



May 23, 2007

**Bank, Texas**

Attn: Mr. Smith, Vice Pres.

1254 Any Street

Arlington, Texas 76103

Re: Project Building, Colleyville, Texas  
Construction Progress Report, Invoice #10063

Dear Mr. Smith:

I visited the Project Building site on Wednesday, May 23rd at approximately 11:00 a.m., it was approx. 74 degrees, cloudy sky and moist soil. I visited the project site and reviewed the progress of the above referenced project and the Contractor's Invoice #10063 for the project (attached). You may also make a visual examination of the photos attached as to the overall project completion.

Most visible "hard Cost" items from the pay application were accounted for and the percentage of completion, at the time of inspection, appeared to have progressed at least to the point that the Pay Application is claiming. I have also prepared a "Hard Costs" worksheet which is attached for your review as well.

The only item that seems out of place on this pay application is Line Item #5219, Plumbing Labor which is asking for %100 of the \$6,815.00 even though none of the fixtures have been delivered or installed as of the date of this inspection.

The Contractor's Application for Payment #10063 is for \$135,702.00 of that amount \$134,902.00 is for "hard construction costs". This constitutes a hard cost completion percentage of 53.87%.

We find no other exceptions to these requests for payment other than the Plumbing Labor percentage.

Should you have any questions, please call.

Sincerely,

A handwritten signature in black ink that reads "James L. Krueger".

James L. Krueger, AIA

Partner

K+K Associates, LLP

Enclosure

DRAW REQUEST WORKSHEET													Drawn dated: 05/22/07	
General Contractor's: Invoice #10052													LOAN AMOUNT: \$597,430.00	
ITEM NO.	DESCRIPTION OF WORK	ORIGINAL BUDGET	WORK COMPLETED			TOTAL STORED & COMPLETED	COMPLETED & STORED %	RETAINAGE			NET PAYMENT DUE	BALANCE TO FINISH		
			PREVIOUS APPLICATION	THIS APPLICATION	H			I	J	K			L	M
A	B	C	G	H	I	J	K	L	M	N	O			
5113	WATER	\$2,937.00	\$2,937.00	\$0.00	\$2,937.00	100.00%				\$0.00	\$0.00	\$0.00		
5114	SEWER	\$16,156.00	\$16,156.00	\$0.00	\$16,156.00	100.00%				\$0.00	\$0.00	\$0.00		
5115	DRAINAGE	\$28,317.00	\$20,000.00	\$0.00	\$20,000.00	70.63%				\$0.00	\$0.00	\$8,317.00		
5120	WATER METER	\$1,410.00	\$0.00	\$1,410.00	\$1,410.00	100.00%				\$1,410.00	\$0.00	\$0.00		
5201	FOUNDATION	\$35,544.00	\$35,544.00	\$0.00	\$35,544.00	100.00%				\$0.00	\$0.00	\$0.00		
5203	FRAMING LABOR	\$19,387.00	\$19,387.00	\$0.00	\$19,387.00	100.00%				\$0.00	\$0.00	\$0.00		
5204	FRAMING MATERIALS	\$24,919.00	\$24,919.00	\$0.00	\$24,919.00	100.00%				\$0.00	\$0.00	\$0.00		
5205	ROOFING	\$8,930.00	\$0.00	\$8,930.00	\$8,930.00	100.00%				\$8,930.00	\$0.00	\$0.00		
5206	GUTTERS & DOWNSPOUTS	\$1,175.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$0.00	\$1,175.00		
5207	EXTERIOR FINISH	\$36,542.00	\$0.00	\$12,000.00	\$12,000.00	32.84%				\$12,000.00	\$24,542.00	\$0.00		
5208	DOORS	\$8,930.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$8,930.00	\$0.00		
5209	MILLWORK MATERIALS	\$11,750.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$11,750.00	\$0.00		
5211	WINDOWS	\$5,287.00	\$0.00	\$5,287.00	\$5,287.00	100.00%				\$5,287.00	\$0.00	\$0.00		
5213	FINISH HARDWARE	\$2,937.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$2,937.00	\$0.00		
5215	ELECTRICAL	\$42,887.00	\$15,000.00	\$15,000.00	\$30,000.00	69.95%				\$15,000.00	\$12,887.00	\$0.00		
5216	DECORATIVE LIGHTING	\$17,331.00	\$0.00	\$10,000.00	\$10,000.00	57.70%				\$10,000.00	\$7,331.00	\$0.00		
5217	PLUMBING ROUGH-IN MATERIAL	\$6,815.00	\$6,815.00	\$0.00	\$6,815.00	100.00%				\$0.00	\$0.00	\$0.00		
5218	PLUMBING FIXTURES	\$6,815.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$6,815.00	\$0.00		
5219	PLUMBING LABOR	\$6,815.00	\$6,815.00	\$0.00	\$6,815.00	100.00%				\$0.00	\$0.00	\$0.00		
5220	HVAC	\$17,037.00	\$0.00	\$10,000.00	\$10,000.00	58.70%				\$10,000.00	\$7,037.00	\$0.00		
5221	INSULATION	\$4,700.00	\$0.00	\$3,000.00	\$3,000.00	63.83%				\$3,000.00	\$1,700.00	\$0.00		
5231	FLOORING	\$12,549.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$12,549.00	\$0.00		
5235	DRYWALL & TEXTURE	\$15,275.00	\$0.00	\$15,275.00	\$15,275.00	100.00%				\$15,275.00	\$0.00	\$0.00		
5236	PAINTING	\$18,212.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$18,212.00	\$0.00		
5237	CABINETS	\$39,069.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$39,069.00	\$0.00		
5238	COUNTERTOPS	\$5,170.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$5,170.00	\$0.00		
5239	MURRORS & SHOWER DOORS	\$881.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$881.00	\$0.00		
5251	FINISH CARPENTRY	\$11,162.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$11,162.00	\$0.00		
5255	WALLPAPER	\$1,762.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$1,762.00	\$0.00		
5271	IRRIGATION SYSTEM	\$5,875.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$5,875.00	\$0.00		
5273	LANDSCAPING	\$17,625.00	\$0.00	\$0.00	\$0.00	0.00%				\$0.00	\$17,625.00	\$0.00		
5275	FLATWORK	\$47,587.00	\$0.00	\$36,000.00	\$36,000.00	75.65%				\$36,000.00	\$11,587.00	\$0.00		
5281	Low Voltage & Nurse Call	\$14,981.00	\$0.00	\$6,000.00	\$6,000.00	40.05%				\$6,000.00	\$8,981.00	\$0.00		
5285	Generator	\$18,212.00	\$0.00	\$9,000.00	\$9,000.00	49.42%				\$9,000.00	\$9,212.00	\$0.00		
5299	MISCELLANEOUS & CLEAN-UP	\$9,341.00	\$0.00	\$3,000.00	\$3,000.00	32.12%				\$3,000.00	\$6,341.00	\$0.00		
HARD COST TOTALS:		\$524,322.00	\$147,573.00	\$134,902.00	\$282,475.00	53.87%	\$0.00	\$0.00	\$0.00	\$134,902.00	\$241,847.00	\$0.00		



