

FAS Construction Management, Inc.

Finding A Solution

Construction Risk Management

FAS is a leader in construction consulting and risk management. Since 1995, FAS has been assisting lenders, owners and contractors with commercial construction throughout the United States, Mexico and Canada. There are many benefits to utilizing FAS, including:

- Nationwide Coverage
- Single Point-of-Contact
- Standardized Reporting
- Web Reporting / Central Data Repository
- Risk Mitigation via Full Construction Risk Management

FAS is comprised of architecture, engineering, construction, real estate, accounting, and information technology professionals. With this expertise as its core, FAS develops and delivers faster, better and more efficient solutions to our clients.

FAS Construction Management's philosophy is to use our expertise and experience to understand construction risks, foresee problems and prevent them from ever occurring. FAS is an active member of the commercial construction and small business market, with a clientele base that includes many of the Nations top lenders.

Using the FAS philosophy of preventative intervention, FAS will review the plans, contracts and construction estimate prior to the project starting or the loan closing. FAS will identify any items that have the potential to cause significant problems and offer a recommended solution to these problems. This will give the lender, owner and contractor an opportunity to clarify or make changes prior to the problems ever surfacing. Once construction starts, FAS will make the monthly site visits to review the Contractor's Pay Application. It is important to insure proper payment so that the contractors receive full credit for work accomplished but no more than they have earned. FAS' procedures not only provide superior risk management, but also provide specialized techniques and in-house experience to assure projects the best opportunity to progress to final close-out and funding. Outsourcing the majority of contact and interaction with the contractor to FAS, allows our clients more time to focus on financial issues and thereby enjoy tremendous gains in operational efficiency.

Purpose:
To Create Value by Finding Solutions.



FAS Services

➤ Construction Risk Management (CRM):

Full Construction Risk Management (CRM) is a combination of services that offers the best protection for a lender on a construction project. Full CRM includes Initial Project Review, Pay Application Review, Issue single check to general contractor or checks issued to general contractor, subcontractors and supplier level, review of subcontractor and supplier lien releases, and review of subcontractor and supplier invoice support. FAS will review the application for payment to verify that the monies requested are for actual work completed. After review of lien releases, subcontractor and supplier invoice support and supporting documentation required of the contractor, FAS prepares individual checks to be paid directly to the general contractor, subcontractors and suppliers for their specific parts of the work and collects the lien releases to help ensure that the project remains lien free. These checks along with the lien releases are sent to the general contractor for distribution. FAS also provides the general contractor with a summary page listing each payment and status to date.

➤ Initial Project Review (IPR):

Prior to the start of construction, the IPR report highlights concerns to the client that may cause potential problems, giving the client time to resolve matters before they lead to costly overruns and time delays. The Initial Project Review by FAS is for the purposes of providing valuable information to the client to assist them with the construction loan request for the project. The information provided is based upon FAS' experience relating to similar construction projects.

➤ Pay Application Review (PAR) and Site Observation

The Pay Application Review (PAR) process monitors the construction funds to assure that the project closely matches the amount of funds requested. There are two components involved in the PAR process; the project Site Observation consisting of a review of the progress to date and Fund Disbursements consisting of review of the Pay Application and required supporting documentation. During this phase, the client, through FAS reporting, will be kept up-to-date with the projects progression and be able to view the report and photographs of the projects at the FAS website.

Additional Services

➤ Project Status Review

➤ Construction Management

➤ Consulting Services

➤ Project Management

➤ Property Condition Assessments (PCA)

➤ Construction Audit

✓ Resorts

✓ Medical

✓ Infra-Structure

✓ Retail

✓ Condominium

✓ Federal

✓ Hotel

✓ High-Rise

✓ Apartments

Benefits of Construction Risk Management

For The Lender:

- Construction Risk Management (CRM) is an accepted alternative to a bond, more contractors are qualified for projects, typically at a cost less than a bond.
- One nationwide vendor for Initial Project Reviews, Site Observations, Funds Disbursement, and Construction Consulting.
- Frees loan officers and processors from dealing with contractors during construction phases to focus more time on marketing
- Provides monthly reporting of construction progress, as well as funds disbursements in consistent, standardized reports.
- Web-available reports, photographs, and documentation allows the lender 24/7 access to review multiple projects.

For the Borrower:

- Potential cost savings by providing an alternative to construction bonds.
- Qualified review of construction drawings, specifications, and budget.
- Monthly reporting of construction progress as well as funds disbursement.
- Obtaining lien releases to minimize funding problems and potential liens.
- In the unlikely event of a contractor default, FAS can be further contracted to right the project with the least possible negative impact.

For the Contractor

- Receive payments quicker.
- FAS uses familiar spreadsheet forms that simplify payment requests.
- Automatically receive checks for all subs and major vendors styled in the name of the contractor, eliminating paperwork and clerical expense while maintaining distribution and control.
- Prepares, monitors and maintains lien releases from subcontractors and suppliers showing proof of payment.

Vision:
To Find Solutions That Change The Way Industries Operate.



- ✓ Office
- ✓ Restaurant
- ✓ Dental
- ✓ Warehouse
- ✓ R & D Loans
- ✓ Renovation



On-Line Job Tracking & Reporting

A unique offering from FAS is our on-line reporting and job status system. As information is processed on our clients project, from the IPR to the projects final closeout, FAS tracks the progress and posts it in real time to our protected website. The clients representatives who are authorized to access project data through the website simply log in and click their way through our easy to use screens. The results; access to critical project data, anytime, anywhere, simultaneously by as many representatives as you want.

Summary

FAS is a leader in construction consulting and risk management. Our approach has enabled our clients nationwide to grow their business, manage risk, reduce overhead expense and generate greater profits. While our methods are standardized, our service is flexible. Products, programs and services are developed based on the needs of our customers and our ability to deliver valuable solutions. FAS stands for “**F**inding **A** Solution”, which we strive to accomplish for our clients daily. Call us at 210-477-7910 if there is ever anything we can do to bring new solutions to you.

Contacting FAS

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Mission:
To Find Solutions That Exceed Our Partners
Expectations.

