

CLARIFICATION

This is to clarify the cost of the sidewalk project as it relates to Building 12's share of the overall Valhalla expenditure. The expense to Building 12 was some \$2,000 under budget. The actual cost was \$10,016 as compared to the budgeted figure of \$11,992.

At Tuesday night's board meeting, it was indicated that the construction cost was significantly above the pre-construction estimated cost, and this was misleading.

The reason that the comparison is misleading is that the total Valhalla project, including Building 12, was enlarged from the early pre-construction estimate. This is because the actual construction bid was so favorable: The bid that was awarded for work in the entire complex totaled \$23,455 while the amount budgeted was \$49,589. A second bid totaled \$49,129.

Since there was so much savings (some \$26,000) from the lower bid, the project was enlarged from the original plan.

We hope this clarifies the situation.

Bob Retzlaff, Bldg. 12 President.