



June 16, 2008

Mr. Norm Sisk
Executive Director of Operations
Denton Independent School District
230 N. Mayhill Road
Denton, TX 76208

Reference: Hodge, McNair and Rivera Elementary School
Additions and Renovations
Denton ISD
Project No. 2774.00

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Dear Norm:

The purpose of this letter is to make a recommendation for the award of Hodge, McNair and Rivera Elementary School Additions and Renovations Guaranteed Maximum Price to Charter Builders. The project was bid May 29, 2008. Hodge and McNair have similar scope and include a classroom and activity room addition. Renovations for these schools encompass the expansion of the existing library, relocation of the computer lab and remodeling the old activity room area into an art room, storage and two special program classrooms. The existing kitchen equipment will be replaced and a new cooler / freezer will be installed. McNair Elementary will also have the existing carpet replaced with rubber flooring. On the exterior of these buildings a new concrete outdoor play area will be installed to replace the existing. This will also serve as fire department access to the new addition. The work at Rivera Elementary includes a classroom addition with six new classrooms, a science lab, prep room and group restrooms. Renovations incorporate the relocation and expansion of the library and relocation of the school office to provide a secure entrance. Reconfiguration of the existing library area includes two new kindergarten classrooms, conference rooms and a literacy library. Rivera will also receive a new concrete outdoor play area that will double for fire department access.

In order to capitalize on the economy of scale, we grouped these three schools together into one bid package. At Hodge and McNair we were able to realize this cost savings due to the additions and renovations being similar scope and the size of the site being conducive to the construction of the classroom and activity room additions. Based on these factors, Hodge was 8% under the construction budget and McNair 10% under the budget. Due to the site constraints of Rivera not being as conducive for construction and the request from the City to include a new concrete fire department turnaround to the back of the building, Rivera was 9% over the construction budget. Other factors involved include changes during the design phase that determined the classroom addition would be designated for fifth grade. In order to follow the current district standard for 5th grade classrooms, we designed these spaces 50 square feet larger (800 sf) than our original bond planning estimate of 750 square feet per classroom. It was also determined that the existing science lab was under the district standard of 875 square feet. A new science lab and prep room with a combined square footage of 1300 square feet were added into the

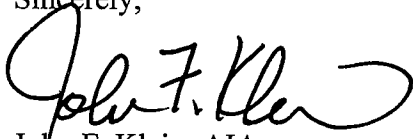
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classroom addition of this project in order to better serve the fifth graders and the science program at this campus.

VLK Architects recommends award of the GMP on the basis of the very competitive sub-contractor proposals received. Hodge and McNair Elementary Schools are within the budgets established for the line items that were included in the 2007 bond. Although the proposals for Rivera came in slightly more than originally budgeted, we feel that the design solution for Rivera will benefit Denton ISD over the life of this building.

Please do not hesitate to call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John F. Klein". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

John F. Klein, AIA
Senior Associate

Copy: Mr. Glen Martin
Mr. Bruce Helm
File