

August 28, 2017

Proposal 170828

Re: Case Goods Refinishing

Our Full Refinishing and Standard Refinishing are unlike anything in the industry. The reason ownership groups like HIT have chosen us as their preferred vendor for refinishing and touch up is because of the proven value of our service and product. Most execs are used to touch up companies whose touch up wears off in months. Ours doesn't. Our finishes last for years and give you a truly like-new look. Read the detail in our Recommendation section below to understand the difference and value we bring! We look forward to earning your business!

OBSERVATIONS:

-) The furniture wear is consistent with case goods between five and ten years old.
-) Previously attempted touch ups with either stains or paint are visible and are flaking, peeling and fading.
-) The top surfaces of the nightstands, desk, and dresser are laminate, with wood trim.
-) The front of the writing desk has been considerably scratched and worn; the finish is gone along the front edge with raw wood showing. The legs of the desk are scratched and scuffed.
-) The lower base trim on the dresser and nightstand have been severely scuffed and scratched from vacuuming and guest use.
-) The bathroom vanity base has some peeling on the face, and the front of the lower shelf is worn.
-) Some of the hardware is broken, and the brass style of these pulls gives the room a slightly dated look.

RECOMMENDATIONS:

1. Our Full Refinishing. The result is a like-new finish with the most protection to insure longevity. This process typically includes the following steps:

- A. Thorough prep to remove all stains, polys, stain pen marks that have been applied over the original finish, as well as the accumulation of cleaners, oils, and grime from over the years. This ensures a clean and etched surface of the original finish for our coloring and clear coat applications. This can also include removal of hardware and re-installation of hardware where needed.
- B. Sanding out of severely damaged edges to remove the obvious chipping and gouging caused by guest use, vacuuming, etc. This typically occurs along the writing desk front and vertical trim and legs exposed to traffic.
- C. Pre-blending Repairs: This phase that makes sure that the surface scratches and blemishes can blend in seamlessly to the original wood grain and tone. It's an "artistic" phase where we creatively prepare the surfaces for our color applications.
- D. First Step Color Application: Another highly "artistic" phase where our technicians use layered steps of custom-prepared coloring to blend the repairs into the existing wood grain and tone. This phase usually requires returning to the piece multiple times, waiting for coats to dry.
- E. Second Step Color Application or Blending: This custom-tinted color application blends all the previous repairs and color applications and restores the original color depth to the wood, giving the piece that like-new appearance. This step usually requires two and sometimes three applications to achieve this look.
Because of the need to blend the scratches, the finished piece is usually one or two shades deeper and "richer" in color than the original.

- F. Clear Coat Application: This step seals the color and provides longevity to the finish. Operating on the same principle as the clear coats on cars, this means that the normal cleaning and guest wear won't remove color but will only come in contact with the top clear coat. Our clear coat is a Greenguard-certified for indoor air quality, high- end, commercial-grade product with very low VOCs. It's the same product we use in resurfacing bar tops in very high-use bars. The sheen will be chosen to match the existing sheen of the furniture.

2. Our Standard Refinishing

A. The current problem with touch up "solutions" in the hospitality industry:

When the condition of the furniture has gotten beyond the PM capabilities of the engineering department, and the condition is beginning to result in significant mark downs on the QAs, hotels will often contract an outside vendor to get by the next QA and show the brand "that something is being done." Unfortunately the standard industry touch up solution is a very short term solution, usually lasting a few months before guest use and normal cleaning have wiped off what was applied, returning the furniture to its substandard condition.

B. The CGR solution

With our refinishing we are "touching" each piece of furniture between 6 and 10 times, depending upon the level of damage. With our Standard Refinishing, CGR technicians apply two cost-saving strategies to give the best touch up in the industry. Here's how it works:

- J We focus the prep time on only the most needy, high-wear areas. This significantly reduces the prep time in a room since we are not prepping every surface, as we do in refinishing.
- J We reduce the coloring and clear coat phases to a maximum of three, as outlined below. This means we are still applying a protective coat on high-wear areas to increase the longevity of the finish.

Typically, the assessment and implementation process involves the following:

1. Assessment with ownership's representative of where the worst of the damage has taken place, which pieces are most detracting from the room's appearance. Typically these areas are:
 Front edge and legs of writing desk
 Top edge of dresser
 Lower trim on dresser and nightstands where vacuuming has damaged it
 Arms of reading chairs
2. Prep time focused on the high-wear edges and trim
3. First layer of color application to hide scratches and wear on all case goods
4. Second blending layer on high-wear edges and trim
5. One coat of clear on high-wear edges and trim

Recommendation Detail:

- J Standard Refinishing as described above
- J Optional: CGR will remove the old hardware and install new hardware for labor of \$5/piece. [Hardware to be provided by [REDACTED] [REDACTED]]

PRICING

Standard Refinishing \$125/room

Total for [REDACTED] rooms \$ [REDACTED]

Production and Pricing Notes:

Our proposal is based on the following parameters:

- J This job will take 20-25 days to complete. We will assign one (1) technician to this project.
- J The daily minimum number of rooms that the hotel is required to provide is twelve (12). Any less than this number will trigger the minimum daily surcharge explained below.
- J The 12 rooms must be in fairly close proximity, between two floors maximum.
- J Hotel to provide a room for CGR technician to stay in for the duration of the project.

Travel Expenses in Mid-Atlantic Region: Customer is responsible for travel expenses at the rate of \$1.60/mile/technician to transport one technician plus equipment to and from Chesapeake, VA to [REDACTED]

Parkway. The charge for one technician will be: 464 miles roundtrip x \$1.60 = \$742.40, or approximately \$4/room.

Travel and Shipping Expenses Outside Mid-Atlantic Region: Customer is responsible for reasonable one (1) round-trip air travel expenses for one technician, and one (1) round-trip air travel expense for supervisor from Chesapeake Virginia to location of current project, and will be billed separately from project amount. Copies of tickets, etc will be provided by Case Goods Refinishing along with the separate invoice for transportation charges. Flexibility of transportation modes and travel dates will ensure sufficient availability to complete the project as scheduled unless unforeseen conditions warrant extended time on-site. In those cases, charges for rescheduling and changing of airfares will be billed accordingly to the customer. Charges for shipping supplies to and from site will also be billed separately.

Customer responsible for \$800/technician/trip travel charge. This covers the minimum overhead cost of transporting a technician to and from Chesapeake, VA to **Baton Rouge, LA**.

Itemized charges per trip: (approximate)

-) Air fare for one (1) technician: \$400
-) Transportation (Ubers to and from airport; Ubers to Home Depot): \$100
-) Shipping of supplies: \$100
-) \$800/technician travel charge
- Total: \$1,400/trip (or approximately \$8/room)

Special note on daily surcharge for unmet minimum number of rooms: On a daily basis, if the hotel does not provide CGR with the requisite rooms per day to meet our minimum production goals, the contracting party will be invoiced for 35% the cost of what CGR is charging per room for each room below the minimum. For example, if only 11 rooms are given to the CGR technician for production on a given day, the daily surcharge for that day would be: one (1) room x \$125 x 35% for a total of \$43.75.

Note on number of trips:

If the hotel does not provide access to all the rooms so that CGR is unable to finish the project in the allotted time frame, there will be a separate travel surcharge for each extra trip required to finish the project, according to travel rate detailed above.

This pricing is good for 60 days from the date on the proposal.

Thank you for the opportunity to earn your business! Please call me if you have any questions or want clarification about our service,

Sincerely,

Robert Wallis

Director of Sales & Operations

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