



17302 House & Hahl Rd, #322
Cypress, TX 77433

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

REF: Construction Project Budget Review Summary

Project Name: [REDACTED]

Project Address: [REDACTED]

Project Overview: Land development and vertical construction for one (1) 10,000 SF child educational center on 2.01 acres of unimproved land. Construction also includes approximately 15,000 SF of parking as well as the installation of a 5,000 +/- SF prefabricated play area.

Material Provided: This summary includes review of the following material:

1. [REDACTED] Development Financing Request; [REDACTED]
2. [REDACTED] Construction Bid (Dated 03/21/2024)
3. [REDACTED] Project Budget (Dated 04/11/2024)
4. Building Plans (Project Number: 2303245, Dated 02/27/2024)

Project Budget:

- Development Soft Costs: \$1,373,300.00 / \$137.30 SF
- Site Development and Construction Costs: \$3,626,700.00 / \$362.70 SF
- Total Project Budget: \$5,000,000.00 / \$500.00 SF

Budget Review Benchmarks:

1. [REDACTED] @ Porter Lake Center - Tenant Improvements Scheduled Costs (Completed March 2024)
2. [REDACTED] @ Hawkview Street – Hard Costs Budget (Dated 03/11/2024)

3. 2023 Cumming Group Data; AVG Cost Per SF for Education Center (South Central): \$300.00 - \$520.00

Scheduled Costs Line-Item Review: See Exhibit A for category specific budget analysis

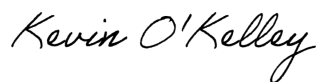
Conclusion: After review, it is our opinion that the scheduled costs for this project are generally in line with like-kind childcare and educational construction projects in the Houston metropolitan area. Although we believe the budgeted amounts are likely sufficient for completion, we recommend seeking clarification around the issues set forth below prior to closing.

Possible Issues: We believe clarification is needed for the following items:

- General Liability & Builders Risk Insurance: No scheduled amount budgeted.
- Temporary Utilities: No scheduled amount budgeted.
- Street Lights: It is unusual that offsite street lights would fall under the developer's project scope for this type of project.
- Striping & Pavement Markings: No scheduled amount budgeted (possibly included with paving).
- Hardware: No scheduled amount budgeted (possibly included with doors).
- Window Treatments: No scheduled amount budgeted (possible tenant expense).
- Electrical: The electrical budget is significantly lower than previous [REDACTED] projects (Approx \$80K less than Porter Ranch / \$125K less than Hawkview Street).
- Contractor Fee & Contingency: The amount budgeted for fee and contingency is approximately 5% less than other like kind projects.

Disclaimer: This summary reflects our opinion after reviewing the Material Provided. While every effort was made to validate the project's scheduled costs, we cannot guarantee the accuracy and reliability of our findings. Additional expenses such as permits, taxes, design changes, site conditions, and unforeseen delays are not explicitly accounted for in this budget review and should be expected as the project commences.

Thank you for your business,



Kevin O'Kelley

COO | OAK Bank Services

p: (713) 819-3067

e: kevin@oakbankservices.com

w: oakbankservices.com

a: 17302 House & Hahl Rd #322, Cypress, TX 77433

EXHIBIT A: SCHEDULED COSTS LINE ITEM REVIEW

Borrower: [REDACTED]

Description: Land Development and 10K sf Edu Center

Address: [REDACTED]

SOFT COSTS (Range 8% to 12%)

Architecture	\$	68,000.00	1.88%	
Permit & Impact Fees, Tap Fees, Electric & Off-Site Utility Extensions	\$	75,000.00	2.07%	
Tenant Broker Commissions	\$	157,000.00	4.33%	
Tenant Improvement Allowance	\$	100,000.00	2.76%	
Total	\$	400,000.00	11.03%	Acceptable

GENERAL CONDITIONS (Range 3% - 10%)

Superintendent	\$	108,910.00	3.00%	
Project Manager	\$	49,000.00	1.35%	
General Labor	\$	21,000.00	0.58%	
Misc. Material	\$	-	0.00%	
Office Trailer	\$	-	0.00%	
General Liability Insurance	\$	-	0.00%	Missing
Builders Risk Insurance	\$	-	0.00%	Missing
Blue Prints	\$	510.00	0.01%	
Storage Trailer	\$	2,100.00	0.06%	
Construction Fencing	\$	3,366.00	0.09%	
Temp Electricity	\$	-	0.00%	Missing
Temp Water	\$	-	0.00%	Missing
Temp Heat	\$	-	0.00%	
Sanitary/Toilette	\$	3,090.60	0.09%	
Cranes & Hoist	\$	-	0.00%	
Equipment Rentals	\$	2,439.00	0.07%	
Temp Signage	\$	765.00	0.02%	
Small Tool Allowance	\$	-	0.00%	
Barricades/ Traffic Control.	\$	-	0.00%	
Survey (staking)	\$	3,495.00	0.10%	
Layout	\$	-	0.00%	
Material Testing	\$	4,590.00	0.13%	
Inspections	\$	-	0.00%	
Weather Protection	\$	-	0.00%	
Dumpster/Trash Removal	\$	10,098.00	0.28%	
Final Cleaning	\$	3,264.00	0.09%	
Total	\$	212,627.60	5.86%	Acceptable

OFFSITE WORK (Project Specific)

Street Lights	\$	25,304.53	0.70%	Unusual in Scope
Traffic Signal	\$	-	0.00%	
A/C Pavement Plug/Patch to Curb	\$	-	0.00%	
Curb & Gutter/Vertical Curb	\$	-	0.00%	
Sidewalks - Standard Concrete, Ramps, Domes	\$	-	0.00%	
Striping & Pavement Markings	\$	3,753.60	0.10%	
Turn Lanes	\$	-	0.00%	
Bus Stop	\$	-	0.00%	
Borings	\$	-	0.00%	

Total	\$	29,058.13	0.80%	N/A
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SITE DEVELOPMENT (Range 10% - 20%)

Earthwork (Excavation/Stabilization/Detention)	\$	195,401.40	5.39%	
Termite Treatment	\$	-	0.00%	
On-Site Storm Pipe Extension and Connection	\$	32,640.00	0.90%	
Sanitary Sewer/ROW Permit	\$	26,856.60	0.74%	
Water & Fire Service Line	\$	123,940.20	3.42%	
Fire Hydrant	\$	-	0.00%	
Gas Service Line	\$	-	0.00%	
Demo	\$	18,360.00	0.51%	
A/C Pavement Plug/Patch to Curb	\$	-	0.00%	
Curb & Gutter/Vertical Curb	\$	-	0.00%	
Sidewalks - Standard Concrete, Ramps, Domes	\$	-	0.00%	
Exterior Decorative Concrete/Patio	\$	-	0.00%	
Striping & Pavement Markings	\$	-	0.00%	Included w/ Paving?
Bollards	\$	-	0.00%	
SWPPP management to protect exist storm within site area	\$	8,109.00	0.22%	
Landscape/Irrigation	\$	57,974.76	1.60%	
Site Furnishings and Furniture incl. bike racks	\$	-	0.00%	
Playground Surface	\$	-	0.00%	
Total	\$	463,281.96	12.77%	Acceptable

CONCRETE (Range \$140 - \$170 per sq yd material / \$5.5 - \$9 per sf labor)

Reinforcing Steel & Mesh	\$	-	0.00%	
Concrete Foundations	\$	-	0.00%	
Concrete Pumping	\$	-	0.00%	
Concrete Slabs on Grade, incl. vapor barrier, sand, AB	\$	109,140.00	3.01%	
Concrete Paving/Bollards/Sidewalks/Bases	\$	141,687.18	3.91%	
Total	\$	250,827.18	6.92%	Acceptable

MASONRY (Range \$30 - \$45 per SF)

Structural CMU	\$	6,000.00	0.17%	
Brick & Stone Veneers	\$	33,130.80	0.91%	
Total	\$	39,130.80	1.08%	Acceptable

METALS (Inline with previous TLE completion costs)

Structural Steel - PEMB Purchased by Developer	\$	175,000.00	4.83%	
Railings - Exterior	\$	25,519.38	0.70%	
Steel Erection	\$	57,658.56	1.59%	
Misc. Metals & Roof Ladder	\$	12,534.38	0.35%	
Total	\$	270,712.32	7.46%	Acceptable

WOODS AND PLASTICS (Inline with previous TLE completion costs)

Rough Carpentry	\$	12,000.00	0.33%	
Backing/Blocking/Sheathing	\$	36,900.00	1.02%	
Finish Carpentry and Trim - Millwork	\$	113,000.70	3.12%	
Wood siding and trim	\$	-	0.00%	
Wood Trusses	\$	-	0.00%	
Total	\$	161,900.70	4.46%	Acceptable

THERMAL AND MOISTURE PROTECTION (Cost of labor and material based on plans)

Waterproofing	\$	12,036.00	0.33%	
Batt Insulation	\$	16,900.00	0.47%	
EIFS	\$	54,274.20	1.50%	
Rigid Insulation	\$	-	0.00%	
Roofing Patches	\$	-	0.00%	
TPO Roofing w/ 20 year NDL Warranty	\$	-	0.00%	
Sheet Metal Flashing and Trim & Coping	\$	15,300.00	0.42%	
Hatches & Accessories	\$	-	0.00%	
Caulking & Sealants	\$	-	0.00%	
Total	\$	98,510.20	2.72%	Acceptable

DOORS AND WINDOWS (Inline with previous TLE completion costs)

Metal Doors/Frames	\$	70,988.49	1.96%	
Wood Doors	\$	14,500.00	0.40%	
Hardware	\$	-	0.00%	Included w/ Doors?
Access Doors & Panels	\$	-	0.00%	
Storefronts and Glazing	\$	22,399.16	0.62%	
Total	\$	107,887.65	2.97%	Acceptable

FINISHES (Inline with previous TLE completion costs)

Light Gauge Metal Framing	\$	65,700.00	1.81%	
Gypsum Drywall	\$	44,200.00	1.22%	
FRP	\$	8,525.92	0.24%	
Acoustical ceilings	\$	46,800.00	1.29%	
Concrete Floor Finish (Polished)	\$	-	0.00%	
LVT Flooring	\$	83,107.71	2.29%	
Sheet Vinyl Flooring	\$	-	0.00%	
Carpet	\$	-	0.00%	
Quarry Tile	\$	-	0.00%	
Painting	\$	41,371.20	1.14%	
Total	\$	289,704.83	7.99%	Acceptable

SPECIALTIES (Inline with previous TLE TI completion costs)

Knox Box (Included in Equipment)	\$	-	0.00%	
Fire Extinguishers & Specialties	\$	7,882.28	0.22%	
Roof Hatch (Included in Misc Steel)	\$	-	0.00%	
Signage	\$	75,280.81	2.08%	
Surveillance Equipment & Installation	\$	42,629.31	1.18%	
Total	\$	125,792.40	3.47%	Acceptable

SPECIALTY CONSTRUCTION (Inline with previous TLE completion costs)

Exterior Metal Canopies	\$	90,962.64	2.51%	
MBB Facades incld installation	\$	-	0.00%	
Playground System	\$	221,000.00	6.09%	
Total	\$	311,962.64	8.60%	Acceptable

FURNISHINGS (Inline with previous TLE completion costs)

Appliances	\$	15,860.11	0.44%	
Window Treatments	\$	-	0.00%	Tenant Expense?
Chair Rails	\$	-	0.00%	

Total	\$	15,860.11	0.44%	Acceptable
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MECHANICAL (Inline with previous TLE completion costs)				
Fire Protection Plumbing & Suppression	\$	32,946.00	0.91%	
Plumbing	\$	147,390.00	4.06%	
Gas Piping	\$	-	0.00%	
HVAC	\$	175,440.00	4.84%	
Test and Balance	\$	8,670.00	0.24%	
Total	\$	364,446.00	10.05%	Acceptable

ELECTRICAL (Inline with previous TLE completion costs)				
Base Electrical	\$	109,818.00	3.03%	Low
Switch Gear / Transformers	\$	83,448.57	2.30%	
Telephone (LV Cabling)	\$	37,742.04	1.04%	
Fire Alarm & Burgular Alarm	\$	63,698.28	1.76%	
Total	\$	294,706.89	8.13%	Low

MARKUP AND CONTINGENCY (Range 10% - 15%)				
Contractor Fee/Overhead	\$	79,529.00	2.19%	Low
Contingency	\$	110,700.00	3.05%	Low
Total	\$	190,229.00	5.25%	Low

TOTAL PROJECT BUDGET				
Total Project Costs	\$	3,626,638.41	100%	Acceptable