MUREX INVESTMENTS

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Tools for Building Sustainable Rural Communities

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Murex Investments is a community development venture fund targeting low income communities.

— Who is Murex? —

• A US Treasury certified venture capital Community Development Financial Institution (CDFI) established in 1998

• First fund of $5.2 million invested in seven companies in distressed areas with one investment pending
  - Created or retained over 250 jobs

• We are a “Double Bottom Line” investor focused on both financial and social returns

• Wholly-owned subsidiary of Resources for Human Development (RHD)

• Murex investments is currently raising a $11 million NMVC fund with an additional $3.3 million of Technical Assistance grants
RHD is a nonprofit organization headquartered in Philadelphia with a long history of activity in the region.

— Who is RHD? —

- Operates more than 150 social programs in 7 states with an $92 million operating budget
- Diversified social service organization -- programs include affordable housing development, employment and training and mental health
- Handled over $700 million in government contracts since its founding in 1969
- RHD has a $13 million line of credit
Murex is a “Double Bottom Line” investor: We measure fund performance based on both financial AND social returns to its stakeholders.

— Murex’s “Double Bottom Line” Investment Philosophy Criteria —

<table>
<thead>
<tr>
<th>FINANCIAL RETURNS</th>
<th>SOCIAL RETURNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build profitable companies</td>
<td>Reinvestment in underserved communities and quality job creation</td>
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<tr>
<td>10-12% projected fund IRR</td>
<td>Living wages and health benefits for all employees</td>
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<tr>
<td>Lower default risk due to operational oversight</td>
<td>Employee empowerment</td>
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<tr>
<td>Clear exit strategy</td>
<td>Profit sharing and employee ownership</td>
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Murex Investments’ key differentiator is its operating model: We develop an integrated system of control and accountability for each portfolio company.

— Murex’s Operating Model —

• Hands-on, operational assistance provided to portfolio companies by fund management and outside resources with the use of TA dollars
  - Target small manufacturing companies, value added service firms and high-tech manufacturing companies who benefit greatly from Murex’s operational and management insight

• Development and implementation of customized management dashboard
  - Measure critical success factors on a daily basis

• The Result: Reinvestment in community, reduction of business failure and default rate, building of strong businesses providing quality jobs and a bolstered local economy, wealth creation for all stakeholders
A management dashboard example: Company X

— Company X’s Critical Success Factors —

• **Daily Units In / Units Out:** An attention to sales and production
• **Defect Rate:** An attention to quality
• **Works In Process (WIP):** An attention to inventory management
• **New Customer Ratio:** An attention to customer acquisition and retention
• **Daily P&L:** A focus on the bottom line
A management dashboard example: Company X

Company X Daily Shipments: Sep01-Oct01

Company X Avg. Daily Gross Rev. Per Month: Aug00-Oct01

Company X Monthly Production: Aug00 - Oct01

Company X Average Daily Margin by Month: Aug00-Oct01
Murex Investments is raising an $11 million NMVC fund with an additional $3.3 million in Technical Assistance (TA) grants.

— Murex’s NMVC Fund —

<table>
<thead>
<tr>
<th>Murex NMVC Fund</th>
<th>Investment Dollars</th>
<th>Technical Assistance</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Required Dollars to be Raised by Murex</td>
<td>$5.5 M</td>
<td>$1.65 M</td>
<td>$7.15 M</td>
</tr>
<tr>
<td>Federal Match 1:1</td>
<td>$5.5 M</td>
<td>$1.65 M</td>
<td>$7.15 M</td>
</tr>
<tr>
<td>Murex NMVC Fund</td>
<td>$11 M</td>
<td>$3.3 M</td>
<td>$14.3 M</td>
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Murex Investments is one of only seven funds nationwide selected to participate in the SBA’s New Markets Venture Capital (NMVC) Initiative.

— SBA’s NMVC Initiative —

• Passed by Congress in December 2000, the NMVC program is intended to address the dearth of venture capital in America’s distressed communities

• NMVC funds received must be used to serve businesses in the very poorest areas defined by the SBA

• In July 2001, the SBA selected Murex to participate in its NMVC initiative

• Murex’s administration will mirror a typical SBIC fund (management fees, returns, distributions)

• Murex is required to raise $5.5 million in capital and $1.65 million in technical assistance to receive approval from the SBA and acquire a 1:1 match
Murex Investment’s administrative structure mirrors that of SBIC funds.

— Murex Investments Administrative Structure —

• 3% management fee on $11 million of investment capital
• Profits from investments will be distributed 80/20 between the LPs and the GP
• SBA’s approximately 7% debenture is senior to LP’s investment
• Capital will be called over 4 year period
Murex Investments is the only NMVC fund with the mandate of investing in New Jersey, Delaware and Eastern Pennsylvania.
Murex Investments has a defined investment approach to achieve its goals.

— Murex’s Investment Decision Process —

• Investment Criteria
  - Target: Manufacturers, technology and high value added service companies
  - Financial: Company with path to profitability and potential for 20%-30% IRR
  - Management: Receptive and educable in addition to experience and domain expertise
  - Social: Underserved communities, job creation paying living wages and health benefits, employee ownership, and employee participation in workplace

• Fund Deployment
  - Investment Range: Up to $500,000 with the ability to make follow-on investments
  - Type of Security: Convertible Preferred and Convertible Sub-Debt
  - Lead or Co-lead invest with syndicate partners

• Exit Strategies
  - ESOPS, Recapitalization and M&A events
Murex’s recent investments demonstrate our commitment to economic and community development in the region.

— Murex’s Recent Investments —

• A manufacturer of natural household cleaners in Norristown, PA
  - $300,000 Lead Investor: $800,000 Convertible Preferred investment in May 2001
  - Financial: Projected IRR of 32% with exit to Fortune 500 consumer goods company
  - Social: Employee ownership 10%, yields $10,000 to average line worker on exit

• A high-tech, precision iron foundry in Reading, PA
  - Pending $325,000 Lead Investment: $1.5 million Sub-debt financing
  - Financial: Profitable business with $8 million of sales and 30% EBITDA margins
  - Social: 30% ESOP transaction yields $30,000 in equity value to average line worker

• A mail fulfillment house in North Philadelphia
  - $300,000 Lead Investor: Convertible Preferred investment in January 2001
  - Financial: Turnaround with strong growth and profitability potential
  - Social: 10% employee ownership; retained 50 jobs
Murex has high quality investment opportunities through its strong network of partners and investors.

— Murex’s Partners for Deal Flow —

• Delaware Valley Industrial Resource Center
• Ben Franklin Technology Partners of Southeastern Pennsylvania
• Philadelphia Industrial Development Corporation
• Cooperative Business Assistance Corporation (CBAC)
• Philadelphia & Camden Empowerment Zone community lending institutions
• The Reinvestment Fund
• Sustainable Jobs Fund
• Manufactured Resource Center
• Commercial banks and local venture capital firms
Murex Investments has a prestigious list of committed investors.

— Murex’s Current Committed Investors —

• MBNA
• PNC Bank
• Bryn Mawr Trust
• City of Philadelphia
• Commonwealth of PA (DCED)
Murex Investments is an ideal investment opportunity for banks with CRA investment credit requirements.

— Benefits from an Investment in Murex —

• **CRA Credit:** An investment in Murex, an NMVCC, will fulfill the investment test for CRA requirements

• **Grant Dollars to Support Investments:** Hands-on operational support and $3.3 million of no cost TA grant dollars available to support portfolio companies to ensure their success, growth and profitability

• **Leveraged Capital:** 1:1 federal match with low cost debenture

• **Mutual Deal Flow:** Ability for banks to leverage Murex’s equity investments

• **Potential Tax Credit:** Potential New Markets tax credit of up to 39% over 7 years
How to Apply

To expedite the firm's process, please submit, via email, a business plan or executive summary that includes the following information:

A) Referral source if available (How did you hear about Murex?)
B) Request / Funds seeking from Murex
C) Business/product or operations description
D) Management biographies/resumes
E) Brief market and competitive assessment
F) Actual financial results (last 2 years if available) and financial projections (next three years)
G) Funding requirements over the next 12 months
H) Description of execution to date
   • Please review our submission guidelines online at www.rhd.org/MI_index.htm
   • If you believe your business is right for Murex, please submit your plan for our review to murex@rhd.org.
Appendix

• The Murex Team
Murex’s experienced management team illustrates its commitment to building strong companies.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Experience/Background</th>
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<tbody>
<tr>
<td>Robert Fishman, MSW, Founder &amp; Chairman</td>
<td>Executive Director of RHD, organization with over 2600 employees nationwide and annual operating revenue of $80 million; handled over $700 million in government contracts</td>
</tr>
<tr>
<td>Joel Steiker, MBA, Business Developer</td>
<td>Over 17 years experience with consulting firm focused on ESOPs</td>
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<tr>
<td>Frank Viola, MBA, Business Developer</td>
<td>Over 18 years experience in operations</td>
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<tr>
<td>Peter Cianci, CPA</td>
<td>Over 17 years experience in financial management</td>
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Murex’s Investment Committee is comprised of seasoned financial and investment professionals who will make the final investment decision.

<table>
<thead>
<tr>
<th>Committee Member</th>
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<tr>
<td>Michael Forman, Esq., Committee Chair</td>
<td>Partner, Klehr, Harrison, Harvey, Branzburg &amp; Ellers LLP</td>
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<tr>
<td>Robert McCord</td>
<td>Founder &amp; Managing Director, Pennsylvania Early Stage Partners</td>
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<tr>
<td>Sandra Walker</td>
<td>Former Investment Officer, Entegrity Partners II; Managing Director, Sustainable Jobs Fund; Portfolio Manager, Kentucky Highlands</td>
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<tr>
<td>Larry Chimerine, PhD</td>
<td>Director &amp; Chief Economist, Economic Strategy Institute</td>
</tr>
<tr>
<td>James Steiker, Esq.</td>
<td>Founder, Steiker, Fisher &amp; Olson</td>
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Murex’s Board of Managers is actively involved in providing operational oversight to both the fund and its portfolio companies.

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<td>Robert Fishman</td>
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<tr>
<td>Gretchen Wilson</td>
<td>President &amp; Chairman, Little Souls</td>
</tr>
<tr>
<td>Jeff Rosenblum</td>
<td>Founder, Arbor Associates</td>
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<td>Larry Chimerine, PhD</td>
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<td>Barry Miller</td>
<td>Director, Delaware Valley Industrial Resource Center</td>
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<tr>
<td>Rick Anthony</td>
<td>Founder &amp; Managing Director, TheSolutionsNetwork, Inc.</td>
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