

Letter sent to all potential developers in lieu of a formal Request for Proposals

October 3, 2003

Mr. Jeffrey H. Tamkin, President
Tamkin Development Corporation
11755 Wilshire Blvd., Suite 2350
Los Angeles, CA 90025

RE: Synergy Park
Kilgore, Texas

Dear Mr. Tamkin:

The Kilgore Economic Development Corporation (KEDC) owns a 512-acre industrial park development called Synergy Park at Elder Lake. With a 10-acre natural spring-fed lake and supporting green belt area as its centerpiece, the park has been master-planned for a total of 37 lots ranging in size from 4 acres to 14 acres. The infrastructure for the first phase, including roads and utilities, has been completed, and an amenities package involving improvements around the lake and the park's entry signage is currently being constructed.

This site will be an ideal business location but lacks the added attraction of an available building. We receive inquiries on a regular basis from a variety of companies with immediate need for an available building in the 50,000 to 80,000 square-foot range. We believe that in order to be competitive for this market segment, we must construct an Incubator Building that will be critical in attracting relocation projects to Kilgore.

KEDC currently has an Incubator Building complex master-planned to occupy Lots 1 and 2. The complex would include two separate buildings of approximately 80,000 square feet each, a copy of which is enclosed.

KEDC is a 4A sales tax corporation and uses the revenue for economic development for our community. We are exploring alternative approaches for maximizing our recruitment program and expediting the development of Synergy Park. We are inviting a private/public alliance for this program. This is a letter of invitation to your company to explore potential options.

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From our perspective, we believe the alliance would be directed initially at two objectives:

- ***Incubator Building:*** The first is the design, construction, operation and recruitment for the new 80,000SF Phase I of the Incubator Building, including site improvements. It would be the intent of KEDC to enter into a contractual arrangement with a development group who would finance, construct and own Phase I of the Incubator Building, either the shell and sitework component or the shell, sitework and tenant improvements, depending on our final arrangements. It would be KEDC's further intent to have a buy-out agreement with the developer for this investment in either a 5- or 7-year period, again depending on our negotiations. We would like our relationship to be such that we both would be involved in identifying and recruiting potential prospects to occupy this facility. Should our efforts be successful, it is entirely possible that Phase II of the Incubator Building, an additional 80,000SF, would be built under the same arrangement.
- ***Prospects' Facilities:*** There have been and are currently prospects considering Kilgore and Synergy Park as a location for development who wish to have their own site and intend to develop their own facilities. There have been occasions where such prospects have inquired into the possibility of a developer financing, building and leasing such facilities with a pre-determined occupant purchase arrangement. We would anticipate the developer selected from this letter of invitation would be interested in such additional development/financing opportunities.

The KEDC realizes that the developers responding to this invitation may have experience in other equally plausible approaches to reaching our mutual objectives, and our board is certainly open to considering such alternative approaches. Should your company wish to be considered for such an association with KEDC, please respond by confirming an interest and providing the following information:

- Examples of similar project arrangements, including project types and sizes, costs of the project, partnering community or company, periods of buy-out, etc.
- Financial information on the development company.
- Any examples where the developer assisted either a community in securing a new company or in assisting a company to find a new community as a location.
- References
- Policy Declaration pages showing Workers Compensation, General Liability and Professional Liability Insurance Coverage

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It would be our intent upon receiving and reviewing your response to this invitation, to visit your company and have a more in-depth conversation about our community and its projects; your company, its capabilities and approaches; and the possibility of an alliance. Based on the information submitted and the visit, we would identify a finalist with which to establish an alliance of mutual benefit to accomplish the aforementioned scopes of work.

Sincerely yours,

Amanda Nobles, CEcD
Economic Development Coordinator

AN: dd

200 DESIGN CRITERIA

200.1 SITE/LANDSCAPE

A. GENERAL

1. Kilgore Economic Development Corporation (KEDC) receives numerous contacts from businesses wishing to locate in existing buildings in Kilgore. Specifically, there have been 34 such requests in the past 24 months. Ten of these businesses desired to locate in existing space less than 50,000 square feet; 24 desired to locate in existing buildings ranging from 50,000 square feet to 1,000,000 square feet. KEDC has not been successful in attracting these businesses to Kilgore due to the lack of available space in sufficient quantity.
2. To address this need, an 80,000 square foot shell building is proposed to provide space in which new businesses can locate in Kilgore while these prospects expand their markets and create additional employment opportunities for the citizens of Kilgore. The prospects will have the opportunity to locate in and finish-out space ranging from 5000 – 80,000 square feet. The building will also serve as temporary space for prospects while new buildings are designed and constructed to suit the needs of these new businesses.
3. Development on the new property must comply with City of Kilgore permit requirements. KEDC will submit applications and documentation for necessary permits.
4. Comply with all requirements of the Development Standards for Synergy Park.
5. Master plan the site to provide for future expansion of the building to 160,000 square feet, with sufficient parking and truck access and loading.

B. SITE UTILITIES

1. Water: Connect to existing main.
2. Fire: Design and install new fireline to serve new building. Coordinate with City of Kilgore for connection.
3. Sanitary Sewer: Connect to existing main.
4. Gas: Connect to existing main.
5. Electric: Connect to existing lines. Service will be routed either to a pad mounted transformer, or to a pole mounted transformer at the new building, depending on the final building electrical load characteristics.
6. Telecom: Connect to existing fiber optic line.

C. ROADWAYS AND PAVING

1. Design new driveways to comply with TxDOT standards.
2. Design pavement in accordance with recommendations of geotechnical engineer.
3. Provide parking for 30 automobiles in front of the new building.

D. STORMWATER

1. Filtration and detention ponds for the new building will comply with City of Kilgore and State of Texas regulations.
2. A SWPPP must be in place prior to construction. The Contractor will be required to maintain it. This is an EPA requirement.

E. LANDSCAPE

1. All disturbed vegetation must be restored.
2. Landscaping is not included in the design at this time.

200.2 SHELL BUILDING

A. GOALS

1. To provide space in which prospective new businesses can locate.
2. To create a standard image for the remainder of Synergy Park.
3. To create a building that is expandable to 160,000 square feet.

B. GENERAL REQUIREMENTS AND SITE

1. Operating hours will typically be 6:00 am to 6:00 pm, Monday through Friday, but can vary.
2. The building will be designed as a "cold dark shell with minimum lighting, fire protection and heating (for freeze protection).
3. The building will be a "B" occupancy as defined by the Uniform Building Code.
4. Paving
 - a. 30 parking spaces are needed in front for passenger vehicles.
 - b. Paving for future truck access will be planned, but not designed in this project.
 - c. The paving design for the 30 parking spaces shall conform to the recommendations of the geotechnical engineer's report.
5. Grounds
 - a. Landscape design is not included in the project at this time. It is anticipated that landscaping will be added in the future.
6. Stormwater controls
 - a. Comply with City of Kilgore standards.
7. Fencing
 - a. Fencing is not included in the project at this time.

C. BUILDING SHELL AND CORE

1. Architectural Image
 - a. Concrete tilt-wall with appropriate color scheme. The entrance should be more inviting, with exterior finishes such as brick, split-face CMU and storefront glass.
2. Roof
 - a. Single ply membrane roofing with design loads per the manufacturer's recommendations.

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- b. Gutters and downspouts will be connected to a stormwater drainage system.
 3. Columns
 - a. Columns in future manufacturing space should be spaced as far apart as practical.
 4. Windows
 - a. Provide exterior windows around the future administrative areas.
 5. Exterior Doors
 - a. Hollow metal for service areas.
 - b. 12' x 12' high insulated bay doors.
 - c. Aluminum and glass doors at entrances.
 6. Foundation
 - a. Service bay area designed for heavy trucks.
 7. Loading Dock/Service
 - a. Provide area for dumpster and recycling bins.
 - b. Provide docks and overhead doors in each structural bay in future manufacturing/warehouse areas.

D. INTERIOR DESIGN

1. Interior spaces will not be finished at this time. No interior partitions, doors, floors, ceilings, toilet fixtures, HVAC systems, ducts, grilles, or lights will be provided at this time.

E. MANUFACTURING/WAREHOUSE AREAS

1. The manufacturing/warehouse areas will be unfinished with a clear height of 22'-0" to 30'-0". The floor will be a concrete slab-on-grade; the roof will be steel joists supporting a steel roof deck. Load-bearing columns will be spaced approximately 30' to 40' on center. Exterior walls will be concrete tilt-wall panels (unfinished on interior side) and storefront glazing systems. Overhead doors will be provided in each structural bay at the rear of the building. The roof structure will be designed to accommodate future HVAC equipment.

F. MECHANICAL

1. HVAC
 - a. The HVAC system will consist of minimal heating to protect the fire protection system piping from freezing. No ductwork or air

conditioning is planned at this time. Future occupant needs will be addressed as they are identified.

2. PLUMBING

- a. The primary building water and wastewater systems connections will be established at the building exterior, for future extension inside the building to satisfy future occupant needs, which are undetermined at this time.
- b. Gas service will be routed to the building exterior, for future connections to address occupant needs.

3. FIRE PROTECTION

- a. Wet pipe sprinkler system per code and KEDC insurance recommendations for a shell building.

G. ELECTRICAL

1. Electrical Service

- a. Electrical service will be provided at the rear of the building, with adequate capacity to be extended throughout the building in the future.
- b. The service to the building will be routed from the existing overhead electric lines at the eastern edge of Synergy Park to the rear property line, then either underground or overhead to the building exterior wall, depending on final electrical load characteristics.

2. Lighting

- a. Lighting in the building shell will be adequate to comply with minimal code requirements.
- b. Site lighting will be provided to illuminate the parking lot at the front of the building.
- c. Wall packs around building perimeter.
- d. Pole lights as needed for parking and roadway.

3. Telecom and Network

- a. Telecom service will be routed to the exterior of the building, with terminations to permit future extensions inside the building when occupant needs have been determined.

4. Fire Alarm System

- a. Installation to comply with building code requirements.

H. FURNITURE, FIXTURES AND EQUIPMENT

1. Furniture, fixtures and equipment are not included in the project at this time.

I. SIGNAGE

1. Exterior Signage by contractor to conform to Synergy Park standards.
2. Interior signage is not included in the project at this time.