proposed Financial Plan and Projected Cash Flows***

We have thoroughly reviewed the proposed financial plan and projected cash flows. We believe they are feasible with enough flexibility to adjust to changing scenarios.

### ***Rural Economic Development***

We have assessed the rural economic benefit based on job creation, wages, and the creation of a new base business for the region. Our discussion can be found under III. Economic Impact of Business Meeting Community Needs, page 16. The conclusion drawn from the data indicates a substantial positive economic impact, creating approximately xxx-xxx new direct jobs, xxxxx indirect jobs, xxx direct construction positions during renovation and xx indirect construction positions with a plan to purchase xx% of goods and services locally.

### ***Recommendations for Implementation***

We suggest the management team consider, but not required as a part of this Feasibility Study, development of a strategy for assessing the effectiveness of the marketing plan. This strategy could be included as a portion of the marketing function when the staff person is employed.

## II. Description of the Business Including Goals and Objectives

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The goal of the client is to provide (Proprietary Information)

The client offers two health programs, the xxxxxxxxxxx Program and the xxxxxxxxxxx Program, each xxxxxxxxxxx in duration.

### ***XXXX Program***

Proprietary information

### ***XXXXXXXXXXXX Program***

Proprietary Information

### ***Summary of Financial Projections***

Operating Financial Projections from the Business Plan for the Balance Sheet and the Profit and Loss Statement are based on xxx% occupancy and summarized below. Documentation in the business plan and marketing plan substantiate this conservative projection with competitive analysis and information on the major city tourism market determining that the occupancy, given solid marketing and management of the business, could well exceed conservative projections. From the December 200x the regional Lodging Report produced by the state Lodging Association, Inc., the average room rate for 2004 was xx%. The winter months (January 200x-March 200x) had average occupancy rates of xx%, xx% and xx%. The spring months (April – June) had average occupancy rates of xx%, xx%, xx%. The summer months (July-September) had average occupancy rates of xx%, xx%, xx%. The fall months (October – December) had average rates of xx%, xx%, xx%) We concur that the business plan is feasible at xx% average occupancy.

The Business Plan, Annex A, contains supporting detail with projected monthly cash flows, projected revenue by month for Program/Package, Extra Treatment/Services, Retail, House, Nutraceutical, Cosmeceutical and projected expenses by month for Advertising, Marketing and Public Relations, Administration and General, and Payroll by Department.

**Five Year Summary of Financial Projections (In millions of Dollars)**

Yr	Balance Sheet							Profit & Loss Statement				
	Assets	Total Liabilities & Equity							Revenue	COGS	Expenses	Net Income
		Liabilities		Equity								
		Investor Debt	USDA Dept	Investor Equity	Retained Earning	Net Income						
1	0	0	0	0	0	0	0	0	0	0	0	
2	0	0	0	0	0	0	0	0	0	0	0	
3	0	0	0	0	0	0	0	0	0	0	0	
4	0	0	0	0	0	0	0	0	0	0	0	
5	0	0	0	0	0	0	0	0	0	0	0	

Given the funding of this project by Spring 200x, the initial phase will be construction and renovation of the facility. As detailed in the February 200x business plan:

Construction costs	\$ xxx
Renovation of the resort	\$ xxx
Opening expenses	\$ xxx
Furniture & Equipment	\$ xxx
Purchase of Inventory	\$ xxx
Total	\$ xxx*

\*See Annex C for supporting worksheet breaking out our assessment of Opening, Construction and Renovation Expenses, Annex A, Page A-8 of the Business Plan.

The client management team plans on hiring a general contractor to manage the construction of the project, to include implementing the construction and renovation phase. During our assessment of the business plan we did ask if the client management team had considered phasing the project over several years. Although they gave serious consideration for this option, due to its clientele and types of services and programs provided, it was their determination that the first impression is very important. They concluded that given the highly educated high net worth individuals that the client is catering to, they also believed that the first impression is critical in satisfying and attracting these consumers. Constant renovation and construction damage the “experience” that provides. Based on this assessment they eliminated this option and chose to open all services at one time. However, should funding not be adequate to cover all construction and renovation the following buildings and amenities may be delayed: interdenominational faith center, meditation dome, sports facility, and tennis courts. The function and purpose of these facilities would then be integrated into other already existing facilities, with the exception of the tennis courts.

***General Setting of the Location***

The client is located on 1,600 acres in the river valley which is nestled in the foothills of the mountains at an altitude of 6,500 feet above sea level. The communities in the county surrounding the client property are underserved economically distressed rural areas 45 minutes northeast of a major city. The advantages of being located close to the major city has

been extensively reviewed in both the business plan and marketing plan. In brief, the major city is a significant amenity draw as an international tourist and art market but the area surrounding the major city, though beautiful and culturally interesting, remains poor and rural. The setting of the property brings out the advantages of both locations; a marketing opportunity being close to the major city and a community and economic development opportunity for the County. Economic development will be stimulated through the creation of high wage jobs for the rural area and providing a catalyst to the local rural economy through the purchase of goods and services from both existing local (the County) businesses and newly created support business that are requisite for the project to operate effectively and efficiently.

### ***Ownership, Organizational Structure and Management***

The client is a diversified holding company that was incorporated in a state on August 1, 200x as a domestic limited liability corporation. The client is the owner of the Health and Rejuvenation Resort.

**The client's Organization Chart (Executive Management in Bold)**  
Proprietary Information

The executive management team is detailed in Section XI of the Business Plan, discussed in VIII. Business Management Issues, page 45 of this Feasibility Study where we will also discuss

- ❖ the credentials of the experts of the client's Integrative Medicine Team,
- ❖ the members of the Advisory Board and their credentials,
- ❖ the Rejuvenation Therapies Director, and
- ❖ commentary of the hospitality groups that the client's management team are in discussion with to manage the five (5) star resort.

The business plan documents the needed administrative and operational support to sustain the technical processes for the project. Under the Executive Team resides the administrative department heads and support staff. Departments reporting to the Executive Team will be the resort function, the clinical function, and the rejuvenation function. The client team is in discussions with several hospitality management companies whom have experience in operating five (5) star resort properties to manage the resort operations.

***Markets to Be Served and Existing Suppliers***

Baby boomer and Cultural Creatives, as defined by Lifestyles of Health and Sustainability (LOHAS)<sup>6</sup>

**Supplies and Competitive Users**

- ❖ Supplies for construction are lumber, adobe, concrete, roofing materials, electrical, plumbing and HVAC
- ❖ On going supplies are food products, cleaning products, fuel, linens, dishes, landscaping plants, retail items
- ❖ Competitors for these construction supplies are state highway projects (concrete), residential housing construction from ABQ north, other commercial construction
- ❖ Competitors for these on-going supplies are restaurants, hotels, resorts

***Staffing Requirements and Sources***

- ❖ Addressed in the business plan, community meetings resulted in a list of previous employees of the property (which was a corporate retreat center and xxx School) in all areas of hospitality, groundskeeping, facility maintenance and transportation. The County will provide an adequate labor pool with some labor coming from outside of the county for the opportunity at high wages. Medical personnel have been identified and will come from the global labor market.

### III. Economic Impact of Business Meeting Community Needs

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#### ***Demographic Data on the Communities:***

Village, State:

The actual location of the project is in the village, state. 200x US Census Bureau data indicate that the population is xxx people, up xx persons from the 2000 US Census Bureau statistic. Following are the demographics for the area:

- ❖ The majority of the population is Hispanic/Latino, xx% compared to the U.S. as xx%. xx% of the population is between the ages of 20-54.
- ❖ xx% of the females are 18 and over versus xx% of males of the same age.
- ❖ Native Americans comprise xx% of the population and Anglos comprise xx%.
- ❖ xx% of the population is high school graduates.
- ❖ xx% of the populations have some college.
- ❖ xx% of the population has a bachelor's degree.
- ❖ xx% of the population is military veterans.
- ❖ English is the only language spoken in xx% of the homes and
- ❖ xx% of the homes indicate that Spanish is the only language spoken.
- ❖ xx% of the labor force over the age of 16 years of age has his/her own vehicle to drive to work.
- ❖ The mean travel time to work is xx minutes versus 25.5 minutes for the U.S. average.
- ❖ In occupations, xx% of the population is in management, professional and related occupations, xx% is in the service occupation, xx% is in sales and office occupations, xx% is in construction, extraction and maintenance occupations, and xx% is in production, transportation and materials moving occupations.
- ❖ Industry sectors are represented by xx% of the workforce employed in educational, health and social services.
- ❖ For the different classes of workers:
- ❖ xx% are private wage and salaried workers, xx% are government workers, and xx% are self-employed.
- ❖ Regarding individual incomes:
- ❖ xx% earn \$xx,xxx to \$xx,xxx per year, xx% earn \$xx,xxx to \$xx,xxx per year, and xx% earn \$xx,xxx to \$xx,xxx per year.
- ❖ Regarding family incomes:
- ❖ xx% earn \$xx,xxx-\$xx,xxx per year and xx% earn \$xx,xxx-\$xx,xxx per year.
- ❖ Based on 1999 figures, xx% of the families fall below the poverty level versus U.S. at xx% and xx% of individuals fall below the poverty level versus U.S. at 12.4%.
- ❖ xx% of the housing structures were built in 1939 or earlier and no new structures have been built between 199x and March 200x.
- ❖ xx% of the housing is fueled by LP gas while xx% still use wood heating.
- ❖ The median value of owner occupied units is \$xx,xxx.

There are three communities surrounding the village which are xxx, xxx and xxx. They are all located in the county. The communities are within 10-20 minutes driving time to the

project. There are only two incorporated cities within the entire county, xxxx and xxxx. XXX is the largest city in the county and they also provide the largest employers. The next largest city that the project will draw employment from is the major city. The demographic information for these communities is illustrated in the table below:

<b>Local Communities' Demographic Information</b>							
	xxxx	xxx	xxx	xxx	xxx	Xxx County	U.S.
Total population	1,026	1,371	2,930	14,565	30,126	129,292	
Hispanic/Latino	72.4%	83.3%	75.2%	82.9%	78%	49%	
Civilian labor force	40.4%	55.4%	63.2%	53.7%	54.6%	66.9%	
Median family income	\$25,588	\$22,500	\$35,930	\$29,979	\$31,250	\$50,000	\$50,046
Medium household income	\$21,550	\$22,188	\$32,885	\$24,214	\$26,524	\$42,207	\$41,994
Families below poverty level	16.3%	25.8%	14.8%	24.3%	19.9%	9.4%	9.2%
Individuals below poverty level	22.4%	22.6%	19.0%	27.9%	24.4%	12.0%	12.4%
Medium value of homes	\$77,800	\$82,300	\$122,500	\$87,100	\$90,100	\$189,400	\$119,600
Minutes travel to work	36.2	43.7	30.9	16.6	23.6	22.1	25.5
Unemployment rate					6.6-7.9%	4.0-5.0%	4.9-5.7%

### **Major Employers in the County**

- ❖ xxxxxxxxxx Medical Center            900 plus
- ❖ The project\*                                243 plus
- ❖ xxxxxxxxxx University                200 plus
- ❖ Regional Hospital                        175 plus
- ❖ City Government                         150 plus
- ❖ City Schools                                160 plus
- ❖ Schools                                       160 plus
- ❖ Community College                      160 plus
- ❖ County Government                      50 plus
- ❖ xxx Companies                             40-50 plus
- ❖ xxx Block                                  20-30 plus

\*proposed

With the opening of The project, it will be the second largest employer in the County and the largest private employer. Aside from being a large employer, as a private company, it will provide revenues to the County in employment taxes, property taxes, lodger's taxes, gross receipt taxes. Note that 6 of the 10 largest employers in the County are funded with government monies and pay less in taxes.

### ***Summary of the Economic and Social Benefits to the Community***

We concur with the management's assessment that the residents in the communities where the project is located, service the hospitality, restaurant, and health industries of the major city. This is confirmed by the demographics of the community. Note the long commute time (66 minutes) community residents spend commuting to their place of employment. This likely is

the commute time to the major city as there are few to no available jobs in xxx. We believe that the communities will enjoy positive benefits with new high wage jobs offered locally where they reside. Though difficult to quantify, we suspect that households, who have children with parents facing long commutes or children with aging parents, would enjoy a higher standard of family life which could directly have a positive impact on the societal and cultural norms of the community. In addition, a commuting workforce spends discretionary dollars associated with the commute. By offering employment at the project, the commute time is reduced retaining the workforce in the County, and ultimately reducing the discretionary dollars expended on fuel and auto expenses to jobs outside the County. Additionally, the county and state should expect increased tax revenue as noted above.

The demographics outlined above show that the unincorporated villages and incorporated communities in the County are very small in population. In comparison to the U. S. statistics, a higher percentage of the population in the County are living below the poverty level and must travel a greater distance to their places of employment. With the skyrocketing prices of petroleum and natural gas, this poses serious difficulties for these communities' survival. It is essential for them to be able to work closer to home in order to sustain or even improve their current lifestyles and maintain their income levels. Not only will the project be providing high wage jobs to these residents, but also it is important to note that as a health oriented business, the employees of the project will have the benefit to learn (and in turn, pass on to their families) self-empowerment through preventative health education and lifestyle behaviors offered.

The project will operate at a facility which, during the period of 198x-199x, served as a corporate retreat center. During that time over xxx,xxxx corporate guests came through the property and it employed approximately xx people from the surrounding communities. Since the closing of the retreat center, these employees now travel to the major city to serve the hospitality, management and administration, and sales industries there. During the past three years of preparation to open the client, community meetings have been held. Full support from the community as well as from the local county commissioners, state legislators, congressional and senate delegation have been obtained. Because the project is a multifaceted business, it will not only provide a greater number of jobs to the area (x times greater than the previous employers), but will also provide a larger variety of job positions which will allow for greater opportunity. These diverse job positions as well as extensive professional service training will offer broader possibilities for upward social mobility for those who live in the surrounding communities.

### ***Analysis of the Economic Impact of The project***

An economic analysis has been performed based on the business plan projections. Though prepared by management, we are satisfied that the assumptions and details have been reviewed by Ph.D. economists at a state university. We separately reviewed the assumptions and details, through our sources with other economists, who confirm the assumptions. The specific details can be seen by separate attachment of the Economic Impact of The Client, excel spreadsheets and our worksheets reviewing this analysis. Below is a written summary of the highlights.

## General Assumptions<sup>7</sup>

The following are General Assumptions common to the two Assumption sets provided for economic analysis. Although the client's business will run mainly as Assumption Set 2 with only the Executive Team and Clinical Staff Employment assumed to be at xx% local, both Assumption Sets are provided for review.

### Operation Assumptions Common to both Assumption Sets:

- ❖ All Advertising, Marketing and Public Relations assumed to be xxx
- ❖ All Credit Card fee assumed to be xxx
- ❖ All interest payments assumed to be xxx
- ❖ Executive Team and managers and Directors assigned to RIMS Category xx
- ❖ Resort Staff assigned to RIMS Category xx
- ❖ Clinical Staff and Rejuvenation Staff assigned to RIMS Category xx
- ❖ Tips allocated to Resort and Rejuvenation Staff as xx
- ❖ The output multiplier was used as a simple average of the multipliers for categories xx

\*Other RIMS categories were examined to identify one that more closely represented the staffing functions, but none were satisfactory. RIMS Category xx has some costs associated with the industry that will not be applicable or will be higher than those determined.

The output multiplier = x.xxx

### Assumption Set 1:

- xx% of Cost of Goods Sold assumed to be xx
- xx% of Admin and General assumed to be xx
- xx% of Miscellaneous Assumed to be xx
- xx% of Executive Team and Clinical Staff Employment assumed to be xx

### Assumption Set 2:

- xx% of Cost of Goods Sold assumed to be xx
- xx% of Admin and General assumed to be xx
- xx% of Miscellaneous assumed to be xx
- xx% of Executive Team and Clinical Staff Employment assumed to be xx

## Economic Impact of Construction and Renovation:

During Year 1 of construction activity, direct expenditures on construction amounts to \$x.x million (xx%) of the \$xx.0 million in start-up costs. Table 1 contains the estimated impact of this construction activity on output, earnings, and employment in the county.

<b>Construction Summary</b>			
	<b>Output (\$ Millions)</b>	<b>Earnings (\$ Millions)</b>	<b>Employment</b>
Direct	0	0	0
Indirect	0	0	0
Total	0	0	0

The employment provided during the construction phase will support xxx jobs through the construction and renovation needed to open the project. An additional xx indirect jobs will also be supported during the construction phase of the project. The total direct and indirect output is \$xx.xx million and total direct and indirect earnings is \$x.xxx million. Until funded, the management team, although in discussion, with general contractors, has not made a final determination on who will manage construction. We asked the team for their estimation of the amount of money in goods and services that it would anticipate that could be spent in the County during the construction phase of the project. It is their estimation that xx% of construction costs, labor, and materials will be purchased from the County. From our review, at this point in time, we believe that over xx% will be purchased locally from the County depending upon the final construction and renovation plans, including the use of new construction materials and technologies. We also asked the management team for their estimation of the amount of money that could be spent in the state, outside of the County, during the construction phase of the project. It is their estimate that xx% will be from other counties in the state such as xxx, xxx County, and xxx County. Primarily all of the materials and all of the labor will be from counties located within the state, the exception being most of the FF&E (over \$x.x million) which is coming directly from manufacturers located outside of the state and abroad (for cost reduction purposes).

### Economic Impact of Operations

Table 2 contains a summary of the economic impact of operations based on the two sets of assumptions describe above for each of the five years for which financial projections were made using an occupancy rate starting in Year 2 of 50% (first year of operation) and reaching 65% by Year 5.

<b>Operations Summary (\$M=Millions of Dollars)</b>						
Year 1	Assumption 1			Assumption 2		
	Output (\$M)	Earnings (\$ M)	Employment	Output (\$M)	Earnings (\$M)	Employment
Direct	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Indirect	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Total	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Year 2	Assumption 1			Assumption 2		
	Output (\$M)	Earnings (\$M)	Employment	Output (\$M)	Earnings (\$M)	Employment
Direct	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Indirect	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Total	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Year 3	Assumption 1			Assumption 2		
	Output (\$M)	Earnings (\$M)	Employment	Output (\$M)	Earnings (\$M)	Employment
Direct	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Indirect	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Total	x.xxx	x.xxx	xxx	x.xxx	x.xxx	xxx
Assumption 1			Assumption 2			



XXXXXX	XXXX

**Economic Impact of Ongoing Operations:**

Once The Project is operational, aside from employment at its property, it will provide ongoing stimulus to the local economy by working with local vendors providing business opportunity and growth.

Local Vendors will include the following:

- ❖ Local cooperatives providing the freshest, most nutritious available fruits and vegetables
- ❖ Local cooperatives providing chemically-free raised flowers
- ❖ The state ranches and farms providing the freshest and most nutritious available meats
- ❖ Business supplies and materials
- ❖ Maintenance supplies and materials
- ❖ Banking and financial services for employees and business operations
- ❖ Telephone and data/networking services
- ❖ Propane and utilities

Potential economic development growth extensions from The Project could include:

- ❖ Future housing needs for employees that could become a public/private venture in the future using federal dollars
- ❖ Infrastructure improvements for the county roads, utilities including electricity and gas.

**Economic Impact of Lodgers and Gross Receipts Tax**

The state Tourism Department provides the dollar value of lodging tax receipts. Extrapolating the data provides a total dollar value spent on lodging of nearly \$xx,xxx,xxx in the year spanning third quarter 200x through second quarter 200x within xxx.

<b>Lodging Tax Receipts by County and City</b>					
County/City and Rate	3Q0x	4Q0x	1Q0x	2Q0x	Total
Xxx County, x%	\$ xx,xxx	\$ xxx,xxx	\$ x,xxx	\$ x,xxx	\$ xx,xxx
Xxx x%	\$ x,xxx,xxx	\$ x,xxx,xxx	\$ xxx,xxx	\$ x,xxx,xxx	\$ x,xxx,xxx
Xxx County, x%	\$ xxx,xxx	\$ xx,xxx	\$ xx,xxx	\$ xx,xxx	\$ xxx,xxx

The Project's impact as a single business providing lodger's tax to the County will be x-x times greater than the overall total lodger's tax paid in the County. From the third quarter 200x through 2<sup>nd</sup> quarter 200x the County collected \$xx,xxx in lodger's tax receipts. Per the business plan, The Project will contribute approximately \$xxx,xxx at a xx% occupancy rate and up to approximately \$xxx,xxx at xx% occupancy. In addition, The Project will provide \$x.xM in tax at a xx% occupancy rate and \$x.x million at xx% occupancy.

### **Economic Impact of Eco-Resort**

After the development of the business plan, prior to the development of the marketing plan, The Project continued to refine its plans as an eco-resort. We will discuss our assessment of the feasibility of their plans stating they are an environmentally friendly operation and a socially conscious neighbor. This discussion will include water quality issues, permits and environmental impact.

The Business Plan, page 25, and attached Marketing Plan (Annex B, page 89), mention that one of the amenities of The Project is that it plans to be environmentally friendly using recycled paper materials, energy saving light bulbs, alternative energy sources and green chemicals. The Project management team's research on the spa industry, specifically the related growth in consumer spending, showed that eco spas will flourish in the years ahead, providing visitors with a serene, "green" spa experience. These environmentally-friendly destinations believe that personal health begins with global health – a belief that extends to the way they create spa products (all organic ingredients), wash dishes (vinegar instead of soap), light their rooms (solar panels and fluorescent bulbs), and process wastewater (bacteria, fish, snails, et. al) The conclusions drawn from this research indicates that traditional spas will migrate to the eco spa bandwagon – both from an operational and marketing standpoint.

The Project intends to use a xxxx xxxxxxxx system to supply water to the Rejuvenation Therapies Building, which maybe the first in the U.S. to utilize only fresh filtered xxxx xxxxxx. The on-site waste treatment plant grey water by-product will be used to irrigate all the landscaping on the property. The waste treatment facility uses xxxx, xxxxxxxx and xxxxx filtering methods. Since the development of the business and marketing plan documents, the Project team has invested a significant amount of time broadening the eco concept on the facility, to what could become a competitive advantage in the marketplace. With increasing greenhouse gases in our environment and accelerating oil and gas prices, The project hopes to be not only a center for healing of guests but a center of healing for the environment with new technologies that make these investments feasible. During the renovation process, xxxx xxxxxxxxxxxx systems will be integrated into all buildings (all need xxxxxxxxxxxx), alternative energy sources including xxxxxxxxxxxx and xxxxxxxxxxxxxxxx will be incorporated into renovations through retrofitting and for fuel consumption. It is the intent of the management team to generate enough green electricity to return the excess to the power grid. Once these green energy systems are in place, it will allow for more controlled energy costs. Note that the projected cost for utilities included in the Business Plan are for electricity purchased from the Rural Electric Cooperative at the commercial rate. The alternative energy generation may provide various tax credits and/or incentives to the project group.

Landscaping plant materials will be native to the region and convey the significance of the healing therapies associated with the Center.

All appropriate and required testing and permits have been applied for and received relating to water quality. A phase I Environmental Study performed by xxx has been submitted to USDA. The project team has received clearance from the state.

The location affords a quiet atmosphere, traffic from Interstate xx was not audible. The roads to the front gate from Interstate xx were either divided two lanes or undivided two lanes, the last four miles newly paved. The roadway areas were free of trash and litter and the last two miles afford the visitor a taste of rural state as one travels through the township of xxx.

### ***Final Analysis of Economic Impact***

After careful review of documents, research, discussions with management, and experts in various capacities, it is our opinion that Health and Rejuvenation Resort is a feasible project and will have a significant impact from a financial, economic, community development, and environmental healing perspective. The organization's entire mission and goals is a paradigm shift to healing from a holistic viewpoint, not only for its guests, but also for its surrounding rural communities with positive environmental consequences for global health. The project will meet several relevant government policies and programs including new high wage job growth, utilizing the latest environmental-friendly technology in its infrastructure, rural community development, and the potential to improve the current housing stock with new jobs in the area. As the largest private employer in County, The project will have a significant impact on tax revenues for the county including employment, property, lodging, and gross receipt taxes. It is our view that The project will create desperately needed high wage jobs in a rural community that may result in significant positive cultural and societal implications as outcomes from this investment.

## IV. Market Potential for The Project & Demand for Services

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### *Target Demographic of the Customer*

As detailed in the marketing plan (Annex B) The project has determined that its marketing target will be sophisticated and actively involved customers who are highly motivated to manage their own health and well-being, specifically the millions of Americans integrating alternative medicine and treatments into their daily lives”<sup>8</sup>. The project has identified the following two groups as its primary target demographic consumers which will be primarily attracted to The project’s services, facilities and products.

### **Baby Boomers**

Demographers define the baby boom birth years as 1946 through 1964. High birth rates during those years resulted in 78 million baby boomers, now aged 39 to 57. This group comprises 28% of the U.S. population, or nearly 3 out of every 10 Americans.<sup>9</sup> The marketing plan discussion supports a recent study from Harvard that supports The project’s plan to target this market segment. The study indicates that as the population ages there is an increase in the use of Complementary and Alternative Medicine.<sup>10</sup> This is an important data point because as the baby boomer generation ages, its economic purchasing power follows certain interests and needs, i.e. the use of Complementary and Alternative Medicine. The study revealed that approximately 3 of every 10 respondents in the pre-baby boom cohort, 5 of 10 in the baby boom cohort, and 7 of 10 in the post-baby boom cohort reported using some type of Complementary and Alternative Medicine therapy by age 33 years. The study also noted that of the respondents who ever used a Complementary and Alternative Medicine therapy, nearly half continued to use it many years later.

### **Lifestyles of Health and Sustainability (LOHAS)<sup>11</sup>**

The marketing plan discussion reveals research The project management conducted with LOHAS, a moniker establish as an industry that serves a segment of customers defined below and identified in a research report by Conscious Media. LOHAS describes a \$228.9 billion U.S. market place for goods and services focused on health, the environment, social justice, personal development and sustainable living. The consumers attracted to this market have been collectively referred to as Cultural Creatives and represent a sizable group in the country. Approximately xx% of the adults in the U.S. or xx million persons are currently considered LOHAS Consumers.

Cultural Creatives in the United States are growing at a rate of x% a year. But the number of dollars annually going into the market is escalating about xx% a year according to the New Marketing Institute. The LOHAS purchasing power focuses specifically on the following market segments which include:

- ❖ Sustainable Economy

- ❖ Healthy Lifestyles
- ❖ Alternative Healthcare
- ❖ Personal Development
- ❖ Ecological Lifestyles

It is evident that LOHAS consumers are deeply committed to their values and, in turn, these values drive interest in many products and industries. For example, xx% of the LOHAS consumers care about the use of renewable energy sources (versus only xx% of non-LOHAS consumers), while xx% of LOHAS consumers care about socially responsible business practices (versus xx% of non-LOHAS consumers).

Identification and understanding of these two consumer segments, the Baby Boomer and LOHAS, is where The project marketing strategies, new product development and the other related initiatives will be focused with the purpose of developing a competitive advantage in its marketplace. It is primarily these two groups, the Baby Boomer and LOHAS that are driving the market trends in growth areas of Integrative Medicine, Complementary and Alternative Medicine, spas, wellness and luxury and hospital industries. The data supporting the two market segments is supported in The project business plan with details on the results of a study from the International Spa Association (ISPA) 200x Day Spa Resort/Destination Spa User Study (Business Plan Annex B). In general xx% of American spa goers are women, xx% are men. xx% of the resort/destination/cruise spa goers are baby boomers between the ages of xx and xx. xx% are female, xx% are married, xx% have had some college, and xx% are college graduates. The average annual household income for a destination spa client is \$xxx,xxx.

## **Demand Analysis**

In order to test the demand for The project's services, two advertisements were placed in the 200x editions of the major city Visitors Guide and the Official state Vacation Guide. The 3"x 4" advertisements included a brief description of the environment, services and products. The response from the state Vacation Guide brought in over 100 written inquiries per month as well as dozens of phone calls each month for reservations. The preliminary website www.xxx.net) generated over x,xxx hits since the end of February 200x when it was established. This demand developed before any full fledged public relations campaign announcing The project was implemented.

The project team has conducted its own qualitative demand analysis that was part of their interest in pursuing this market. Below are some brief points from their assessment of the demand in the field:

- ❖ Proprietary information

## ***Marketing Plan Analysis***

We have addressed the feasibility of the marketing plan reviewing each section with an eye toward the financial and technical capabilities of management to implement the plan. The marketing plan is in the attached Annex B. As part of our analysis, in preparation of the

Feasibility Study, we have made a site visit, reviewing the claims detailed in the property's facilities and attractions under the Phase II section. We concur with their presentation.

Our discussion on the feasibility of various components is proprietary. The plan meets the standard components of a strategic marketing plan with one exception. We did not see a plan for assessing the outcomes of the marketing plan by setting performance standards with quantifiable performance measures of different components of the plan based on planned and actual outcomes. The project team has advised us that the Vice President of Marketing will be responsible for review, assessment and outcome determination of the components of the marketing plan.

Marketing Budget - given the public relations plan outlined in the marketing plan, we concur with The project's budget of allocating xx% of revenue for advertising and marketing for The project, the project Integrative Medicine Team, and their services and products. Effective use of printing services by outsourcing to India reduces the costs of marketing materials significantly. The budget plan outlines broad expenditures which, when The project is funded and a Vice President of Marketing is in place, will be detailed out in a budget. Our assessment is that the technical and financial feasibility of the marketing plan is sound and reasonable.

## **V. Competitive Study – National and State Competitors With Pricing Considerations**

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The project is a unique business model with no direct comparable competitors in concept. It represents a paradigm shift in presenting its services and products as the first Health and Rejuvenation Resort with the purpose of providing *a holistic approach for its clients by combining authentic Complementary and Alternative Medicine therapies and Integrative services delivered in a luxurious five star all-inclusive resort environment.* We believe this holistic business approach differentiates itself from the competition as The project does not appear to have direct, comparable competitors. After a thorough analysis of demand and supply in the health and wellness, spa and luxury resort sectors, The project has taken the best ideas from each sector and combined them into a new hybrid model. As discussed in earlier sections, the closest model for The project is xxx in southeast India. However, the market segments that are targeted with this marketing plan do make a choice (as individuals) and a review of the competition for these discretionary dollars is below

### ***Competitive Differentiation Plan***

The project seeks to differentiate itself by providing the following:

1. Proprietary Information

### ***National Competitors***

The project believes the its competitors broadly defined are xxx, xxx. Discussion is proprietary information

### **Matrix Comparison**

The Matrix Comparison was created to demonstrate the specialized and all-inclusive services offered at The project and comparing it with its competitors. Discussion of the feasibility is proprietary information

### **XXX Ranch Competitive Analysis**

xxx Ranch is one of The project's two main competitors. Although xxx Ranch is a health resort, its programs differ altogether in client evaluation, treatment and follow-up consultations. xxx Ranch only provides single practitioner evaluations, not the Integrative Medical team approach The project provides. Treatments are limited and follow-up consultation is primarily for explanation of test results from the client's previous visit. xxx Ranch uses its limited xxx primarily as a marketing tool and amenity to its xxxxxxx. The project, on the other hand, uses its xxxxxxx as its core offering and the xxxxxxx as an amenity.

The remaining analysis is proprietary information.

### ***State and Other Competitors***

Although there is no direct competition in the major city, information in Annex E: Comparative Rates for the major city hotels & spas offers a comparison of services with selected businesses used in this competitive study. The state and other states all have resorts that includes spa amenities and day spa offerings, but none offer The project's unique business model as an xxxxxxxxxxxxxxxxxxxxxxxx. In the major city, the closest location offers luxury accommodations with expensive room prices and high average food costs. None of the resorts with spa amenities and day spas include The project's other services.

### ***International Competitors***

In this feasibility study, we have referred to xxx, a center in southeast India, that has served as a model for The project because it offers some, but not all, of the services The project offers. Because xxx's target market is Europe and distant from the United States market The project is targeting, it is our opinion that they are not direct competitors but collaborators, and worthy of note for purpose of this feasibility study.

## **VI. Competitive Study – Location Provides Core Competitive Niche**

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The major city, located 45 minutes from The project, offers a core competitive niche for the operation even though The project intends to offer enough attractions, programs, services and amenities to capture their guests' full attention. Being located close to the major city's robust tourism market offers indirect positive influences on the type of guests that may come to The project.

In 2002, *Travel and Leisure Magazine* ranked the major city xx<sup>th</sup> in the World's Best Cities Awards as a travel destination in North American and 4<sup>th</sup> in America's Best Cities. It is also ranked #xx (behind New York) in America Style's Top xxxxxx Destinations (200x). The major city is ranked the #xx cleanest city air quality in the U.S. by the American Lung Association 200x State of Air Rankings.

### ***Number of Tourist Visits***

Articulately addressed in the business plan, page 12, the major city, its natural beauty and world-class xxxx community have been bringing regional, national and international visitors to the state for years. According to the major city Convention and Visitors Bureau, 200x, over xxx to xxx million people visit the major city each year.

### ***Occupancy Rates:***

The major city's tourism industry recovered quickly and has surpassed most markets since September 11, 2001. Seasonally, xx% of the visits occur during the fall months, xx% during the summer months, xx% during the spring months, and xx% during the winter months. xxx percent of repeat visitors are planning another trip to the major city within the next 12 months vs. 28% for first time visitors. These repeat visitors have great loyalty to the major city as a destination and averaged five prior visits.<sup>12</sup> According to the state Lodging Association Inc., the regional Lodge Report 200x, the occupancy rate for the major city ranged monthly from xx% to xx% with an average yearly rate of xx%. The conservative xx% occupancy rate used in The project's financial projections was a consideration when reviewing the average yearly occupancy rate for the major city market of xx%.

## VII. Business Plan Analysis

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### *Analysis of the Business Plan Financial Statements*

The following table is a Summary of the Financial Statements. The business plan contains extensive detail in the Annex for financial projections for five years.

#### **Five Year Summary of Financial Projections (In millions of Dollars)**

Yr	Balance Sheet							Profit & Loss Statement			
	Assets	Total Liabilities & Equity						Revenue	COGS	Expenses	Net Income
		Liabilities		Equity							
		Investor Debt	USDA Dept	Investor Equity	Retained Earning	Net Income					
1	0	0	0	0	0	0	0	0	0	0	
2	0	0	0	0	0	0	0	0	0	0	
3	0	0	0	0	0	0	0	0	0	0	
4	0	0	0	0	0	0	0	0	0	0	
5	0	0	0	0	0	0	0	0	0	0	

### **Schedule of Net Benefits and Capital Requirements**

The capital structure of the project LLC is assumed to be the following:

Source	Principal	Payment	Years	Rate
USDA-Real Estate	0	0	0	0
Private Investors – Debt	0	0	0	0
Private Investors – Equity	0	0	0	0
Xxxxxx Investors - Equity	0	0	0	0
Total	0	0	0	0

The weighted average maturity (WAM) was computed to be xx years and the weighted average cost of capital (WACC) was computed to be x%.

The cash flow analysis assumed that in the first year there would be a 0% occupancy rate, a xx% occupancy rate in the second year, a xx% occupancy rate in the third year, a xx% occupancy rate in the fourth year, and xx% occupancy ratio in the fifth year.

### **Benefit/Cost Ratios and Internal Rates of Return**

The cash flows from the February 200x business plan were stressed tested xxx basis points. The original cash flow projections for this analysis are adjusted to reflect interest and

principal payments. The weighted average cost of capital (WACC) and the internal rates of return (IRR) results are as follows:

	<b>Business Plan</b>	<b>Change in Rates</b>							
		+ .x	+ .x	+ .x	+x%	+x	+x	+x	+x
<b>WACC</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>IRR</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%

The analysis indicates that the project generates a positive internal rate of return when stress tested xxx basis points and with a conservative occupancy ratio.

### **Project Benefits (NPV) and Costs**

The preferred method of Capital Budgeting in Finance is Net Present Value (NPV). The cash flows are discounted at an appropriate discount rate (in this case it would be the weighted average cost of capital). A positive net present value indicates that the project is feasible since the discounted cash flows exceed the cost of capital. The Net Present Value Analysis reveals the following:

	<b>Business Plan</b>	<b>Change in Rates</b>							
		+ .x	+ .x	+ .x	+x%	+x	+x	+x	+x
<b>WACC</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>NPV (\$000)</b>	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000

The conclusion drawn from the Net Present Value and Internal Rate of Return analysis is that the project cash flows even if interest rates increase to xxx basis points and provides a positive rate of return to all investors.

### ***Internal Pricing of Services***

The project team began their investigation of internal pricing for services using industry pricing standards of the cost of materials. Following that extensive review they found it difficult to assess their actual costs and the pricing of these costs because (the rest of the analysis is proprietary)

### ***Construction, Furniture and Fixtures***

The economic impact of the construction was discussed earlier in this feasibility study. One of the purposes of our site visit was to confirm some of the details in the budget and to get a sense of the economic and community development the project will create. The initial phase

will be construction and renovation of the facility, with funding targeted at Spring 200x. As detailed in the February 200x business plan:

Construction costs	\$ x,xxx,xxx
Renovation of the resort	\$ x,xxx,xxx
Opening expenses	\$ x,xxx,xxx
Furniture & Equipment	\$ x,xxx,xxx
Purchase of Inventory	\$ x,xxx,xxx
Total	\$xx,xxx,xxx*

\*See Annex C for supporting worksheet breaking out our assessment of Opening, Construction and Renovation Expenses, Annex A, Page A-8 of the Business Plan.

The remaining analysis of the feasibility is proprietary and for the use of prospective private investors and government funding:

In our research on the feasibility of management in overseeing the general contractor during the construction phase, we discovered that The project management could thoroughly document, in great detail, where the estimates were generated from.

### ***Personnel Analysis – Salaries & Recruitment***

When we addressed the economic impact of The project, page 17, we examined the types of jobs that will be created. It is estimated that the construction phase will generate between xxx direct jobs and xx indirect jobs. The rest of the analysis of the feasibility is proprietary information.

### **Number of Alternative Schools and Practitioners:**

A question for the feasibility of the project is to review management's assessment of adequate training support centers such as educational, technical and professional centers that could supply labor thus assisting The project in recruitment and retention of personnel. The rest of the analysis is proprietary.

On review of these documents, we believe that The project has the ability to attract and retain these resources as the major city labor pool provides one of the highest number of Complementary and Alternative Medicine practitioners in the U. S. In addition, The project is committed to workforce training to continue to provide labor input. Its close proximity to community colleges in surrounding cities, as well as access to state Universities should afford them access to trained support staff supporting these specialties.

### ***Possible Risk Factors***

The following risks are identified as most pertinent for the operation:

1. The risk of xxx

Proprietary information

2. The risk of xxx

Proprietary information

3. The risk of xxx

Proprietary information

4. The risk of xxx

Proprietary information

5. The risk of xxx

Proprietary information

6. The risk of xxx

Proprietary information

## **VIII. Business Management Issues**

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### ***Executive Management, SIMT, & Advisory Board***

#### **Executive Management**

**Proprietary information**

#### **The project Integrative Medicine Team (SIMT)**

Proprietary Information.

#### **Advisory Board**

Proprietary Information

#### ***Hospitality Management.***

Proprietary Information



DS1 = 24 T1's  
DS3 = 24 DS1's  
1 fiber optic strand = 3 DS3's

The amount of data that can go over fiber lines is almost limitless. It does not have the limit of conventional lines but the limit is what is on the end of the fiber line.

Currently The project has 8 strands or 4 pair of fiber optic lines. It will only be using 1 pair for its business currently. This 1 pair will give it 10 MBps or the bandwidth of approximately 6 T1 lines. This is dedicated only for data transfer. Its phone information will come over lines of wire not the fiber.

The only reason The project has a 10MBps limit now is because the phone co-op does not give a higher plan (its never be asked or needed for higher in their service area). It obviously could do more if needed as per, the local telephone company, since the infrastructure is there but is not needed at this point. The telephone company is planning for The project to become a hub for management of their communications lines and equipment to improve the current service to the community. This telco infrastructure will allow VOIP.

- ❖ Propane – xxx will provide the propane to the community. The project plans to section some land for xxx to put in an 18,000 gallon tank. In the depth of a cold winter, xxx will be able to make more deliveries to the local area because of the increased storage capacity.

### ***Solid Business Plan.***

At the start of this feasibility study, we quoted Mintzburg by stating that competitive advantages are normally traced to one of three roots: superior skills, superior resources, or superior position. We believe that The project is offering superior skills in the health and wellness field, and given funding, it can take its other superior resources in management, staff, facility and location, and with proper marketing, find a competitive advantage with a superior position.

In our opinion, the business plan supports the mission, purpose, location, eligibility, and loan requirements as outlined in the USDA's Business and Industry Guaranteed Loan Program Summary. At this point in time, the project is feasible from the aspects of the business plan for other potential funders and investors.

## **X. Annex**

### **A. Resumes of Hawkins Strategies Group Consultants**

#### **Linda F. Hawkins**

**PROFILE:** Creative, confident and collaborative leader with over 15 years of executive management experience in the consulting, nonprofit and higher education sectors including a proven track record providing leadership, facilitation and support, under the direction of a Board, for nonprofits' and rural communities' development issues and institutional problems, implementing business processes necessary for improved performance. Background includes managing comprehensive marketing, public relations, and communication efforts with diverse groups; strategic planning; financial management; and assisting with resource development. Creative team player with strong background in public relations, business development, business process analysis, negotiation, organizational leadership, training, and market research that is consistent with organization mission and goals.

#### **HIGHLIGHTS OF QUALIFICATIONS**

- Executive Management
- Strategic Planning & Analysis
- Resource Development & Financial Management
- Communication & Marketing Management
- Facilitation & Negotiation Skills
- Organizational Development & Training
- Business Process Analysis & Planning
- Qualitative & Quantitative Market Research

#### **SELECTED ACHIEVEMENTS**

- Directed an innovative grass roots citizen visioning process that established broad based community consensus leading to rural community realignment. Managed a broad and diverse group of community volunteers. Results: Produced groups of community teams that implemented the community's consensus goals, including community engagement initiatives in economic and community development, social services, educational services, health care, entrepreneurial education and leadership training.
- Managed and directed all activities for a major nonprofit rural organization. Results: Turned around the organization with a streamlined structure, updated the accounting systems, computerized all operations, increased productivity and accountability. Within two years increased revenue by 20% keeping overhead expenses at the same level.
- Directed all marketing and communication efforts for two rural organizations including quarterly newsletters, direct mail, employee and civic presentations, websites, national workshops and corporate solicitations. Results: Regional TV and local newspaper featured the program, which resulted in free publicity for sponsoring organization. Video was developed which is still being circulated across the nation.

#### **PROFESSIONAL EXPERIENCE**

**HAWKINS STRATEGIES GROUP**, Scottsdale, AZ & Albuquerque, NM      2001 - Present  
Principal

- Established and currently manage a management and marketing consulting firm targeting a niche market within the nonprofit sector. Client projects include serving as an interim executive director for a rural chamber of commerce, facilitating rural New Mexico community SWOT analyses; coached business process and analyzed organizational performance for rural communities; facilitated focus groups; wrote feasibility studies, marketing and business plans; conducted extensive rural economic development studies; conducted national workshops with concurrent publication on community engagement projects; grant writing; report writing and RFP responses; website design and maintenance; analysis of board governance issues and business processes; conducted market and product research for investment proposes.

**NEW MEXICO STATE UNIVERSITY-CARLSBAD**, Carlsbad, NM                      2000 - 2001

**Project Director, Rural Community College Initiative**

- Managed a \$300,000 budget as the principal investigator for a Ford Foundation demonstration grant for rural community and economic development with 5 employees and over 300 rural volunteers. Responsibilities included public relations; rural community engagement and economic development projects; volunteer and leadership training for staff, local businesses, and community at large; worked with national partners to determine best practices in rural development, then introduced these practices to rural communities. Results: Turned around the five-year rural project in mid-cycle through financial management, marketing and communication efforts, and strategic planning.

**Achievements:**

- Conducted and managed over 70 focus groups with presentations to local business and civic groups that collected 1,000 ideas from the citizens on community goals. Managed the one-day civic event where rural citizens voted. Results: Over 10% of the population gathered to vote which lead to a consensus of community goals thus realigned community needs. Another outcome was teams of community volunteers who met to implement the community goals. These teams were organized, trained and supported initially under Rural Community College Initiative funding support.
- As the principal investigator; reorganized and managed the annual operating budget; approved and monitored all budget expenditures; researched extensive grant funding opportunities for community development issues; provided interim and annual status reports on all accounts. Results: Trimmed the budget so that there were monies left for further development after the end of the grant.
- Managed and motivated staff of 5 and a large group of volunteers overseeing the supervision of assigned personnel, which included hiring, work allocation, training, problem resolution and conflict mediation; evaluated performance and made recommendations for personnel actions. Results: Motivated staff to achieve peak productivity and performance.
- Collaborated with community organizations, university departments, programs, projects, local school systems, and other stakeholders. Results: the college expanded operations by targeting its strategic plan to include surrounding rural communities increasing revenues from educational programs.
- Developed the plans and organized the organization's structure for implementation of policies, procedures, and standards consistent with those of the organization. Results: Increased the efficiency of the operation of the program.
- Oversaw and managed the collection, compilation, and analysis of program activity and statistical data; developed, wrote, and presented comprehensive statistical and narrative program reports, designed and administered survey instruments. Results: Improved the program's accountability with the funders.
- Envisioned, then implemented extensive databases for communication and market research efforts. Results: A new system to communicate with stakeholders.

- Responsible for all marketing and communications efforts including direct mail, employee and civic presentations, website, national workshops and corporate solicitations. Results: Regional television station and local newspaper picked up the story and featured the program which resulted in free publicity for the college. The increased awareness improved college's image in the community and increased student enrollments. A video of the program's achievements was developed which is being circulated for training among community colleges across the nation.
- Local coordinator for the 2001 Rural Community College Initiative. Results: A broadened expertise with the logistics of managing a national conference event that is geographically remote.

**UNIVERSITY OF TULSA**, Tulsa, OK

1997 - 2000

**Graduate Assistant**

- Conducted special projects for the Dean of the Graduate School including institutional research and outcomes assessments; developed and implemented marketing and assessment plans; upgraded the department's web design; consulted on the design and implementation of operational procedures.

**Achievements:**

- Designed and administered a statistical computer database. Summarized, generated reports and made recommendations on research findings. Results: a longitudinal database which improved the accountability of the graduate programs with a system that diagnosed potential issues the graduate programs may face in the future.
- In anticipation of NCA review, developed and wrote an assessment plan for implementing university-wide outcomes assessment model. Results: met a critical component for the NCA visit, which had not been in place.
- Wrote operating procedures for assessment projects in the Graduate School. Results: Establish a documentation system for future contributors on assessments issues
- Designed and administered an extensive survey to be used by the Graduate School for internal review of graduate programs. Results: A system that diagnosed potential issues graduate programs may face in the future with accrediting organizations
- Collaborated with the College of Arts and Sciences to develop the college's assessment plan. Results: Coached the faculty to become engaged with the college's outcomes assessment plan

**NEW MEXICO STATE UNIVERSITY-ALAMOGORDO**, Alamogordo, NM

1993 - 1997

**Outcomes Assessment Coordinator**

- Directed the development of an outcomes assessment model and implementation timeline based on an institutional effectiveness matrix including the development of statistical databases derived from the university's mission, accreditation requirements, and accountability needs. Results: establishment of the first operating ten-year assessment plan reducing duplication of assessment efforts by increasing faculty productivity.

**Achievements:**

- Began implementation of an assessment model with a comprehensive community survey, student satisfaction survey, and student exit survey. The statistical analysis was developed in SAS.
- Planned, created, programmed and managed statistical computer databases; analyzed statistical data and generated reports; drew conclusions and made recommendations based on research data and findings
- Designed a comprehensive community needs assessment survey; made presentations to local civic groups reporting the results. Results: broadened the college's community image.

- Designed a comprehensive marketing and community report and made community presentations to local civic groups reporting the results of a comprehensive community survey
- Designed and administered an employer survey and an alumni survey.
- Institutional research coordinator for faculty providing assistance and support with their program assessment needs.
- Designed, developed and administered various survey instruments to deal with retention and recruitment efforts and developed the statistical analysis in SAS.
- Made CEO calls explaining the need for assessment planning for the university
- Assisted with the organization of the National Association of Institutional Research and Rocky Mountain Association of Institutional Research conventions. Results: Learned how to organize and manage the operations and communication efforts for large conferences.

**UNITED WAY OF OTERO COUNTY**, Alamogordo, NM

1988 - 1993

**Executive Director**

- Managed, under the direction of a Board, a \$550,000 budget with 5 employees, 350 volunteers, and 21 agencies. Responsibilities included assisting and supporting the annual and CFC campaigns, financial management, strategic planning, public relations; all marketing and communication efforts; agency relations and fund distribution. Results: Turned around the organization with a streamlined structure, updated the accounting systems, computerized all operations, increased productivity and accountability. Within two years increased campaign receipts by 20% and improved United Way agencies accountability by 50%.

**Achievements:**

- Developed and managed the annual operating budget; approved and monitored all budget expenditures; managed and maintained all related financial statements of support, revenue and expenses, changes in fund balances and statement of functional expenses; provided interim and annual status reports on all accounts
- Provided consultation, resources and leadership to non-profit rural organizations. Results: the establishment of the Interagency Council that increased collaboration efforts to reduce duplication of social services in the rural areas it serves.
- Pioneered the development of a year-round marketing and communication efforts including annual direct mail campaigns, presentations to employee and civic organizations, and corporate solicitations; coordinated public events, travel and meetings. Results: Standardized the marketing message and made it consistent with the national United Way advertising effort
- Developed the plans and organized the organization's structure for development and implementation of policies, procedures, and standards consistent with those of the organization to ensure efficient operation of the program. Results: Streamlined organization and increased productivity
- Managed and motivated professional staff of 5 and large volunteer staff overseeing the supervision of assigned personnel, which included hiring, work allocation, training, problem resolution and conflict mediation; evaluated performance and responsible for personnel and disciplinary actions. Results: Motivated employees and volunteers to achieve peak productivity and performance.
- Researched extensive grant funding opportunities for community development issues; oversaw, coordinated, and assisted with proposal writing to develop additional funding sources. Results: Helped United Way agencies broaden funding resources.
- Served as the liaison between the organization and the community. Results: Responding to a local need, established a food banking system designed to reduce the operational costs of local food pantries
- Implemented an information and referral system that provided an outreach infrastructure for rural stakeholders.

- Oversaw and managed the collection, compilation, and analysis of program activity data; developed, wrote, and presented comprehensive statistical and narrative program reports from a relational database. Results: Increased the organization's accountability to its stakeholders
- Revitalized the CEO call process asking not only for the corporate donation but their support of the employee campaign; calls often included recruitment for senior volunteer positions. Results: Improved the image of the organization, broadened its volunteer and funding base
- Created and managed statistical computer databases across PC platform, analyzed the statistical data, generated reports, drew conclusions based on research data and findings. Results: Diagnosed the reasons for changing donor patterns of giving, identified new donors, which allowed for a 15% increase in campaign receipts within a two year period
- Conducted volunteer training. Results: A significant improvement in the effectiveness of the volunteers.

## EDUCATION

**Masters of Business Administration**, Business Administration  
University of Tulsa, Tulsa OK, 1999  
**Bachelors of Business Administration**, Marketing  
New Mexico State University Las Cruces NM 1974

## TECHNICAL QUALIFICATIONS

Microsoft Office Professional 2003 including Word, Excel, PowerPoint, Outlook, Access; Microsoft Front Page 2003; Microsoft Publisher; Microsoft Project; Internet Research; Crystal Ball; Excel Statistical Analysis; Quick Books; SAS; Linear Programming; Goal Programming; Decision Analysis; Tree Plan; GLP; Paradox

## SPECIAL SKILLS

Strategic analysis and planning, Problem analysis and design of solutions, Market research, Project management, Financial analysis, Outcomes assessment, Institutional research. Goal oriented, collaborative management style. Facilitate focus groups; Survey design; Decision science; Assessment of organizational effectiveness; Leadership trainer and coach; Negotiation skills; Higher education instructor; Design and implementation of community engagement projects; Non-profit Board of Directors: development, training, and consulting

## PUBLICATIONS AND PRESENTATIONS

- Hawkins, L. (2003, October), *The Community Has Set Its Goals....What do we do now? A Lesson in Implementing Community Goals*. Workshop presented under Institutional and Community Capacity Building--Collaborative Partnerships at the 2003 Rural Community College Alliance, 2nd Annual Convention, San Antonio, TX.
- Hawkins, L. (2003, March). *Civic Engagement: Putting "Community" Back Into Community Colleges*. Workshop presented at the 2003 Rural Community College Institute, Kansas City, MO.
- Hawkins, L., Lincoln, C., and Nance, B. (2001, April). *Access and Economic Development in Rural America*. Workshop presented at the 2001 American Association of Community Colleges, 81st Annual Convention, Chicago, Ill.
- Aguirre, F. and Hawkins, L. (1996, August). *Why Reinvent the Wheel? Let's Adapt Our Institutional Assessment Model*. Resources in Education. Washington, D.C.: ERIC Clearinghouse on High Education; paper presented at 1996 New Mexico Higher Education Assessment Conference, Albuquerque, NM.
- Hawkins, L. and Lillibridge, F. (1995, May). *Development of the SPRE Compliance Matrix NMSU-Alamogordo*. Paper presented at the 1995 New Mexico Two-Year Colleges Conference, Ruidoso, NM.
- Twomey, J., Lillibridge, F., and Hawkins, L. (1995, March). *SPRE and the NMSU-A integrated assessment and strategic planning (IASP) process: What we've learned and where we're going*. Paper presented at the New Mexico Higher Education Assessment Conference, Albuquerque, NM.
- Twomey, J., Lillibridge, F., Hawkins, L., and Reidlinger, C. (1995, March). *SPRE and the NMSU-A integrated assessment and strategic planning (IASP) process: What we've learned and where we're going*. In A

Collection of Papers on Self-Study and Institutional Improvement, 1995. Chicago, Ill: North Central Association of Colleges and Schools.

## ASSOCIATIONS

- Scottsdale Chamber of Commerce, Economic Development Advisory Board, *Member*
- Association of Professional Researchers for Advancement, Arizona Chapter, *Member*
- New Mexico Rural Development Response Council, *Member*
- Belen Chamber of Commerce, *Interim Executive Director, Member*
- International Society for Performance Improvement, New Mexico Chapter, *Member*
- American Association of Individual Investors, New Mexico Chapter, *Member*
- Rural Community College Alliance, *Charter Member, Member of National Planning Conference Committee*
- HUD Community Outreach Partnership Center (COPC)-New Grants for Universities and Colleges, *2001 National Peer Reviewer*
- Quality New Mexico Board of Examiners, based on Baldrige Criteria for Performance Excellence, *Member*
- New Mexico State University-Carlsbad, *College Instructor, Sophomore-Level Course on Personal Development*
- Community Vision, *Charter Member, Board of Directors*
- Rotary Club of Alamogordo, *Board of Directors and Secretary*
- New Mexico State University Alumni Executive Council, *Board of Directors*
- New Mexico State University Alumni Chapter-Otero, *Charter Member, Board of Directors*
- Tularosa Basin Food Bank, *Charter Member, Board of Directors*

## Holly A. Woelber

## EDUCATION

**MS Biology, The University of Texas at El Paso, El Paso, Texas, May 1989**

**BS Agronomy, Texas A&M University, College Station, Texas, May 1978, Summa Cum Laude**

## EXPERIENCE

### Principal

**JW Group, Belen, New Mexico**

**November 2001-present**

Contract resource development, feasibility studies, grant writing, and economic development to include research, labor market information and administration. Currently consulting for National Association of Workforce Boards as a trainer for economic development and workforce development professionals across the U.S. Also consulting for NM state agencies, private industry, health care associations and post-secondary institutions in the area of epidemiology, workforce development and resource development.

### Executive Director

**New Mexico Rural Development Response Council, Belen, New Mexico June 2003-August 2004**

Lead the New Mexico Rural Development Response Council in their mission as the advocate for rural New Mexico. Administer the development and implementation of the Council's five year strategic plan and budget, to include resource development to support the goals and objectives of the Council. Serve as the liaison to local, state, and federal government advocating for policy to improve the quality of life for rural New Mexico residents. Develop and execute economic development strategies in workforce, business retention and expansion, and industry recruitment for communities ranging in population from 200 to 50,000. Administer \$1m Rural Readiness US Department of Commerce grant, facilitating economic development projects in 16 communities. Coordinate activities between partner

organizations within the state and at the federal level to leverage resources for community economic development. Maintain database of inquiries and responses to inquiries, newsletter, webpage, public relations and 501 c3 IRS status. Function as fiscal and administrative agent for other non-profit organizations. Resource development activities span grant identification and grant submission in healthcare, education, economic development, community development and agriculture.

#### **Vice President Workforce Development and Education Division**

**Greater El Paso Chamber of Commerce, El Paso, Texas**                      **November 1999-November 2001**

Develop and implement business plan for workforce development projects for cadre of adult and youth populations in a membership dues supported organization. Act as a liaison between business and industry and other partners, organizations, and prospective partners, maintaining confidential information. Conduct labor market data extraction, noting trends and opportunities, synthesis, and presentation of results in written document and Power Point presentation formats. Synthesize basic data on local, state, and federal workforce issues to elicit knowledge and development of strategies for implementation from the business sector. Develop select courses of action and subsequent recommendation, with substantiating documentation, to Board for action and approval. Monitor and influence state and federal workforce legislation. Research program and systems for comparative analysis to similar markets within the United States. Project manager for \$3.5 million, 96,000 square foot building renovation, to include management and security of said facility and tenants. Managed multiple grant-funded projects and budgets, supervising a staff of 13 persons, and a budget of \$750,000.00. Managed US DOL PREP grant; employer marketing component.

#### **DIRECTOR-CUSTOMIZED TRAINING**

**Western Technical Institute, El Paso, Texas**                                      **August 1998-November 1999**

Developed, marketed, and coordinated customized training programs to meet the needs of regional business and industry. Applied, implemented and administered state Smart jobs grants and registered apprenticeship programs for contracted companies. Provided training delivery and evaluation to contracted companies. Prepared grant applications as directed for federal and state funding.

#### **TRAINING MANAGER**

**DJ Plastics, Inc., El Paso, Texas**    **February 1998-August 1998**

Developed training programs, schedules, and curriculum for a 250 employee custom plastic injection-molding manufacturer. Conducted employee career guidance, managed and implemented federal registered apprenticeship programs (2), Smart Jobs and Skills Development grants, and coordinated school-to-work programs with area school districts. Developed training return on investment reports, education/skills/experience matrices, and curriculum. Additionally, researched and prepared grant application for Smart Jobs dollars for the new biennium and closed out previous grant.

#### **PROJECT DIRECTOR/ASSISTANT DIRECTOR**

**Upper Rio Grande Tech Prep Consortium, El Paso, Texas**                      **September 1991 to February 1998**

Provided direction and leadership to the Upper Rio Grande Tech Prep Consortium members (one of 25 in the state) in the development of a highly skilled regional workforce. Through Tech Prep and school-to-work programs and technology applications in 19 independent school districts, five post-secondary institutions, more than 500 businesses/industries/labor organizations and the United State military, the goals of the Consortium were met. Working with independent school district Superintendents, business and industry CEOs, and college and university Presidents within the six county region a programmatic approach was developed and implemented under my direct supervision. Additionally, facilitation, monitoring and reporting to the state of Texas and Consortium Board was accomplished; and liaison activities with business and industry to foster productive linkages to education achieved.

During my tenure, over 20 grants were written and submitted for funding. Grant preparation, research, and proposal implementation was conducted on an on-going basis. Federal and state legislative activity was tracked. Over 50 training classes were developed and conducted for education and

business and industry personnel, to include evaluation component. Program marketing and recruitment of business and education professionals and students was accomplished. Management of a \$450,000+ annual budget and direct supervision of a staff of six professionals and 65-80 volunteers. Under my tenure as Director, the Upper Rio Grande region was recognized by the Texas Higher Education Coordinating Board, Texas Education Agency, Texas Department of Commerce, and Texas Governor George Bush as the top ranked Consortium in the state of Texas for 1995. Over \$3.1 million dollars was secured for the region.

Selected Projects:

- **Developed and presented** to 25 Texas Tech Prep and STW regions: Career Opportunities for Youth with Disabilities (Labor Market Information)
- **Developed and presented** to 25 Texas Tech Prep and STW regions: Career Opportunities for Incarcerated Youth (Labor Market Information)

### **SKILLS**

- Certified Trainer, Workforce, National Association of Workforce Boards
- Grant writing and administration, to include budget management
- Financial resource development
- Youth development
- Conference development
- Project administration
- Consensus building among diverse participants
- Research
- Microsoft Office Suite
- QuickBooks software
- Presentation to multi-level education and experienced audiences with multiple tools and platforms
- Human Resource Assessment instrument administration and analysis- ASVAB, Bennett Mechanical, CAPS, \*COPS, CASAs, Discover

### **ASSOCIATIONS**

- Member NM Homeland Security Private Sector Workgroup, 2005
- Valencia County Extension Horticulture and Baking Coach, 2005
- Member NM Homeland Security ITAT, 2004
- NM Human Resource Managers Society, 2004-2005
- Belen Chamber of Commerce, 2002-2005, Board of Directors, Treasurer 2004, Vice President 2005
- Valencia County Cooperative Extension Support Council member, 2003-present
- New Mexico State University Extension Support Council President, 2003-2004, Treasurer 05-06
- El Ranchito de Los Ninos, Planning Committee, 2002-2005
- Top ranked Consortium in the state of Texas, so designated by the Texas Higher Education Coordinating Board, Texas Education Agency, Texas Department of Commerce, and Texas Governor George Bush; 1995
- American Cancer Society Board of Directors- El Paso Metro Chapter; 2001
- Empower to Earn- Childcare Board of Directors; 2001
- Success by Six-United Way Board of Directors; 2000-2001
- Phi Kappa Phi; 1990-present
- American Society of Agronomy; 1982-present
- Crop Science Society of America; 1982-present
- Sigma Delta Epsilon; 1988-present

- Beta Beta Beta; 1989-1992
- Greater El Paso Chamber of Commerce; 1994-1997
- Clint Independent School District Board of Trustees; 1990-1991
- Clint Independent School District Vocational Advisory Council; 1989-1991
- Clint Independent School District Personnel and Curriculum Committee; 1990-1991
- El Paso Community College Presidential Search Committee; 1990
- El Paso Community College Southern Association of Colleges Administrative Process Principal Committee (Editor), 1991 - 1992
- El Paso Community College Part-time Task Force (Editor); 1991-1992
- El Paso Community College Professional Rights and Responsibilities Committee; 1991-1992
- El Paso Community College Faculty Evaluation Committee; 1991-1992
- Upper Rio Grande Quality Work Force Planning Committee; 1992-1995
- El Paso Literacy Coalition; 1994-1995
- Federal Bureau of Prisons Vocational Advisory Committee; 1995-1996
- National Tech Prep Network; 1993-1998
- Multi-District Marketing Committee; 1993-1998
- Career Placement Advisory Committee; 1993-2000; President 1995-1996
- State of Texas Tech Prep Directors Association; 1993-1998; Treasurer 1995-1996
- Texas Vocational Guidance Association; 1994-1995
- El Paso Society of Human Resource Managers, 1995-present; Education Chair 1998, Workforce Development Chair, 1999
- National Society of Human Resource Managers, 1998-2002
- American Vocational Association, 1995-1998
- Alderman, City of Horizon; 1996-1998, Mayor Pro-Tem 1996-1997

### **STATE AND NATIONAL PUBLICATIONS & PRESENTATIONS**

- November, 1984 ANALYSIS OF FORAGE AND FEEDSTUFF UTILIZING @HACH  
American Society of Agronomy
- November, 1984 USE OF FEED EQUIPMENT ON A DAIRY FARM  
American Society of Agronomy
- November, 1988 PREDICITNG ALFALFA YIELD ON TWO WEST TEXAS FARMS BASED ON CUMULATIVE GROWING DEGREE DAYS  
Presentation Partners in Education National Conference
- February, 1993 BUSINESS AND EDUCATION LINKAGES.  
Presentation National Tech Prep Conference.
- May, 1993 BUSINESS/INDUSTRY/EDUCATION LINKAGES.  
Presentation Job Training Partnership Act Planning Conference
- January, 1994 SERVING DROPOUTS IN RURAL AREAS-DESIGNING YOUTH PROGRAMS  
Presentation State Texas Tech Prep Conference
- March, 1994 CAREER ASSISTED GUIDANCE AND TECH PREP MANUFACTURING MODEL FOR TECH PREP  
Presentation Texas Vocational Guidance Association Conference
- July, 1994 MORE BANG FOR YOUR BUCK: THE MULTI-DISTRICT APPROACH  
Presentation National School-To-Work Conference
- July, 1994 SCHOOL-TO-WORK: TEXAS STYLE!  
Presentation State Career Placement Association
- October, 1994 TECH PREP AND CO-OP EDUCATION: A WINNING COMBINATION  
Presentation National Tech Prep Conference
- October, 1994 MANUFACTURING AND TECH PREP  
Presentation National American Vocational Association Conference
- December, 1994 (1) SCHOOL-TO-WORK TEXAS STYLE FOR SPECIAL POPULATIONS  
(2) MORE BANG FOR YOUR BUCK!

(3) CAREER ASSISTED GUIDANCE  
Presentation Inaugural School-to-Work Conference  
February, 1995 MANUFACTURING IN EL PASO  
Presentation State Tech Prep Conference  
March, 1995 (1) TECH PREP AND CO-OP EDUCATION: A WINNING COMBINATION  
(2) SCHOOL-BASED AND WORK-BASED LEARNING  
(3) SHADOWING FOR RURAL COMMUNITIES  
Presentation Texas Vocational Guidance Counselors Association  
July, 1995 CAREER GUIDANCE COUNSELORS; HAVE WE GOT A PLAN FOR YOU!  
Presentation Super Computing '95 Conference  
December, 1995 COMMUNITY NETWORK PANEL  
Presentation Visions for the Southwest  
February, 1996 GENESIS Project: Community Networking  
March, 1996 Presentations State Tech Prep Conference  
INDUSTRY MENTOR TRAINING  
STUDENT NON PAID INTERNSHIPS  
LINKING REGISTERED APPRENTICESHIPS  
July, 1996 TEA Administrator's Conference  
LINKING TO BUSINESS AND INDUSTRY  
July, 1996 TEA Counselor's Workshop  
REGISTERED APPRENTICESHIPS  
September, 1996 Presentation National Tech Prep Conference  
INDUSTRY PARTNERSHIPS  
January, 1997 Workforce 2000 Conference  
LINKING REGISTERED APPRENTICESHIPS TO EDUCATION  
March, 1997 Presentation State Tech Prep Conference  
GROUNDHOG DAY AND OTHER BUSINESS PARTNERSHIPS  
April, 1997 Presentation Region IV AVA  
TO MARKET TO MARKET TO BUY A FAT PIG  
1-2-3 INDUSTRY HERE WE COME  
September, 1997 Presentation National Tech Prep Conference  
TO MARKET TO MARKET TO BUY A FAT PIG  
February, 1998 Presentation State of Georgia Tech Prep Conference  
TO MARKET TO MARKET TO BUY A FAT PIG  
PRE-CONFERENCE SESSION COUNSELING AND WORK-BASED EXPERIENCES  
April, 1998 Panelist State STW Conference  
Work-Based Learning Panel  
Inclusion of All Youth  
June, 2000 Presentation US Chamber of Commerce Conference  
The Role of the Greater El Paso Chamber of Commerce as an Employer Intermediary

**SELECTED DELIVERED TRAINING TOPICS AND AUDIENCES**

<b>Training Topic</b>	<b>Client</b>	<b>Audience</b>
AMA- Essentials of Management	El Paso Community College	Para professional staff
AMA- Essentials of Management	DJ Plastics	Supervisors
Supervisory Skills	DJ Plastics	New Supervisors
Organizational Change	DJ Plastics	Managers, Supervisors
Performance Evaluations	DJ Plastics	Supervisors, managers
Interviewing Techniques	DJ Plastics	Production employees
Time Management	DJ Plastics	Production employees
Stress Management	DJ Plastics	Production employees
Benefits of an Interviewing System	DJ Plastics	Staff
Benefits of an Interviewing System	Greater El Paso Chamber of Commerce	Vice Presidents

Career Ladders-Fact and Fiction	DJ Plastics	Staff
Behavioral Implications in the Workplace	Western Technical Institute	Staff
Microsoft Word-Basic	Western Technical Institute	Employees
Microsoft PowerPoint-Basic	Western Technical Institute	Employees
Curriculum Development	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty
Instructional Delivery	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty and Post-Secondary Faculty
Program Development Based on Labor Market Information	Texas A&M University Corpus Christi	Graduate Class
Economic Development Based on Labor Market Information	University of Texas at El Paso	Graduate Class
Development of Articulation Agreements	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty and Post-Secondary Faculty-National
Development of Work-Based Programs for Secondary and Post-Secondary Students	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty and Post-Secondary Faculty-National
Development of Work-Based Programs for Secondary and Post-Secondary Students	State of Texas	TBEC Conference Attendees
Career Opportunities for Youth with Disabilities	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty and Post-Secondary Faculty- State of Texas
Career Opportunities for Adjudicated Youth	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty and Post-Secondary Faculty-State of Texas
Career Guidance Assessment Systems	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty and Post-Secondary Faculty, Business and Industry-National
Development of Registered Apprenticeship Programs	Upper Rio Grande Tech Prep Consortium	Independent School District Faculty and Post-Secondary Faculty, Business and Industry -National
General Biology	El Paso Community College	students
General Chemistry	El Paso Community College	students
Human Anatomy and Physiology	El Paso Community College	students

### **James L. Hawkins**

**PROFILE:** Confident and collaborative leader with over 20 years of executive management experience that focuses on challenging financial and organizational turnaround situations in the community banking industry including the management of administrative and daily operations. Background includes strategic planning, management of investment portfolios, financial management, consulting on board governance and business process issues. Creative team player with strong background in ALCO, product pricing, and business development which includes business process analysis, organizational leadership and training, and planning and implementation.

### **HIGHLIGHTS OF QUALIFICATIONS**

Executive Management  
Business Process Analysis and Planning  
Investment and Portfolio Management  
Strategic Planning  
Organizational Development and Training  
Interest Rate Risk Management  
Multi-Branch Banking Management

Asset/Liability Management  
Risk Income Investment Officer  
Budgeting Variance Analysis  
Financial Studies, Financial Modeling  
Cash Management  
Liquidity Management  
Excellent Communication and Negotiation Skills

## PROFESSIONAL EXPERIENCE

### Western Security Bank

Scottsdale, Arizona

**Senior Vice President and Chief Financial Officer**

9/04 – present

- Provides executive leadership in a \$200 million multi-branch community bank. Built first budgets for all branches using internal funds transfer pricing, implemented ABC; wrote and implemented ALCO policies and strategies that minimized interest rate risk, increased liquidity, and total return using duration and convexity; responsible for asset and deposit pricing for all markets; hired the right people that increased efficiency and effectiveness of all departments; conducted accounting and other classes to mentor and develop personnel; implemented strong internal controls and explained its importance; conducted various cost analysis to increase non-interest income and decrease non-interest expense; serves on Executive, Loan, IT Committees; introduced and taught EVA, Six Sigma, Balanced Scorecard, Benchmarking; consulted with board of new concepts.

### Ranchers Banks

Belen, New Mexico

**Executive Vice President and Chief Financial Officer**

7/01 – 9/04

- Provides executive leadership and is second ranking officer of a \$120 million multi-branch community bank and the holding company. Wrote strategic plan and conducted first Board retreat to give direction to the organization and to maximize shareholder value; built first budgets for all branches using internal funds transfer pricing, implemented ABC; changed culture to more sales and internal control oriented; conducted cash flow analysis for all lenders to change culture from collateral to cash flow based lending; wrote and implemented ALCO policies and strategies that minimized interest rate risk, increased liquidity, and total return using duration and convexity; chairman of ALCO Committee; responsible for asset and deposit pricing for all markets; hired the right people that increased efficiency and effectiveness of all departments; conducted accounting and other classes to mentor and develop personnel; implemented strong internal controls and explained its importance; conducted various cost analysis to increase non-interest income and decrease non-interest expense; serves as Chair of the Pricing Committee; serves on Audit, Executive, Loan, HR, Marketing Committees; serves as CIO; researched, recommended, and installed upgrades to all PCs and mainframe; researched, recommended, and installed new banking software package to allow the bank to grow by offering new products and management systems; introduced and taught EVA, Six Sigma, Balanced Scorecard, Benchmarking; consulted with board of new concepts; rewrote HR policies to attract and retain qualified personnel; Treasurer of bank holding company and does all internal and external financial reporting. Senior Vice President-Administration (7/01 – 4/02) Responsible for operations, MIS, investment, rate sensitivity, and accounting functions

### First National Bank

Artesia, New Mexico

**Senior Vice President and Chief Financial Officer**

5/99 – 7/00

- Developed budgets for 5 branches and the holding company of a regional \$226 million bank in southern New Mexico. Wrote ALCO and investment policies. Secretary to the Board of Directors. Designed and implemented new general ledger accounting system conforming to GAAP. Implemented an interest rate monitoring system to provide better analytics to manage the interest rate risk of the institution. Directly managed the Finance and Accounting Department and increased productivity by 20% and reduced expenses by the same. Responsible for all Board, management, and regulatory reports and for their explanation and interpretation.

### **First National Bank and Trust Company**

Vinita, Oklahoma

**Chief Financial Officer**

4/97 – 5/99

- Developed and wrote first strategic plan for the bank. Developed budgets for 2 banks and the holding company. Wrote ALCO and investment policies. Conducted all board meetings and board training. Designed and implemented new general ledger accounting system conforming to GAAP. Converted bank to accrual system. Increased investment portfolio income by 27% in a flattening yield curve environment while reducing the interest rate risk of the institutions. Increased the spread by 2% in a decreasing loan environment, decreased non-interest expense by 2%. Increased net income by 4% and capital by 6%. Designed, wrote, and implemented strategic plans for both banks and the holding company.

### **First Alamogordo Bancorp, Inc.**

Alamogordo, New Mexico

**Senior Vice President and Chief Financial Officer**

1/87 – 4/97

- Chief Financial Officer for a \$175 million locally owned, two-bank holding company, the most profitable (as defined by ROA) in the state for three years in a row. More than doubled book value of stock, increased net income 330%, increased the spread 250%, increased non – interest income 205%. Secretary to the Board of Directors. Designed, implemented, and responsible for all financial reports and interpretations, including budgets, product development, and asset/liability management systems for the holding company and two banks. Responsible for \$80 million investment portfolio (47% of assets). Designed and implemented financial systems in First National Bank of Ruidoso that resulted in increased ROE from 5.34% to 17.60% and in First National Bank in Alamogordo ROE from 9.99% to 17.05%. Supervised data processing and compliance functions for both banks.

### **First National Bank in Alamogordo**

Alamogordo, New Mexico

**Senior Vice President – Administration**

1/87 – 4/97

- Supervised the accounting, teller line, data processing, bookkeeping, and new account departments. Designed and implemented an asset/liability system that placed the spread in the 98% compared to peer banks. Increased investment portfolio yields (75%) while increasing liquidity and safety of principal. Implemented a budgetary system for the banks. Designed and implemented new products. Increased non – interest income (90%) and held non – interest expense to 3% per year. Introduced discount brokerage system selling mutual funds to increase non – interest income. Managed equity, debt portfolio, and some real property as the only Trust Officer of the bank.

### **Union Bank and Trust**

Bartlesville, Oklahoma

**Vice President**

3/84 – 1/87

- Responsible for asset/liability, bank budget, departmental budget, report preparation and interpretation, funds management, purchasing, and financial studies. **Vice President/Commercial Loan Officer** (12/84 – 11/85) Managed commercial and consumer portfolio; managed operational functions of the branch. **Vice President/ Comptroller** (3/84 – 12/84) Responsible for the accounting functions of the bank and bank holding company, funds management function, financial studies, budgeting, and product development. Coordinated



- New Mexico State University Alumni Association of Otero County, *President*
- Advisory Committee to the Federal Reserve Bank of Dallas on Financial Institutions
- New Mexico Banking Association, Investments and Trust
- Advisory Committee to Otero County on Investments
- American Institute of Banking in New Mexico, *Board of Directors*
- Flickinger Center for the Performing Arts, *Charter Board Member and Treasurer*
- Lion's Club, *President*
- Alamogordo Foundation, *President*
- New Mexico State University President's Association, Alamogordo Chapter
- New Mexico State University – Alamogordo on Banking/American Institute of Banking courses
- Institute of Management Accountants

### COMPUTER SKILLS

- **Microsoft Professional Office, 2003**, Advanced Skills
- **Lotus 123**, Advanced Skills
- **Excel Statistical Analysis**, Advanced Skills
- **Linear Programming**, Advanced Skills
- **Goal Programming**, Advanced Skills
- **Decision Analysis**, Advanced Skills
- **Tree Plan**, Advanced Skills
- **Baker Group-Interest Rate Risk Monitor**, Advanced Skills
- **Baker Group-Balance Sheet Monitor**, Advanced Skills
- **Banking mainframe systems -Kirchman System and Jack Henry Systems**, Advanced skills
- **Monte Carlo Simulation**, Advance Skills
- **Capital Budgeting**, Advanced Skills

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1 Mintzberg, Henry, and James Brian Quinn. *The Strategy Process, Concepts, Contexts, Cases*. New Jersey: Prentice-Hall, Inc., 1996, Page 61. The final broad test of strategy is its feasibility. Can the strategy be attempted within the physical, human, and financial resources available? The financial resources of a business are the easiest to quantify and are normally the first limitations against which strategy is tested. The less quantifiable but actually more rigid limitation on strategic choice that imposed by the individual and organization capabilities that are available. In assessing the organization's ability to carry out a strategy, it is helpful to ask three separate questions: 1) Has the organization demonstrated that it possesses the problem-solving abilities and/or special competencies required by the strategy? Has the organization demonstrated the degree of coordinative and integrative skill necessary to carry out the strategy? Does the strategy challenge and motivate key personnel and is it acceptable to those who must lend their support?

2 The word "The project" is an ancient *Sanskrit* word meaning "the herb of life" and refers to an herb grown in the Himalayan Mountains that is mentioned in the "Ramayana" – an ancient Indian epic.

3 *The White House Commission on Complementary and Alternative Medicine Policy 2002* (hereinafter, "WHCCAMP"), page 9. CAM is a heterogeneous group of medical, healthcare and healing systems other than those intrinsic to mainstream health care in the United States. CAM includes the world views, theories, modalities and services not usually performed by conventionally trained physicians (M.D.s) and includes modalities such as Traditional Chinese Medicine (TCM), Acupuncture, Homeopathy, Naturopathy, Ayurveda, Cranio-sacral Therapy, Massage, Spiritual Therapy, Mind-body Medicine (guided imagery, meditation, healing touch), Nutrition/Diet, Exercise (Tai-Chi, Qi-Gong, Pilates), as well as the use of herbs and supplements.

4 Integrative Medicine involves using the best possible treatments from both CAM and allopathic medicine (western), based on the patient's individual needs and condition. This selection should be based on good science and neither rejects conventional medicine nor uncritically accepts alternative practices. It integrates successes from both worlds and is tailored to the individual, using the safest, least invasive, and most cost-effective approach while incorporating a holistic understanding of the individual. See, *Philosophy of Integrative Medicine*, David Rakel, M.D. and Andrew Weil, M.D., Integrative Medicine, by David Rakel, M.D. (Saunders) 2003, page 7.

5 According to the American Marketing Association (AMA), the definition of marketing is: "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals."

6 *Lifestyles of Health and Sustainability (LOHAS)*. 10/4/05. <http://www.lohas.com/about.htm>

<sup>7</sup> Information was provided by xxx, September 200x.

8 *The White House Commission on Complementary and Alternative Medicine Policy 2002* (hereinafter, "WHCCAMP"), page xi

9 Prisuta, Rober. *Enhancing Volunteerism Among Aging Boomers*, page 52. This article is a background paper for Harvard School of Public Health study on Reinventing Aging, Baby Boomers and Civic Engagement. Harvard School of Public Health website. 10/4/05. <http://www.hsph.harvard.edu/chc/reinventingaging/Report.pdf>

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10 *Ann Intern Med.* 201; 135:262-268

11 Lifestyles of Health and Sustainability (LOHAS). 10/4/05. <http://www.lohas.com/about.htm>

12 xxx Convention and Visitors Bureau Tourism Study. September 2002